Cosmo First
Ahead Always

MOVING FORWARD WITH PURPOSE

ANNUAL REPORT 2022-23

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About Cosmo First

Cosmo First Limited (Cosmo First), formerly known as Cosmo Films Ltd. led by the visionary Mr. Ashok Jaipuria has embarked on a remarkable journey since its inception in 1981. As a leading manufacturer of packaging films, the Company has established a reputation for providing innovative solutions. It has a significant global presence in the specialty films segment, spanning across various regions. In recent years, Cosmo First has expanded its portfolio to include Cosmo Speciality Chemicals having three vertical - master batch, coating chemical and adhesive and Zigly, a pet care brand that offers a full range of services and products for pets. With a strong leadership team at the helm, Cosmo First is poised to continue its legacy of excellence and growth in the years to come.

Vision

"To be the most preferred global brand offering value-added oriented films for packaging, labels, lamination and industrial applications."

Mission

For Customers:

To deliver the finest product and service experience, backed by innovation, people and processes

For Community:

To contribute to community growth through education and sustainable green practices

For Vendors:

To create symbiotic relationships that drive mutual growth

For Shareholders:

To generate sustainable long-term returns on investment with focus on transparency and accountability

For Employees:

To nurture a working environment that fosters personal and professional growth

Cosmo First has always taken pride in its ability to provide pioneering niche solutions in packaging, lamination, industrial, and labelling applications. The Company began its journey with a modest 800 MT capacity. But over the last four decades, it has grown to become one of the world's leading film businesses. Cosmo First's inspiring diversifications into speciality chemicals, consumer care, and D2C retail will allow it to become a pioneer in these previously fragmented industries. The Company has consistently remained ahead of the curve in every venture thanks to its robust R&D team, technical expertise, and unwavering ethical values.

Key highlights

Financial

₹ 3,065 Cr
Revenue

₹ 434 Cr
EBITDA
% of Sales: 14

₹ 244 Cr
Profit after Tax (PAT)
% of Sales: 8

Operational

7+
New products launched in FY23

30+
Strength of the R&D team

Over 100 years
Of collective R&D Experience

8
Patents Granted

8
Patents Applied

50%+
Targeted Renewal Power

80+
Number of countries Cosmo First exports

4
Number of manufacturing facilities

8
Countries with Cosmo First presence (Offices)

1,148
Number of employees

13,389 hours
Training hours

6,50,000
Lives impacted through CSR

Milestones

1981-88
1981: 1st BOPP line
1988: 2nd BOPP line

1996-01
1996: 3rd BOPP line
2001: 4th BOPP line

2002
Aquired Gujarat Propack Ltd.

2003-05
2003: 5th BOPP line
2004: 6th BOPP line; 1st metaliser line 1st extrusion coating line
2005: 2nd extrusion coating line

2006
3rd and 4th extrusion coating line;
1st coating line;
Gas based electricity generation unit

2007-08
2007: 5th extrusion coating line
2008: 6th and 7th extrusion coating line

2009
Aquired GBC commercial
8th BOPP line

2010-11
2010: 2nd metaliser line
2011: Korea plant

2012-14
2012: 2nd coating line
2013: 9th BOPP line
2014: 3rd coating line

2015
4th and 5th coating line; 3rd metaliser line; Upgradation of US plant

- **Established in 1981, Cosmo Films is the pioneer of BOPP Films Industry in India;**
- **Today, the Company is a leading Speciality film player globally, and a leading BOPP player in India**

2016-17
2016: CPP line-1
2017: 10th BOPP line

2018-20
2018: CPP line-2
2020: 6th coating line

2021
Masterbath line-1

2022
Pet care
Textile and Chemicals

2023
Specialised BOPET line
Re-branded to Cosmo First Limited

Manufacturing Footprints

Waluj, Aurangabad, India

BOPP
5 lines

Thermal
2 lines

Coating
3 lines

Metalising
1 line

CPP
1 line

BOPET
1 line

Shendra, Aurangabad, India

BOPP
1 line

Thermal
5 lines

Coating
2 lines

Metalising
1 line

Karjan Vadodara, India

BOPP
3 lines

Coating
1 line

Metalising
2 lines

CPP
1 line

CSP
1 line

Asan, Korea

Thermal
1 line

Total Installed Capacity

BOPP
1,96,000 TPA
(9 lines)

Thermal
40,000 TPA
(8 lines)

BOPET
30,000 TPA
(1 line)

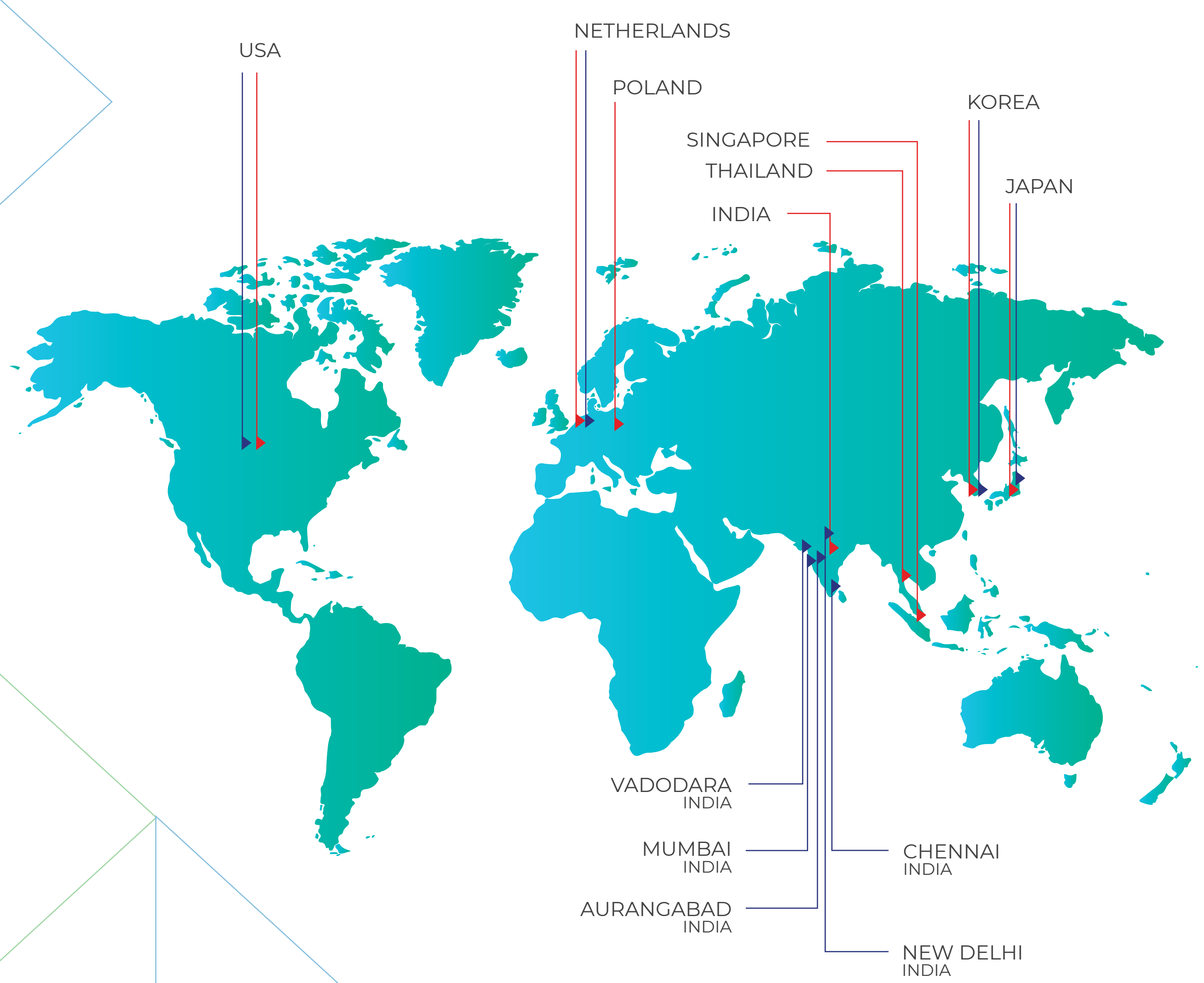
Coating
20,000 TPA
(6 lines)

Metalising
22,000 TPA
(4 lines)

CPP
10,000 TPA
(2 lines)

CSP
7000 TPA
(1 line)

Subsidiaries



SUBSIDIARIES

SALES OFFICE

Message from the Managing Director

Dear Shareholders,

The FY23 is marked by a number of key initiatives to build strength in a challenging industry scenario to ensure sustainable future growth. During the year, your Company has successfully rebranded as Cosmo First Limited. The Company's new name exemplifies its unwavering commitment to prioritise customers and stakeholders in all that we do. Despite the challenges we faced, we have emerged even stronger, surpassing our competitors and delivering substantial value to our shareholders. While sharing our financial results, CSR initiatives and sustainability efforts, we aim to demonstrate our steadfast dedication to being a socially responsible and forward-thinking organisation that prioritises creating a brighter future for all.

Industry Overview

Packaging is one of the strongest growing sectors worldwide. The global flexible packaging market, which accounts for more than 60% of the total packaging market is expected to grow at a CAGR of 4.8% from $ 249 Billion in 2022 to $ 316 Billion in 2027.

The Indian packaging industry has experienced robust growth over the past few decades, driven by demographic factors like population growth, rapid urbanisation, increased trade and greater demand for packaging. We expect the demand growth to continue due to low packaged food penetration in India, rising personal disposable income, investment in organised retail industry and change in pack format from rigid to flexible.

During FY23, the BOPP & BOPET industry faced excess supply due to bunching of several new production lines. Although demand continues to grow, the bunching of supply caused a margin drop and impacted the whole industry. Cosmo First with over two-thirds of its revenue coming from speciality films withstood the margin pressure and outperformed the indusry significantly.

Financial Performance

Despite facing a challenging economic environment, Cosmo First achieved revenue of ₹ 3065 Crores and EBITDA of ₹ 434 Crores for the year reflecting speciality films strength. Return on Capital employed (ROCE) and Return on Equity (ROE) stands at 16% and 20% respectively. **The financials remain strong** with Net Debt/EBITDA at one time. The Company's performance demonstrates our continued ability to drive business expansion, even in challenging circumstances.

Going forward, we remain committed to achieve sustainable growth in flexible packaging particularly speciality films and new business segments including Speciality Chemicals and pet care brand Zigly.

Enhancing Shareholder Value

Your Company strongly believes in sharing prosperity and creating long-term value for its stakeholders. During FY23, the Company has done a buyback of 10.09 lakh shares, worth up to ₹ 108 Crore, at price of ₹ 1,070 per equity share. The buyback decision reflects our confidence in the continued growth prospects of all our business verticals and our strong cash position. The move has also contributed to enhancing key financial metrics such as EPS, ROE and ROCE.

Furthermore, Cosmo First announcedthe issue of Bonus Equity Shares in the proportion of 1:2 (i.e., one equity share for every two equity shares) during FY23.

The Board has also recommended dividend of ₹ 5/- (50%) per equity share subject to approval of shareholders.

Research & Development

Cosmo First's dedication to innovation and research and development (R&D) is demonstrated by our team of over 30 researchers who work tirelessly to develop new and sustainable products. We take great pride in being one of the few packaging companies globally with such a robust R&D structure, which allows us to continually innovate and remain ahead. Our R&D endeavours have resulted in the creation of several new products during the year, which have significantly contributed to our growth and success.

Our focus on innovation and R&D has enabled us to stay ahead of the curve and maintain our position as an industry leader. With our cutting-edge facilities and world-class research team, we are continually pushing the boundaries of what is possible in our industry. We are dedicated to investing in R&D and innovation as a primary driver of our growth and are eager to keep developing new and innovative solutions for our customers in the years to come.

The Future

Your Company is in the process of a major growth plan. The Company has planned close to 75% capacity addition in flexible packaging business in phases starting from FY23. While specialised BOPET line got commissioned during FY23, the CPP line and BOPP line are expected to get commissioned within the two years in phases. Both lines will be the world's largest production capacity lines with lower cost of production. The CPP and BOPP line will promote sustainability as it will offer a mono-layered structure. On specialised BOPET line, the Company is in the process of launching several new speciality products viz., Heat control film, security film and PET-G film.

The Company's strategic diversification into emerging sectors such as speciality chemicals and pet care has been growing as per plan. Both segments are expanding and contributing to Company's long-term potential for value creation. To fuel the growth in speciality chemicals, the Company is going to launch adhesive during FY24 for already known customer base in B2C. In the pet care segment Zigly, the future plans are to significantly increase the experience centres to 100+ in a couple of years besides promoting an online business.

Paying Back To Society

As a socially responsible Company, at Cosmo First, we strongly believe in the importance of giving back to the community. Throughout the year, we have undertaken various CSR initiatives through Cosmo Foundation. This year witnessed Cosmo Foundation making significant strides in all its programmes, strongly embedded in the 3E principles of Education, Environment and Empowerment

Cosmo Foundation upgraded 24 computer labs having relevant and updated software in rural government schools of Karjan and Aurangabad. An online portal, Cosmo Basic English Learning Capsule to learn Basic English communication, has gained tremendous momentum.

Cosmo Foundation has been nurturing Agroforestry with farmers across 19 villages in Gujarat and Maharashtra. It created Urban Miyawaki Forest at Army Equestrian Centre and Aahwan Center in New Delhi. 55,000 saplings were planted across different locations having a survival rate of 91%.

ESG and Sustainability

Cosmo First is committed to promoting sustainability. Our initiatives to increase product efficiency, eliminate harmful emissions and optimise operations and supply chain efficiency have had a positive impact on both the environment and our business. Several other sustainability initiatives include rain water harvesting, reuse of effluent treated water, sourcing renewable power, use of water-based coatings etc.

In conclusion, I would like to express my gratitude to our shareholders, customers, suppliers and employees for their unwavering support and trust in Cosmo First. Despite the unprecedented challenges posed by the global economy, geopolitical tensions and tough market conditions, we have remained committed to our values and goals, delivering strong financial results, expanding our operations and making significant strides in sustainability, CSR and innovation. Looking ahead, we remain focused on driving growth, delivering value to our stakeholders and contributing to the larger good of community and environment. Thank you again for your continued support and we look forward to another successful year ahead.

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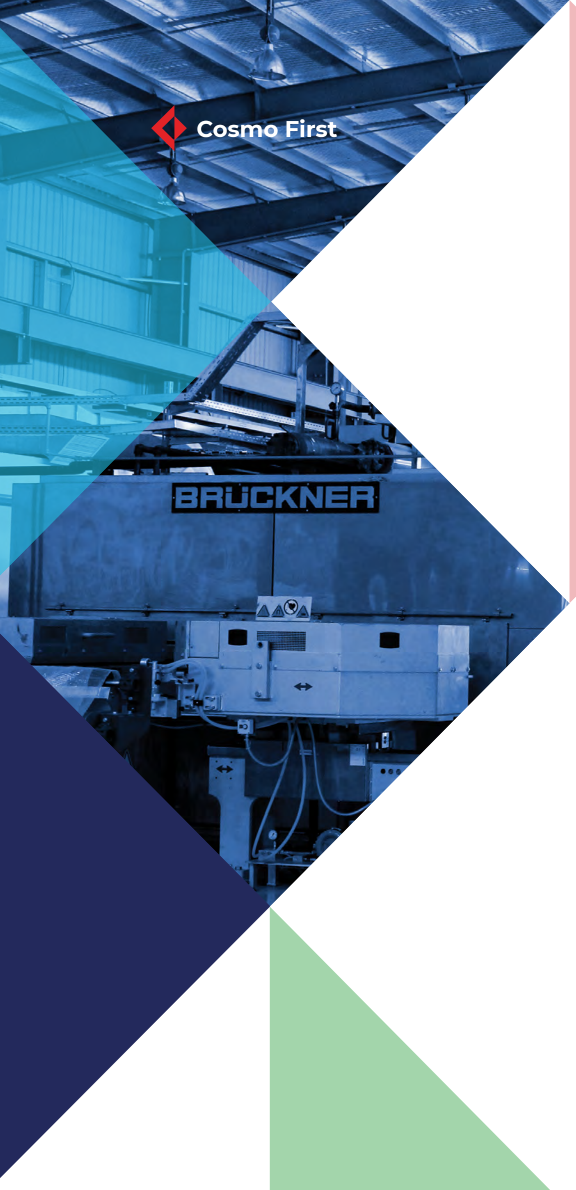
Chairman & Managing Director



Cosmo First's Business

Cosmo First Limited has three main business segments - Cosmo Films, Cosmo Speciality Chemicals and Zigly.

Cosmo Films is a global leader in speciality films for packaging, lamination and labelling. They offer innovative and sustainable solutions to industries worldwide, including food, beverage, personal care and pharmaceuticals. With a strong emphasis on innovation and sustainability, Cosmo Films is dedicated to delivering high-quality products and services globally.

On the other hand, Cosmo Speciality Chemicals was established in 2020 to dominate the coating chemical market through sustainable technology. Speciality chemicals are a multidisciplinary product segment that demands a thorough understanding and streamlined procedures.

In addition to these two segments, Cosmo First Limited also owns Zigly, a tech-enabled omnichannel brand that provides a range of premium products and services for pet grooming, veterinary care, and behaviour training. With Zigly, customers can choose from a variety of top-of-the-line pet products and explore the world of happy pets at great prices.

Product Portfolio

Flexible Packaging Films

With Cosmo First's innovative range of flexible packaging films, the Company has been able to establish itself as the go-to solution provider for leading global FMCG brands. The films are highly sought after due to their superior printability, optical properties, and low sealing temperature. Additionally, Cosmo First offers high hot tack and stable COF, making them a preferred choice for all flexible packaging applications.

Printing and Pouching Films

Cosmo First offers high-performance printing and pouching films that are utilised in various packaging applications such as snack foods, bakery products, ice creams, fresh foods, chocolates, and confectionery. These films are designed to support excellent quality printing and converting, providing superior performance in both mono web and laminate forms. They are suitable for use on both horizontal form fill seal (HFFS) and vertical form fill seal (VFFS) packaging machines, making them versatile and widely applicable.

Available types:

Transparent printing & pouching films | Metalised printing & pouching films | Matte printing & pouching films | Pigmented white/pearlised printing & pouching films | CPP films

Barrier Films

With a keen focus on meeting customers' needs, Cosmo First has developed a range of high-performance barrier films to address two key challenges in the packaging industry. These innovative films are designed to enhance the shelf life of food products and reduce packaging material consumption through laminate rationalisation. The range includes solvent-free coated films with excellent machinability that provides moisture, oxygen, and aroma barriers. Typically used in duplex/triplex laminate structures, these films are an effective solution for enhancing food preservation while also promoting sustainability.

Available types:

Transparent barrier films | Metalised barrier films | White barrier films

Overwrap Packaging Films

Cosmo First offers a wide range of overwrap films that are utilised in diverse applications such as general overwrap, cable overwrap and cigarette overwrap. Their cigarette overwrap films are made of co-extruded, low heat sealing and hot slip modified non-treated BOPP films that can run smoothly on high-speed machines. These films are available in different shrinkage values, supporting the wrapping of single as well as medium bundled packs. Cosmo First's overwrap films provide a reliable and efficient packaging solution for a variety of products.

Available types: Transparent overwrap films | White overwrap films

Lamination Films

Cosmo First provides lamination films for protecting and extending the life of printed surfaces in the print publishing and graphic art film industries. Additionally, the Company offers films that provide a luxurious texture and tactile feel to high-end packaging. These films are supplied to laminators, printers and packaging manufacturers worldwide through a network of distributors.

Lamination films – standard range

The Company's standard range of lamination films is used for both thermal lamination and wet lamination processes.

Available types:

Thermal lamination films – BOPP | Thermal lamination films – PET | Wet lamination films – BOPP

Laminating Films – Special applications

These converting films are specially engineered to protect for some special applications.

Available types:

Insulation films | Mapped & matched films

Premium lamination films

Cosmo First offers a premium range of lamination films that cater to the needs of luxury packaging and high-end graphic lamination industries. The portfolio includes new and improved velvet, scuff-free matte and digital lamination films, providing a beautiful texture and tactile feel to the packaging. These films are ideal for protecting printed surfaces and providing longevity, while also enhancing the overall appearance of the packaging.

Available types:

Velvet lamination films | Digital lamination films | Scuff-free matte lamination films | Linen films

Label Films

Cosmo First offers a range of Label Films and Coated Labels that enable the information to be legible and enhance the brand value. The label films are designed to provide a transparent and sleek 'no label' look, while the metallised labels add an attractive visual element to the packaging. Cosmo First understands the importance of product labels in distinguishing a brand from its competitors and ensuring clear communication of product information on a limited surface area.

Pressure sensitive label stock films

The Company's label stock films are widely used for self-adhesive labels in the home care and personal care industries. Additionally, their Pressure Sensitive LabelStock (PSL) Films are used for both functional and aesthetic purposes in the beverage and pharmaceutical industries.

Available types:

Transparent pressure sensitive label stock film | White pressure sensitive label stock film | Metalised pressure sensitive label stock film

Wraparound Label Films

The Wrap Around Label Film offered by Cosmo First is extensively used by leading food and beverage brands for labelling their products. The Company supplies this film for both cut and stack and reel-fed applications, catering to the diverse needs of its customers.

Available types:

Transparent wrap-around label films | Pearlised wrap-around label films | Metalised wrap-around label films

Label Over Lamination Films

The Company offers a range of label over lamination films that serve both functional and aesthetic purposes. These films not only protect the printed labels but also enhance their visual appeal. The product range includes both standard and premium options to cater to the varying needs of the customers.

Available types:

Transparent label over lamination films

In Mould Label (IML) Films

The demand for In Mould Labels (IML) is on the rise due to their durability, aesthetic appeal and the elimination of an extra step in labelling the container. The Company currently offers white films with excellent anti-static properties and an orange peel effect, while also developing transparent films to add to their portfolio.

Available types:

White in mould label (IML) films | Transparent in mould label films

Direct Thermal Printable Films

Direct Thermal Printable Film or DTP Film is a type of BOPP film that can produce images upon contact with the print head of a thermal printer due to its proprietary coating. The coated surface is protected from abrasion, weather conditions and chemicals by applying a protective layer, which makes the film scuff and water-resistant. This film provides a paper-like matte finish and consumes minimal energy during printing, producing dark images. It is commonly used in various applications such as airport baggage tags, retail tracking, POS weight and price labelling and more.

Industrial films

The Company provides an extensive selection of ready-to-use industrial films for various practical applications. These films can be used for manufacturing adhesive tapes, textile bags, printing applications and more.

Adhesive Tape Films

The Company provides a range of non-heat sealable transparent films that are suitable for pressure-sensitive tapes and range from 21-40 microns in thickness. These films are designed with a treated surface on one side to enable adhesive anchorage with water, solvent and acrylic-based pressure-sensitive adhesives. The films are known for their excellent flatness, gloss and clarity.

Release Film

Cosmo First is a prominent manufacturer of Release Films worldwide. Their product line includes a variety of transparent, untreated, non-heat sealable Release Films for release liner applications in various thicknesses, ranging from 12 to 20 microns. These Release Films are highly sought after as they possess low surface energy and provide excellent optics.

Textile Bag Films

The Company provides a range of non-heat sealable transparent films for textile bags in various thicknesses. These films are designed with a treated surface that allows for surface printing and offers excellent flatness, gloss, clarity and good mechanical properties for pouching applications.

Synthetic Paper

Synthetic Paper is a durable and long-lasting alternative to traditional paper. It is a white opaque, polypropylene-based synthetic film that looks like paper. Synthetic Paper is resistant to moisture and chemicals and is non-tearable with excellent lay flatness. This type of paper is eco-friendly, conserving water and preventing air pollution as it does not require the use of hazardous chemicals in its manufacturing process. It is compatible with most printing technologies and can be folded, sheeted, die-cut, perforated, serrated, foil stamped, laminated and written on with oil-based pens and pencils.

Sustainable Manufacturing Practices

Cosmo First stands at the forefront of sustainability, driven by a conscious commitment to environmental responsibility. Through novel initiatives, the Company integrates environmental stewardship into every aspect of its operations. By adopting cutting-edge practices and a proactive approach, Cosmo First prioritises sustainability. Also, the Company seamlessly blends innovation with expertise and focuses on creating a safe and healthy working environment. Cosmo First implements the following industry-leading practices and sets new benchmarks:

Recycling of manufacturing waste for further film production as well as packing materials such as cores, hollow sheets etc.

Constant monitoring of parameters like noise, illumination, ventilation, air quality etc.

All plants use some amount of solar power as a source of energy

Continuous efforts to reduce water usage, waste generation and GHG emissions

Sustainable Product Practices

Cosmo First leads the flexible packaging industry with a steadfast dedication to ensuring sustainability throughout its product lifecycle. From the meticulous selection of renewable and recyclable materials to the implementation of energy-efficient manufacturing processes, Cosmo First ensures that its products are both eco-friendly and of superior quality. Through responsible packaging solutions and a focus on reducing waste, the Company strives to minimise its environmental impact. Moreover, by embracing the following sustainable product practices, Cosmo First paves the way for a greener and more sustainable future:

- Offers mono-material poly-olefin films for ease of recycling
- Designed heat resistant BOPP films replacing BOPET; mostly used in print layer, giving a last push to the creation of mono-material structures
- The Company has been partnering with some of the best global brands to offer structure rationalisation
- Both BOPP and CPP films offer better yield, hence enabling reduced consumption of plastics
- UV stabilised synthetic paper can be used to replace PVC in outdoor promotional applications for shorter duration
- Use of water-based coatings
- Offers oxo-biodegradable films
- Offers a suitable substitute for aluminium foil in the form of its ultra-high barrier films

CSR Milestones (2008-2023)

Education

43
Schools Enrolled

40 girls
Scholarship

24
Computer Labs

46
Computer Awards

62,000
Students Impacted

Sanitation

200
Toilet

4
Water Tanks

11
Handwash Stands

11 Schools
Rain Water Harvesting

Environment & Plantation

55000
Tree Plantation

148 Acres of land
Total green cover

115
Farmers Impacted

92%
Survival rate






Health and Covid

38400
Cooked Meals

170000
Grocery

31104
Vaccination

10000+
Hygiene Kits

2
100% Covid Free Villages

for 43 Institutions
Safety Kits

15000 community members
Health Awareness & Camps

Community Engagement

6.5 Lakhs
Lives Impacted

Parents engagement

Covid awareness

Health camps

Counselling

E-Services

Children's fair & summer camps

Events and competitions

Publication of Educational Resources

Cosmo English Tutor: Youtube Channel & Web Portal

Curriculum for Computer, Digital Foundational and Basic English Literacy

Correct use of toilet- A booklet

Basic English Conversation book

Manual on Net Banking & Digital Payments

Posters on Covid Awareness & Health

ESG Snapshot

Environmental

1%+
Reduction in carbon emission (Scope 1)

11%+
% of water treated at Cosmo

50%+
Targeted renewable power consumption

12%+
Safe waste disposal

Social

₹5.25Crore
Total spending on CSR activities

6,50,000
Lives touched through CSR

55,000
No of saplings planted under CSR with 92% survival

Promoting women well-being

Provision to infrastructure and qualified professionals to support Educational Institution

Governance

67%
Independent Directors in Cosmo First

1
Number of women Director(s)

5
Active committees

Robust risk management

Active Shareholder engagement

Statutory Auditor M/s SN Dhawan & Co. (Mazars)

Professional Management

Separate Independent Directors meeting

Board performance evaluation

Diversity and inclusion

Whistle blower mechanism

10 - Year Consolidated Financial Highlights

(All amounts in ₹ crores, unless otherwise stated)

Particulars	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Results										
Net sales	3,065	3,038	2,285	2,204	2,157	1,967	1,696	1,621	1,647	1,468
(EBITDA)	434	620	430	280	181	168	169	190	113	87
as % of Sales	14%	20%	19%	13%	8%	9%	10%	12%	7%	6%
Profit before Tax	304	517	329	163	72	64	91	124	38	-2
as % of Sales	10%	17%	14%	7%	3%	3%	5%	8%	2%	0%
Profit after Tax	244	397	237	113	61	64	86	96	28	-6
as % of Sales	8%	13%	10%	5%	3%	3%	5%	6%	2%	0%
Balance Sheet and Cash Flow Statement										
Shareholders Fund	1,298	1,191	854	741	680	620	573	456	381	360
Return on Average Equity (%)	20%	39%	30%	16%	9%	11%	17%	23%	7%	-2%
Capital Expenditure	380	283	75	50	91	77	224	88	48	89
as % of Sales	12%	9%	3%	2%	4%	4%	13%	5%	3%	6%
Data Per Share										
Earning per share (₹)	90.9	147.7	84.7	39.5	21.3	22.4	29.8	33.0	9.5	-1.9
Dividend per share (₹)	5.0	35.0	25.0	15.0	6.0	6.0	10.0	10.0	3.5	1.0
Market capitalisation, March ended as per BSE	1,544	3,148	1,127	405	377	480	725	566	150	98

Media Coverage

Awards and Accolades

Most Enterprising Business Award

Cosmo First bagged the Most Enterprising Business Award from the prestigious Entrepreneur Magazine.

Top 100 D2C Retail Business of the Year

Cosmo First's pet care brand, Zigly was recognised by the Retailer Magazine as amongst the Top 100 D2C Retail Business of the Year.

Best Under A Billion 2022

Cosmo First was featured by Forbes Asia as one of the Top 10 Companies from India in the Best Under A Billion 2022 list.

India's Fastest Growing Companies

Cosmo First was ranked as one of India's Fastest Growing Companies by BW Business World Magazine.

HT Crowns of Delhi Award

Zigly was recognised with the HT Crowns of Delhi Award for its outstanding contribution to pet care.

Board of Directors

Mr. Ashok Jaipuria

Chairman &
Managing Director

- Having experience of over 40 years in the corporate world is founder Chairman and Managing Director of Cosmo First.
- Independent Director of Hindware Home Innovation Ltd.
- Has been a Member of the Board of Governors (BoG) of the Indian Institute of Technology (IIT), Indore, IIT Patna and the Institute of Liver and Biliary Sciences
- Has served as Executive Committee member of the Federation of Indian Chamber of Commerce and Industry (FICCI)
- Holds a degree in Associate of Arts in Business Administration and a Diploma in Marketing Science

Mr. A.K. Jain

Director of
Corporate Affairs

- Mr. Jain has more than 40 years of experience in Finance, Accounts, and General Management.
- He worked with Mawana Sugars, A.F Ferguson & Co, and National Mineral Development Corporation in the past.
- He holds the position of Director of Corporate Affairs at Cosmo First.
- Mr. Jain completed his Commerce degree from Meerut University and an AICWA from ICWAI.
- He is a Certified Information System Auditor from Information System Audit and Control Association, USA.

Mr. H.K. Agrawal

Independent Director

- Mr. H.K. Agrawal is an Independent Management Consultant with over four decades of experience in the fields of Strategic Management, Organisation Structure, Finance, public and private sectors in India.
- Mr. Agrawal has consulted several multinational companies, large Indian corporates, small entrepreneurial organisations, and developmental institutions.
- He holds a Mechanical Engineering degree from the University of Jodhpur and an MBA from the Indian Institute of Management, Ahmedabad.

Mrs. Alpana Parida

Independent Director

- Mrs. Parida has over two decades of experience in retail and marketing communications in the US and India.
- Former President of DY Works, India's oldest and largest branding firm.
- Conducts branding workshops for large corporates.
- Graduated from IIM-Ahmedabad in 1985 and has a degree in Economics from St. Stephens, Delhi University.

Mr. Pratip Chaudhuri

Non-Executive &
Non-Independent Director

- Mr. Pratip Chaudhuri is a Certified Associate of the Indian Institute of Bankers (CAIIB) and retired as Chairman of the State Bank of India.
- He has extensive experience in Corporate Finance, Treasury, Asset Management and International Banking.
- Former Chairman of SBI Life Insurance Company Ltd, SBI Mutual Fund, SBI Pension Fund and other subsidiaries of SBI and also served on the Board of the Exim Bank of India.
- Mr. Chaudhuri holds a B.Sc. (Hons) Degree from St. Stephen's College, Delhi University, and a Master's in Business Administration from University Business School, Chandigarh.

Mr. H.N. Sinor

Independent Director

- Mr. H. N. Sinor has over four decades of experience in the banking sector, working in both public and private sector banks such as Union Bank of India, Central Bank of India, and ICICI Bank.
- He was the MD and CEO of ICICI Bank and later became the Joint MD after the merger with ICICI and also served as the Chief Executive of the Indian Banks' Association and the Association of Mutual Funds in India.
- He has been associated with various policy committees and currently holds board positions as an Independent Director on many reputed companies.
- Mr. Sinor is also involved with charitable and social trusts.

Mr. Anil Wadhwa

Independent Director

- Mr. Anil Wadhwa is an Ex-Member of the Indian Foreign Services.
- He holds a Master's Degree in History with a specialisation in Chinese History and Medieval Indian History and Architecture.
- He has served as Indian Ambassador to Poland, Lithuania, Sultanate of Oman, Thailand, Italy and San Marin and also served as a Permanent Representative of India to the Rome-based UN Agencies-FAO, WAD and WFP.
- He was Secretary (East) in the Ministry of External Affairs in New Delhi from 2014-2016.
- He was the leader of the Senior officials at all meetings of ASEAN, ASEM, ACD, Arab League, Mekong-Ganga Cooperation, ARF and East Asia Summit.
- Ambassador Wadhwa has contributed several articles, mainly in the field of disarmament and international security and had spoken at various international conferences.

Mr. Rakesh Nangia

Independent Director

- Mr. Rakesh Nangia is a tax veteran with almost 4 decades of experience in advising Fortune 500 multinationals and Indian business houses on a wide range of matters.
- He is the Founder and Managing Partner of Nangia & Co LLP and Chairman of Nangia Andersen Consulting Pvt. Ltd.
- He has been the National President of The Indo-Canadian Business Chamber.
- He presently serves as the Co-Chairman at ASSOCHAM's International tax council and is associated with the Indo-American Chamber of Commerce.
- He is a council member of PHD chambers, a member of CII's national committee on Taxation and a member of FICCI's Council for Taxation.
- He has been ranked as the top Tax Leader in India in 2015 by International Tax Review, UK.

Mr. Arjun Singh

Independent Director

- Mr. Arjun Singh has served as the Managing Director for Asia and the head of Envestnet I Yodlee's growing operations in India.
- He has over 25 years of experience of running and growing businesses, holding senior roles at Aon Hewitt in Asia, WNS, ABN AMRO Bank, GE Capital Information Services, and ANZ Grindlays Bank in Delhi & Melbourne.
- Under his leadership, the Envestnet I Yodlee India operation has grown to over fourteen hundred employees, with continually expanding international sales.
- He has an MBA from IIM Calcutta and a Bachelor's degree in chemical engineering from IIT, Bombay.
- He is a trustee at the Om Foundation School for underprivileged children and was a Board member of the Welham Girls School and also on Advisory Board for SHRM in India and is passionate about education.

Corporate Information

BOARD OF DIRECTORS

Mr. Ashok Jaipuria
Chairman &
Managing Director

Mr. Anil Kumar Jain
Director of Corporate Affairs

Mr. H.K. Agrawal
Independent Director

Mrs. Alpana Parida
Independent Director

Mr. Pratip Chaudhuri
Non-Independent Director

Mr. H.N Sinor
Independent Director

Mr. Anil Wadhwa
Independent Director

Mr. Rakesh Nangia
Independent Director

Mr. Arjun Singh
Independent Director

GROUP CHIEF EXECUTIVE OFFICER

Mr. Pankaj Poddar

GROUP CHIEF FINANCIAL OFFICER

Mr. Neeraj Jain

SENIOR VICE PRESIDENT-HEAD-OPERATIONS (INDIA FILMS BUSINESS)

Mr. Sanjay Chincholikar

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jyoti Dixit

AUDITORS

M/s. S.N. Dhawan & Co. LLP
Chartered Accountants

BANKERS

Axis Bank Limited

Bajaj Finance Limited

Bank of Baroda Limited

Development Bank of Singapore (DBS Bank India Ltd.)

Export Import Bank of India

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

IDFC First Bank Ltd

IndusInd Bank Limited

Landesbank Baden-Wuerttemberg

State Bank of India

SVC Bank

Union Bank of India

Yes Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Alankit Assignments Ltd.
4E/2, Alankit House,
Jhandewalan Extension,
New Delhi – 110055

REGISTERED OFFICE

1008, DLF Tower-A,
Jasola District Centre,
New Delhi – 110025;

Tel: +91 11 49 49 49 49;
Fax: +91 11 49 49 49 50

Website: www.cosmofirst.com

PLANTS

MAHARASHTRA

J-4, MIDC Industrial Area,
Chikalthana, Aurangabad 431 210;
Tel: +91 240 2485894

B-14/8-9. MIDC Industrial Area,
Waluj, Aurangabad 431 136;
Tel: +91 240 2554611/12/13/14;
Fax: +91 240 2554416

AL-24/1, MIDC-SEZ, Shendra
Industrial Area,
Aurangabad 431201;
Tel: +91 240 2622205, 2622301

KOREA

48-61, Dogomyeon-ro,
Senieon-ri, Dogo-myeon,
Asan-si, Chungcheongnam-dp,
Republic of Korea-31550

GUJARAT

Vermardi Road,
Village Navi Jithardi near Inox,
Off: N H Road, Taluka Karjan Distt.
Vadodara 391 240
Tel: +91 2666 232960, 320707

Plot No. 359-B, Baska Village,
Taluka: Halol, Distt. Pachmahals,
Tel: +91 2676 247216

DIRECTOR'S REPORT

Your directors are pleased to present their 46th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31 March 2023

1. SUMMARY FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31 March 2023, were as follows:

(₹ in Cr)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Net Sales	**2,742**	**2,824**	**3,065**	**3,038**
Other Income	58	46	52	48
Profit before Interest, Depreciation and Tax	**396**	**525**	**434**	**620**
Finance Cost	52	37	55	40
Depreciation	69	58	75	63
Profit before Tax	**275**	**430**	**304**	**517**
Provision for Taxation				
- Current Tax	48	75	57	80
- Deferred Tax	19	42	09	40
-Tax adjusted for earlier years	(6)	-	(6)	-
Profit After Tax	**214**	**313**	**244**	**397**
Earnings per Equity Share				
Basic (₹)	80	117	91	148
Diluted (₹)	78	114	89	145

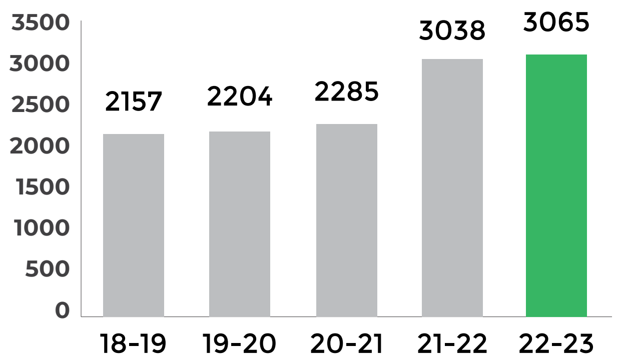
2. PERFORMANCE SNAPSHOT

During the FY23, on consolidated basis the Company registered sales of ₹ 3,065 crores vs ₹ 3,038 crores last year. Consolidated EBITDA for the year was ₹ 434 crores as against ₹ 620 crores in FY22 primarily due to margin pressure in BOPP & BOPET industry due to commissioning of several new production lines during FY23. Despite challenges, your Company has significantly outperformed the industry with two-third of the revenue coming from the specialty films, which could withstand the margin pressure.

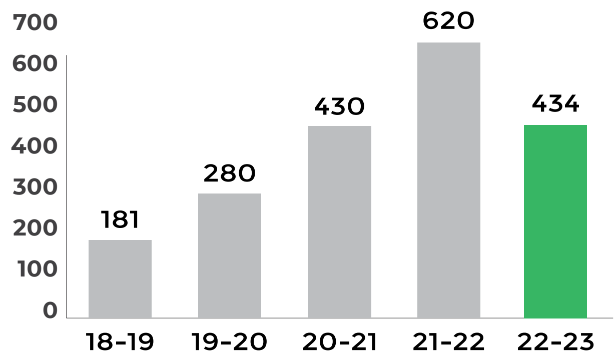
On Standalone basis, the Company registered sales of ₹ 2,742 crores vs ₹ 2,824 crores last year. Standalone EBITDA for the year changed to ₹ 396 crores against ₹ 525 crores in FY22 primarily for the reasons explained above.

As on 31 March 2023, Return on Capital employed stands at 16% and Return on Equity is 20%. The financials remain strong with Net Debt/EBITDA at one time.

Consolidated
Net Sales (₹ in Cr)



Consolidated
EBITDA (₹ in Cr)



During this financial year, your Company started commercial production of specialized BOPET Line which has a total installed capacity of 30,000 MT per annum. This is the world's largest line for shrink labels and heat control films.

This year, the Company has been successfully rebranded as Cosmo First Ltd. The Companies new name exemplifies its unwavering commitment to prioritise customers and stakeholders in all that we do.

The Company has recently entered into an agreement to source renewable power on group captive basis. Accordingly, about 40% of power requirement for Company's largest plant shall be from renewable sources. In near future, the Company is targeting close to 50% of its power requirement from renewable sources.

Flexible Packaging

COSMO FILMS
Engineered to Enhance

The global flexible packaging industry in FY21 was approximately $ 1,002.4 Billion[1] and is expected to reach $ 1,275 Billion by 2027. The flexible packaging market, which accounts for more than 60% of the total market, is mainly used for food, personal care, pharmaceutical, household care, and industrial purposes. The global flexible packaging market is expected to grow at a CAGR of 4.8%[2] from $ 248.9 Billion in 2022 to $ 315.5 Billion in 2027. Western Europe, North America, Central & East Asia, and South East Asia & Oceania account for 85% of the global market. The Asia-Pacific region has a significant share in the global packaging industry and is expected to continue to grow with a CAGR of 4.3% over the period FY22 - FY27.

The flexible packaging market in India is estimated to grow at a CAGR of 12.6% between 2022 and 2027[3].

With increasing long term demand potential for flexible packaging, the Company has planned close to 75% capacity addition in flexible packaging business in phases starting from FY23. While specialized BOPET line got commissioned during FY23, the CPP line and BOPP line are expected to get commissioned within next two years in phases. Both the lines will be the world's largest production capacity lines with lower cost of production.

The Company's focus shall continue to be on improving speciality films, R&D efforts particularly on sustainability which would yield results in coming years. These actions would continue to de-commoditize business model and would contribute in long term sustainable growth. The Company's speciality films sales stand at 62% during FY23. On BOPET line as well, the company is looking to kick off few speciality products which includes window films, security films, PET-G films, and many others.

The Company is currently having eight registered patents; three in pipeline and another eight are being applied.

Petcare—Zigly

zigly
For Happy Pets

The Indian pet care industry is at about ₹ 5k crores. On account of rising nuclear families, double-income households, and change in lifestyle, urbanization, and increasing pet ownership this market is expected to grow at the rate of 25%. There is no large scale organized players in India offering end to end comprehensive solution. The average spending on pets by Indian families is increasing significantly. Accordingly, the Company launched its Pet care division Zigly in Sept 2021 with simultaneous launch of website, mobile van and its flagship store in Delhi. With 15 experience centers operational as on March 2023, the Company targets to have 100 experience centres in next couple of years.

Source: 1. Global Newwire
2. Markets and Markets
3. Technavio Report

Zigly-Key Tractions

13 Cr
GMV (FY 23)

2 Cr
Current Monthly GMV

23K+
Customers served with 6k+ Zigly Pro members

4200+
SKU's available

App
First Petcare app in India

39%
Repeat Customers

75K+
Customers database

1 lac+
Social Media followers

Zigly Business Model

Retail Outlets

One stop solution retail outlets offering.

- Products
- Veterinary
- Grooming
- Medicines

under one roof.

Own E-commerce website and App

4200+ SKUs available on website including Private label

Service Marketplace

Acting as an aggregator for panel of groomers and trainers on commission basis through own website

Other Marketplace

Private label available on Amazon

Grooming Van

Grooming Van in Delhi NCR

Peta familia community

Social community with 1lac + followers.

Speciality Chemicals

COSMO SPECIALITY CHEMICALS
We Value Bonding

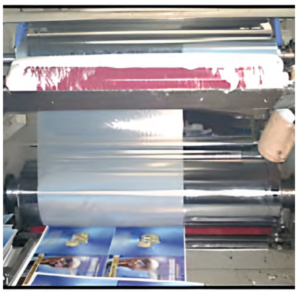
In Speciality Chemicals the Company has three verticals i.e. masterbatch, coating chemicals and adhesive. While masterbatch and coating chemicals have been operational during the year, adhesive is expected to commence commercial production from FY24. In each of these segment, the Company plans to cater to niche speciality focused either to address current problem area for the Industry or significantly better product compared to currently available. The India masterbatch industry size is 500k mt and it is growing at the rate of 11%. The global industry size of adhesives is USD 52 billion with a growth rate of 5% . The size of Indian adhesive industry is USD 3.5 billion with a growth rate of 8% to 10%. The annual capacity of the Company for masterbatch is 10KMT, adhesives is 2.5KMT and Coating Chemicals is 5KMT. The Company targets to achieve 7%-8% of Company's consolidated revenue from speciality chemicals in 3-5 years with 25% ROCE.

Growth

The Company is targeting to add close to 75% capacity for flexible packaging by March 2025 in phases, which will work as key growth engines for the coming years. The capacity additions are specialized BOPET line, BOPP line and CPP line. The Specialized BOPET line got commissioned during Sept 2022. The Company is targeting complimentary growth from Specialized BOPET Line in medium term i.e. Heat Control Film, Shrink labels and other high end specialty. This will partially substitute imports as well.

Work on BOPP and CPP lines has commenced. Both the lines will be world's largest production capacity lines. The CPP Line will promote sustainability as it will offer mono-layered structure. The capacity additions i.e. Specialized BOPET Line, BOPP and CPP lines will allow Company to further expand its specialty sales.

To fuel the growth in speciality chemicals, the Company is going to launch adhesive during FY24 for already known customer base. In petcare segment Zigly, the future plans are to significantly increase the experience centres to 100+ in a couple of years besides promoting online business.



3. SUSTAINABILITY

The Company is working on several sustainability projects. The roof top solar power plants have been installed for all manufacturing units. The Company has recently entered into an agreement to source renewable power on group captive basis. It will contribute to 40% of power requirement of company's largest plant. In coming years, the Company expects close to 50% of its power requirements to come from renewable sources.

The Company has taken several steps to minimise the waste generation. Out of the total waste generated, 77% has been used reused and 22% has been re-processed. The remaining 1% was safely disposed through incineration method.

Initiatives have been taken for installing Wet Scrubber for Thermopack Boilers to improve resource efficiency and reduce impact due to emissions, effluent discharge, waste generated. Wet scrubber is used to reduce the amount of air pollution. In wet scrubbing processes, solid particles are removed from a gas stream by transferring them to a liquid. The liquid most commonly used is water.

Several other sustainability initiatives are as under:

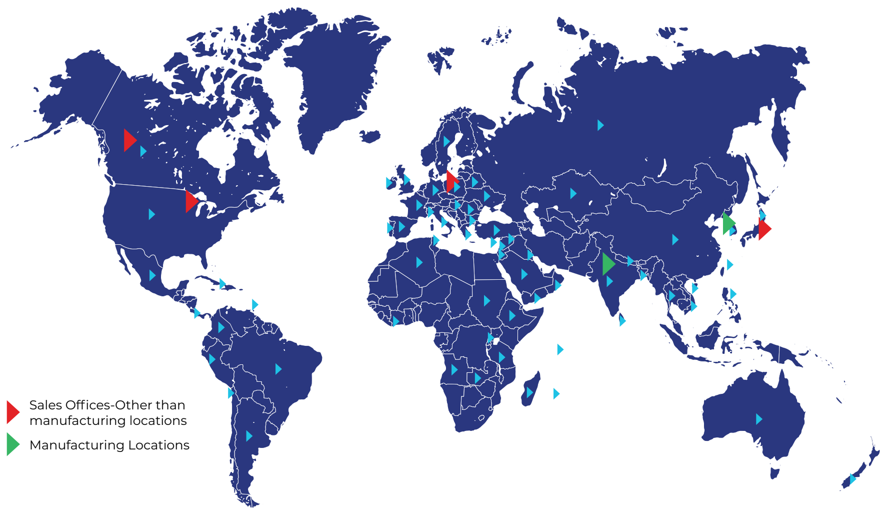
- Offer mono layered structure for ease of recycling
- Partnering with some of the best global brands to offer structure rationalization & recyclability solutions.
- Invest in R&D and grow its speciality film portfolio offering sustainable solutions for a better tomorrow.
- Offer Oxo-Biodegradable Films
- Use of Water Based Coatings
- Innovated heat resistant BOPP film to facilitate mono material structure.
- Both BOPP and CPP films offer better yield, hence enabling reduced consumption of plastics.
- UV stabilized Synthetic Paper can be used to replace PVC in outdoor promotional applications for duration requirements up to one year.
- Offer a suitable substitute for aluminium foil in form of its Ultra-High Barrier Films.
- Focus on reducing Green House Gas missions, green energy at plants, waste reduction, water treatment etc.
- Constant monitoring of parameters like noise, illumination, ventilation, air quality etc.
- Rain water harvesting and reuse of effluent treated water
- Reutilization of reprocessed granules from waste material as input for film production,
- Continuous efforts to reduce water usage, waste generation and GHG emissions.
- Working on 3R principles i.e. Reducing waste, reusing and recycling resources and products
- Manufacturing environment friendly, sustainable polymers, which are easily recycled and reused in a variety of ways.

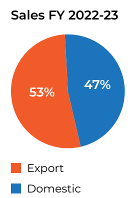
These steps will not only contribute to the environment but will also rationalize costs in coming quarters

4. EXPORTS

The Exports for the financial year are ₹ 1,268 Crores which is 46% of total sales. The Company exports to 80+ countries across the globe.

Films Business-Customer Base





5. DETAILS OF SUBSIDIARIES

The Company has ten subsidiaries including step down subsidiaries. Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiaries.

Consolidated Financial Statements form part of this Annual Report. Statement containing the salient feature of the financial statement of the Company's subsidiaries in Form AOC-1, is enclosed to this Annual Report.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company place separate audited accounts of the Subsidiary Companies on its website at https://www.cosmofirst.com/disclosure-under-regulation

The subsidiaries of Cosmo First Limited as on 31 March 2023, are listed hereunder:

- CF (Netherlands) Holdings Limited B.V.
- Cosmo Films Japan, GK
- Cosmo Films Singapore Pte Limited
- Cosmo Films Korea Limited
- Cosmo Films Inc.
- CF Investment Holding Private (Thailand) Company Limited
- Cosmo Films Poland SP. Z.O.O.
- Cosmo Speciality Chemicals Private Limited
- Cosmo Speciality Polymers Private Limited
- Cosmo Global Films Private Limited*

*Incorporated as wholly-owned subsidiary on 09 January 2023

Subsidiary's EBITDA stood at Rs. 38 Crores against EBITDA at Rs. 94 Crores last year.

The performance of the overseas subsidiaries is under pressure from last year primarily for two reasons. One is reduced gap between the India raw material price index and US raw material price index and second is weakening of foreign currencies against the US dollar, particularly in Japan and Korea. The margin pressure in the US is due to the lower gap between the two-price index. However, this is expected to improve in FY24.

The vision behind establishing Cosmo Speciality Chemicals Private Limited was providing the most competitive quality products through innovations based on sustainable science. Its operational highlights are as follows:

- The subsidiary has achieved ₹ 159 Cr of sales.
- Company has reached close to 75% capacity utilization on masterbatch line and the complementary adhesive business for the packaging segment is planned to be launched soon. This would add to topline and bottom line from next year.
- New R&D laboratories are operational for coating chemicals and Adhesive developmental work. The Company's R&D has successfully completed the development of several coating chemicals .

- Masterbatch production unit is fully operational and has successfully produced various master batches for in-house and external customers. Its consumption is growing continuously. Some recently developed masterbatches include white masterbatch, anti-stat (with 30% concentration), master batch for blown films etc.
- Adhesive line had been delayed due to delay in government approvals. The Company will start test marketing soon and shall commence commercial production in FY24.

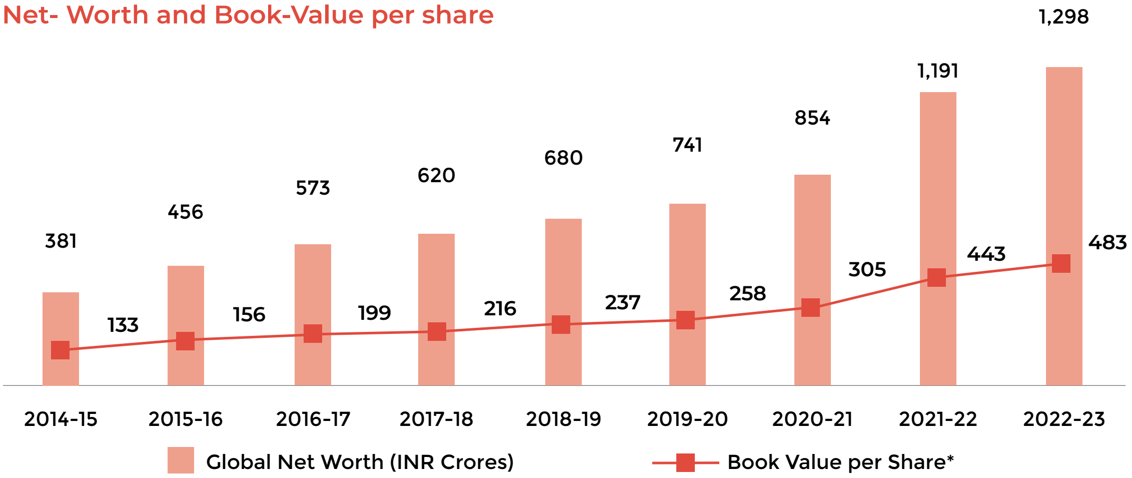
6. SHARE CAPITAL

Pursuant to the approval of shareholders through postal ballot dated 11 June 2022, the authorized share capital of your Company increased from ₹ 25,00,00,000/- (Rupees Twenty-Five Crores) to ₹ 60,00,00,000/- (Rupees Sixty Crores).

During the year under review, your Company, had issued and allotted Bonus Equity Shares in the proportion of 1:2 (i.e. one equity shares for every two equity shares) to the eligible Members whose names appeared in the Register of Members / list of beneficial owners as on the record date fixed for this purpose. Consequently, the paid-up share capital of the Company increased from ₹ 18,17,27,150/- to ₹ 27,25,90,720/-.

Subsequently, the Company bought back 10,09,345 equity shares (3.70% of the paid up equity capital) through the "Tender Offer" route at a price of Rs. 1070/- per share. Consequently, the paid-up equity share capital has reduced from ₹ 27,25,90,720/- to ₹ 26,24,97,270/- divided into 2,62,49,727 equity shares of ₹ 10/- each. Consequent to the same, the paid up share capital of the Company stands reduced to ₹ 26,24,97,270/- as on 31 March 2023.

Net- Worth and Book-Value per share



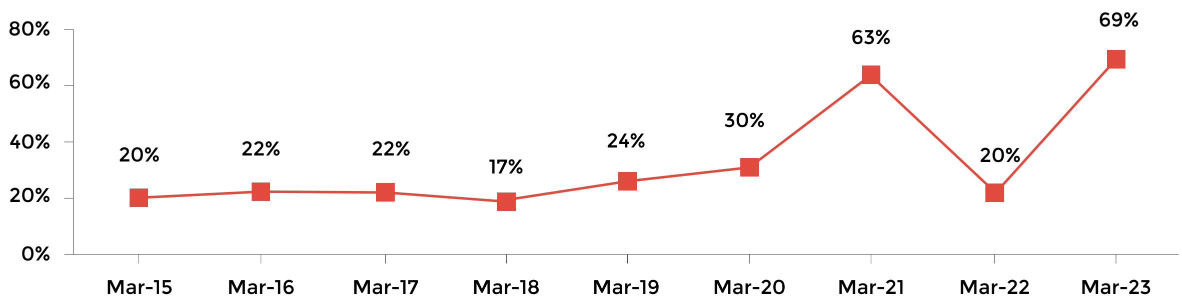
*After considering the impact of for Bonus issue in June 2022 and buyback

7. RESERVE

The Company has not transferred any amount to Reserve during the Year.

8. RETURN TO SHAREHOLDERS

Rewards (Dividend/Buyback) (% to PAT)



* Includes final dividend for FY 23 of ₹ 5/share subject to shareholders approval at ensuring AGM

The Board of Directors of the Company recommended Equity dividend of ₹ 5/- (50%) per share for the year ended 31 March 2023 amounting to ₹ 13.12 Crores.

Previous Year Company declared total dividend of ₹ 35/- (350%) per Equity Share of ₹ 10/- each. First Interim Equity Dividend of ₹ 25/- (250%) per share and Second Interim Equity Dividend of ₹ 10/-(100%) per share on 16 September 2021 and 25 January 2022 respectively.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy is available on the Company's website at https://www.cosmofirst.com/investors/policies-and-code-of-conduct

Besides Dividend, during this financial year the Company allotted Bonus Equity Shares in the ratio of 1:2 and bought back 10,09,345 equity shares (3.70% of the paid up equity capital) through the "Tender Offer" route at a price of ₹ 1070/- per share. Details given above at point no 6.

9. RESEARCH AND DEVELOPMENT (R&D)

The Company takes pride in its continuous research and development which focus on providing innovative solutions as opposed to simply producing commodity films. With these consistent efforts in research and development activities, Cosmo is well placed to benefit from accelerated growth and drive new product development globally. Cosmo First understands that innovation is not just an option but a necessity for staying competitive in today's ever-changing market. The Company believes that continuous and sustainable innovation is the key to adding value to society, and it is essential for the growth and prosperity of the organisation. Cosmo First has made innovation a part of its everyday work and is committed to exploring new and exciting ways to improve products and services. From its innovation centres and labs to its 30+ team of researchers, Cosmo First strives to keep innovation at the core of its business.

Cosmo First's Innovation Centre is a state-of-the-art facility that boasts world-class laboratories, serving as a vital asset to the company's operations. The centre is equipped with cutting-edge equipment and manned by a team of highly qualified professionals dedicated to sustainable and economically viable science. The Innovation Centre serves as a hub for research and development, providing the necessary resources and infrastructure for the company's innovative endeavours. The Company takes great pride in this facility, knowing that it plays a crucial role in driving its continued growth and success.

Analytical laboratory

The analytical lab at Cosmo First's facility is at the forefront of material characterisation, thanks to its state-of-the-art equipment. The lab is well-equipped to perform microscopic analysis, which allows researchers to understand the finer details of the material's chemical and physical properties. In addition, the lab also boasts advanced thermogravimetric analysis (TGA) equipment, which enables scientists to investigate the material's thermal stability and degradation characteristics. By utilising these advanced techniques, the Company can accurately and comprehensively analyse the formulated/synthesised materials, providing invaluable insights into their performance and behaviour.

Microscopic analysis

A high-resolution optical microscope (Leica) and a scanning electron microscope (Phenom, ICON) are used for microscopic analysis. With a resolution of up to nanometers, SEM is equipped with backscattered detectors and EDX (for elemental analysis). Through elemental analysis, these tools are used to analyse the surface attributes of materials such as size, shape and chemical identity.

Thermogravimetric analysis

Thermogravimetric (TGA) analysis is a technique for assessing a material's thermal stability in the presence of nitrogen and the ambient atmosphere. TGA is used to analyse the thermal stability of textile additives. TGA is attached to a mass spectrometer, allowing for the analysis of evolved gases using the MS detector and, as a corollary, chemical identification of unknown molecules is conducted using the library.

During the year under review, your Company incurred expenditure on Research and Development (R&D) of ₹ 13 Cr.

10. CAPITAL EXPENDITURE

Your Company has four state of the art manufacturing facilities spread across India (three plants) and Korea (one plant), with a total installed capacity of –

- 196,000 MT per annum of BOPP films,
- 40,000 MT per annum of Thermal Lamination Films,
- 22,000 MT per annum of Metalized Films,
- 20,000 MT per annum of Coated Films,
- 10,000 MT per annum of CPP Films and
- 7000MT per annum of CSP Line.
- 30,000 MT per annum of BOPET Line

During the year, your Company started commercial production of specialized BOPET Line which has a total installed capacity of 30,000 MT per annum. This is the world's largest line for shrink labels and heat control films.

During the year under review, your Company incurred capital expenditure of ₹ 380.4 Cr as compared to ₹ 283 Cr for FY22.

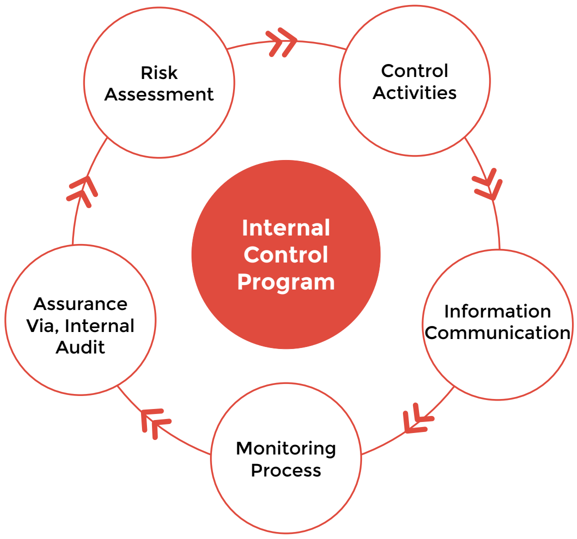
The capital expenditure incurred during FY23 shall facilitate enhanced sale of speciality films, sustainability initiatives and solar power as a source of energy.

11. CORPORATE GOVERNANCE

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

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of the Corporate Governance norms as stipulated in the Listing Regulations is included in the Annual Report in **Annexure – A**.

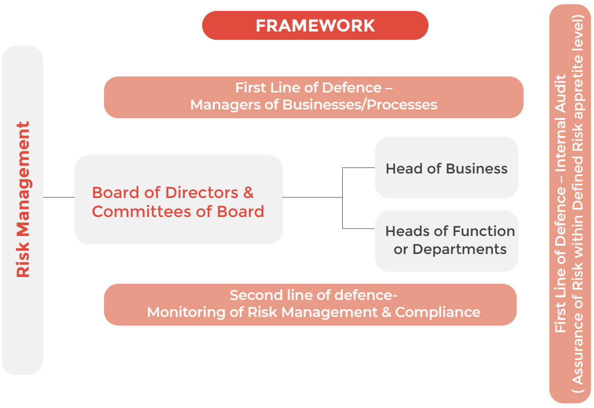
12. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY



The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

The Internal Financial control is supplemented by an extensive program of internal audit conducted by in house trained personnel and external firm of Chartered Accountants appointed on recommendation of the Audit Committee and the Board. The audit observations and corrective action, if any, taken thereon are periodically reviewed by the Audit committee to ensure effectiveness of the Internal Financial Control System. The internal financial control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

13. RISK MANAGEMENT



Cosmo has a robust process in place to identify key risks across the organisation and prioritise relevant action plans to mitigate these risks. The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) Overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns / risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The risk management procedure is reviewed by the Audit Committee and Board of Directors on regular basis at the time of review of quarterly financial results of the Company. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

A report on the various risks that may pose challenge to your Company are set out as a part of Management, Discussion and Analysis section of this report. Details of the composition of the Risk Management Committee, Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

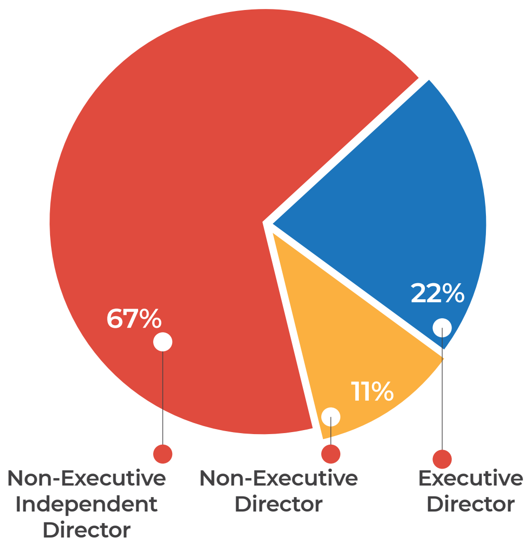
14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism for the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy without fear of reprisal. The policy is accessible on the Company's website at https://www.cosmofirst.com/investors/policies-and-code-of-conduct

15. DIVERSITY OF THE BOARD

The Company believes that diversity is important to the work culture at any organisation. In particular, a diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications and professional experience for achieving sustainable and balanced development.

16. DIRECTORS



(a) Chairman

Mr. Ashok Jaipuria, is the Chairman & Managing Director of the Company. The tenure of Mr. Ashok Jaipuria, Managing Director of the Company will expire on 1 April 2024. The Board of Directors in its meeting held on 29 May 2023, on the recommendation of the HR, Nomination & Remuneration Committee and subject to the approval of Members of the Company reappointed him for a further period of five years w.e.f. 02 April 2024.

(b) Appointment and Re-appointment- Other Directors

Mr. Pratip Chaudhuri, Non-Executive Non-Independent Director retires by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting.

Mr. Anil Wadhwa, Independent Director of the Company was appointed for a tenure of five years from 23 May 2018 to 22 May 2023. The Board of Directors in its meeting held on 11 May 2023, on the recommendation of the HR, Nomination & Remuneration Committee and subject to the approval of Members of the Company re-appointed him for second term of five years commencing from 23 May 2023

Ms. Alpana Parida, Independent Director of the Company was appointed for a tenure of five years from 15 May 2019 to 14 May 2024. The Board of Directors in its meeting held on 29 May 2023, on the recommendation of the HR, Nomination & Remuneration Committee and subject to the approval of Members of the Company re-appointed him for second term of five years commencing from 15 May 2024.

The details of the proposed appointment/ reappointment of Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of 46th Annual General Meeting (AGM) of your Company.

(c) Status of Other Directors

Mr. A. K. Jain is acting as Whole time Director of the Company. His present tenure of five years is from 01 October 2019 to 30 September 2024.

Mr. H. K. Agrawal, is acting as Independent Director of the Company. His present tenure of five years is from 25 July 2019 to 24 July 2024.

Mr. H. N. Sinor, is acting as Independent Director of the Company. His present tenure of five years is from 22 May 2020 to 21 May 2025.

Mr. Rakesh Nangia, is acting as Independent Director of the Company. His present tenure of five years is from 10 November 2020 to 09 November 2025.

Mr. Arjun Singh, is acting as Independent Director of the Company. His present tenure of five years is from 27 October 2021 to 26 October 2026.

(d) Independent Directors Declaration

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations.

17. STATEMENT OF BOARD OF DIRECTORS

The Board of Directors of the Company are of the opinion that the Independent Directors of the Company appointed/re-appointed during the year possesses integrity, relevant expertise and experience (including the proficiency) required to best serve the interest of the Company. The Independent Directors have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

18. KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in KMP of the Company. The following personnel's continue as KMPs as per the definition under Section 2(51) and Section 203 of the Companies Act, 2013:

1. Mr. Ashok Jaipuria, Chairman & Managing Director
2. Mr. A. K. Jain, Director - Corporate Affairs
3. Mr. Pankaj Poddar, Chief Executive Officer
4. Mr. Neeraj Jain, Chief Financial Officer
5. Ms. Jyoti Dixit, Company Secretary

19. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Company follows a well-structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

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

The induction programme includes:

1) For each Director, a one to one discussion with the Chairman and Managing Director to familiarise the former with the Company's operations.

2) An opportunity to interact with the CEO, CFO & Company Secretary, business heads and other senior officials of the Company, who also make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The details of the familiarisation programme may be accessed on the Company's corporate website at https://www.cosmofirst.com/disclosure-under-regulation

20. REMUNERATION POLICY

Your Company is driven by the need to foster a culture of leadership with mutual trust. Cosmo's remuneration policy, which is aligned to this philosophy, is designed to attract, motivate, retain manpower and improve productivity by creating a congenial work environment, encouraging initiative, personal growth and teamwork besides offering appropriate remuneration package. Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its HR, Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

Members can download the complete remuneration policy on the Company's website at https://www.cosmofirst.com/investors/policies-and-code-of-conduct

Disclosure of details of payment of remuneration to Managerial Personnel under Schedule V(C)(6) of Listing Regulations forms part of the Corporate Governance Report.

21. PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

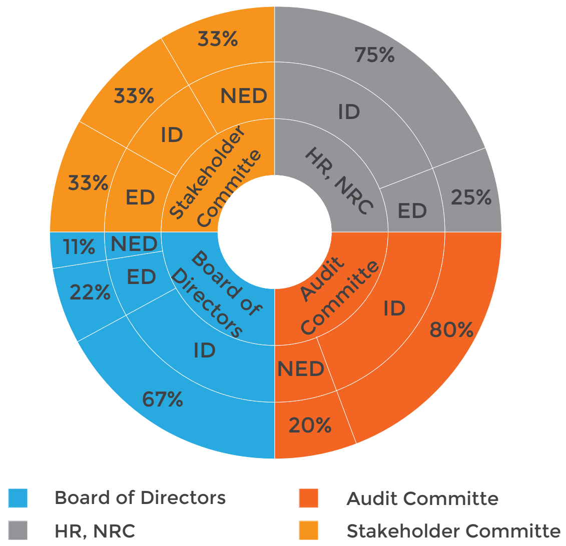
In terms of provisions of Companies Act, 2013 read with the Rules issued thereunder and Listing Regulations, the Board has adopted a formal mechanism for evaluating the performance of its Board, Committees and individual Directors, including the Chairman of the Board. Further, a structured performance evaluation exercise was carried out based on criteria such as:

- Board/Committees composition;
- Structure and responsibilities thereof;
- Ethics and Compliance;
- Effectiveness of Board processes;
- Participation and contribution by members;
- Information and functioning;
- Specific Competency and Professional Experience /Expertise;
- Business Commitment & Organisational Leadership;
- Board/Committee culture and dynamics; and
- Degree of fulfilment of key responsibilities, etc.

The performance of Board, Committees thereof, Chairman, Executive and Non-Executive Directors and individual Directors is evaluated by the Board/ Separate meeting of Independent Directors. The results of such evaluation are presented to the Board of Directors.

22. BOARD AND COMMITTEE MEETINGS

Diversity of Board/Committee's



ED: Executive Director; **NED:** Non-Executive Director; **ID:** Non-Executive Independent Director

During FY23, Six (6) meetings of the Board of Directors and Four (4) Audit Committee meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

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

There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the Financial Year under review.

23. AUDITORS

(a) Statutory Auditors

M/s. S.N. Dhawan & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 000050N/N500045) were appointed as the statutory auditors of the Company in the 43rd Annual General Meeting held on 07 August 2020, to hold office for a period of five consecutive years from the conclusion of the 43rd Annual General till the conclusion of the 48th Annual General Meeting to be held in the year 2025. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor`s Report are self-explanatory.

During the year, the Auditor had not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) of the Companies Act, 2013.

(b) Cost Auditors

Mr. Jayant B. Galande, Cost Accountants were appointed as Cost Auditors of the Company for the FY23. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

In terms of the Section 148 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

During the year, the Auditor had not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) of the Companies Act, 2013.

(c) Secretarial Auditors

The Company had appointed M/s. BLAK & Co., Company Secretaries, New Delhi, to conduct its Secretarial Audit for the FY23. The Secretarial Audit report is annexed herewith as **Annexure - B** to this report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report. During the year, the Auditor had not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) of the Companies Act, 2013.

24. RELATED PARTY TRANSACTION

With reference to Section 134(3) (h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Companies Act, 2013, entered into by the Company during the Financial Year, were in the ordinary course of business and on an arm's length basis. The details of the related party transactions as required under Accounting Standard are set out in Note No. 44 to the standalone financial statements forming part of this Annual Report.

As per the Listing Regulations, all related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of unforeseen and repetitive nature. The transactions entered into pursuant to the omnibus approval are presented to the Audit Committee by way of a statement giving details of all related party transactions. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions and can be accessed on the Company's website at www.cosmofirst.com.

No Material Related Party Transactions (i.e. one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements, whichever is lower) were entered during the year by your Company except the sale to its wholly owned subsidiary- Cosmo Films Inc. As per Listing Regulations, transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval are exempt from obtaining shareholders' approval. The disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is attached as **Annexure – C**.

25. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to regulations 34 of the Listing Regulations, Business Responsibility and Sustainability Report for the year is presented in a separate section forming part of the Annual Report.

27. DEPOSITS

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

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

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

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company have duly complied with the provision of Section 186 of the Companies Act, 2013 during the year under review. The details of loans, guarantees and investments are covered in the notes to the Financial Statements.

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

During the year under review, no significant / material orders were passed by the regulators or the Courts or the Tribunals impacting the going concern status and the Company's operations in future.

31. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business during the year under review.

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

There were no other material changes / commitments affecting the financial position of the Company or that may require disclosure, between 31 March 2023 and the date of Board's Report.

33. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year FY23 to the NSE and the BSE where the Company's equity shares are listed.

34. ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: https://www.cosmofirst.com/investors/notifications-notices.

35. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

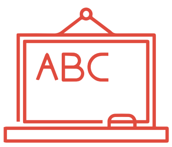
Details of Unclaimed Dividend and Shares transferred to IEPF during FY23 are given in Corporate Governance Report.

36. CORPORATE SOCIAL RESPONSIBILITY

Some of the Flagship Programs (Education to 20,000+ Students).

Computer Literacy Program

Covers 4000 students from class 1 to XII every year



Basic English Learning Program

Implementation in 8 primary schools with 1,500 students

Cosmo Gyan Vihar Kendra

Identifies enrolls and grades 2500+ students from class 1 to VII every year to strengthen their reading & writing skills

As a socially responsible Company, Cosmo is committed to increasing its Corporate Social Responsibility (CSR) impact with an aim of playing a bigger role in sustainable development of our society. In pursuit of this objective, a Corporate Social Responsibility (CSR) Committee had been formed by the Company which oversees and facilitates deliberation on the social and environmental consequences of each of the decisions made by the Board.

The Company has in place a Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The initiatives undertaken by your Company during the year have been detailed in CSR Section of this Annual Report. The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as **Annexure - E** to this Report.

37. PROMOTION OF WOMEN'S WELL BEING AT WORK PLACE

Cosmo First has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the said act. There have been no complaints of sexual harassment received during the year.

38. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

39. EMPLOYEE STOCK OPTIONS

The Company has an Employee Stock Option Plan for the Employees of the Company and its Subsidiaries named as Cosmo Films Shares Based Employee Benefit Scheme, 2021 ("CF SBEB Scheme"). The Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations 2014 and is administered by the HR, Nomination and Remuneration Committee of the Board constituted by the Company pursuant to the provision of Section 178 of the Companies Act, 2013 and Listing Regulations.

The details of the CF SBEB Scheme form part of the Notes to accounts of the Financial Statements in this Annual Report and also available on our website at www.cosmofirst.com.

40. DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

II. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as of 31 March 2023 and of the profits of the Company for the year ended on that date.

III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The annual accounts of the Company have been prepared on a going concern basis.

V. Proper Internal Financial Controls were in place and that the Financial Controls were adequate and were operating effectively.

VI. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

41. AWARDS & ACCOLADES

During the Year, Company has bagged:

- Featured as one of the Top 10 Companies from India in Forbes Asia Best under A Billion 2022 list
- Ranked as one of India's Fastest Growing Companies by BW Business World Magazine
- Cosmo First grabbed "Most enterprising Business Award" by prestigious Entrepreneur Magazine
- Zigly bagged the "Top 100 D2C Brands" of the year by the Retailer Magazine.
- Cosmo Speciality Chemicals won the Award for "20 Most Promising Chemical Companies in India 2022" by Innovative Zone Magazine.

42. SECRETARIAL STANDARDS

During the FY23, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

43. ACKNOWLEDGEMENT

Your Directors would also like to extend their gratitude for the co-operation received from financial institutions, the Government of India and regulatory authorities, and the governments of the countries we have operations in. The board places on record its appreciation for the continued support received from customers, vendors, retailers and business partners, which is indispensable in the smooth functioning of Cosmo. Your Directors also take this opportunity to thank all investors and shareholders, and the stock exchanges for their continued support. Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Their contribution to the success of this organization is immensely valuable.

For and on behalf of the Board of Directors

Date: 29 May 2023
Place: New Delhi

Ashok Jaipuria
Chairman

Annexure-A

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
COSMO FIRST LIMITED
1008, DLF Tower-A, Jasola District Centre,
New Delhi - 110025

1. We have examined the compliance of conditions of Corporate Governance by COSMO FIRST LIMITED (the Company) for the year ended on 31 March 2023, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended ("SEBI Listing Regulation")

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of corporate governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

OUR RESPONSIBILITY

3. Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2023.

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

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
PR No.: 1844/2022

Place: Ghaziabad, NCR
Date: 29 May 2023

Annexure-B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

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

To,
The Members,
COSMO FIRST LTD
1008, DLF TOWER-A
Jasola District Center,
New Delhi-110025

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by COSMO FIRST LIMITED (hereinafter called the company) for the Financial Year ended 31 March 2023. The secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 according to the provisions of applicable following laws:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable to the Company during the Audit Period)

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable to the Company during the Audit Period)

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the Audit Period) and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018

(vi) The other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us:

a) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

b) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.

c) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.

d) Environment Protection Act, 1986 and the rules, notifications issued thereunder.

(vii) Following Labour laws as applicable to the Company;

i. The Factories Act 1948 and rules made thereunder
ii. Payment of wages Act, 1936 and rules made thereunder,
iii. Minimum wages Act, 1948 and rules made thereunder,
iv. Employees State Insurance Act, 1948 and rules made thereunder,
v. Employee Compensation Act, 1923,
vi. Equal Remuneration Act, 1976,
vii. Contract Labour (Abolition & Regulation) Act, 1970,
viii. Payment of Bonus Act, 1965 and rules made thereunder,
ix. Payment of Gratuity Act, 1972 and rules made thereunder,
x. The Apprentices Act, 1961,
xi. Industrial Disputes Act, 1947 and rules made thereunder,
xii. Fatal Accident Act, 1955
xiii. The Equal Remuneration Act, 1976 and rules made thereunder,
xiv. The Employee Compensation Act, 1923 and rules made thereunder,
xv. Maternity Benefit Act, 1961 and rules made thereunder
xvi. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,
xvii. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
xviii. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003,
xix. Environment Protection Act, 1986,
xx. Industrial Employment (Standing Orders) 1946,
xxi. Trade Union Act, 1946,
xxii. Weekly Holidays Act, 1942
xxiii. Employees Provident Fund Act 1952 and EPS 1995
xxiv. All other labour laws applicable to the industries.

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

i. The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.

ii. The Listing Agreement entered into by the Company with the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors for the Board Meetings. Agenda and detailed notes on the agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board and Committee Meetings were carried with requisite majority.

We further report that:

Based upon the compliance mechanism established by the Company and on the basis of compliance certificate issued by the management of the Company and taken on record by the Board of Directors of the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

During the audit period there were specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.-

- The Company has changed the name from **"COSMO FILMS LIMITED" to "COSMO FIRST LIMITED"**. In this regard, the board of directors of the company has approved the change of name of the company by passing a resolution in board meeting dated 09 May 2022 and consent of the members has been accorded for changing the name of the company vide Special Resolution passed by way of the postal ballot by the members of the Company on 11 June 2022.
- The company has **issued Bonus shares** and in this regard, the bonus issue committee has approved it in the committee meeting dated 20 June 2022 as well as the consent of the shareholders has been accorded for it vide ordinary resolution passed by way of postal ballot on 11 June 2022.
- The Company **has increased in authorised share capital** and consequent alteration in capital clause of MOA of the company for which the consent of the members has been accorded vide ordinary resolution passed by way of postal ballot on 11 June 2022.
- The Company has **establishment of wholly owned subsidiary** for which necessary approval from the Board has been taken in board meeting dated 14 November 2022;
- The Company has executed **buy back** from the existing shareholders. In this regard, the necessary approval from the Board has been taken in the board meeting dated 01 December 2022.

All the compliances as per Act, law, rule, regulations as required to giving effect to the abovementioned transaction has been complied accordingly.

for BLAK & CO

Company Secretaries

(Archana Bansal)

Mg. Partner

M.No. – A17865

COP No.- 11714

PR No.: 1844/2022

UDIN- A017865E000411071

Place: Ghaziabad, NCR

Date: 29 May 2023

Note: This report is to be read with our **ANNEXURE 'I'** of even date which are annexed and forms an integral part of this report.

ANNEXURE 'I'

Our Secretarial Auditor Report for the Financial Year ended 31 March, 2023 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

AUDITOR'S RESPONSIBILITY

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

DISCLAIMER

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
UDIN- A017865E000411071

Place: Ghaziabad, NCR
Date: 29 May 2023

Annexure-C

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There are no contract/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	(b)	(c)	(d)	(e)	(f)
Name of the related party and nature of relationship	**Nature of contracts / arrangements/ transactions**	**Duration of the contracts / arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date of approval by the Board, if any**	**Amount paid as advances, if any**
Cosmo Films Inc. Wholly-owned step down Subsidiary Company	Sale of Goods	On-going	The related party transactions entered during the year were in the ordinary course of business and on arm's length basis. Amount- ₹ 265.25 Crores	NA	Nil

For and on behalf of the Board of Directors

Place: New Delhi

Date: 29 May 2023

Ashok Jaipuria

Chairman

Annexure - D

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

A. CONSERVATION OF ENERGY

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

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

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

(i) Utilization of CT water for Lines, Chill Roll water Bath instead of Chilled Water. The theme behind this project is to utilize CT water in place of Chilled water to reduce chilling load on Chillers resulting saving in Energy.

(ii) Installation of Inverters for Blowers. The theme behind this project is to run blowers at variable speed instead of fixed speed as per process requirement resulting to achieve Energy saving.

(iii) Contract Demand reduction - The theme behind this project is to reduce partial Contract demand to match optimum load requirement & to avail Load factor incentive in monthly Electricity bill.

(iv) Incorporated interlock such that Chill Roll & Water bath is “OFF” during plant stoppage - The theme behind this project is to stop wastage of power during plant stoppage.

(v) FCU for Panel room - The theme behind this project is to replace Air-conditioned load with low consumption FCU Unit without affecting cooling performance.

(vi) Energy Saving in Air Compressor by optimizing operational parameters.

(vii) Energy Saving from Chiller Cooling Tower Pump by reducing Flow

(viii) Centralized Chilling system for coating plants.

(ix) Improving the Equipment Efficiency.

(x) Optimum loading of Power & Distribution Transformer to reduce the Load losses

(xi) Energy Efficient heating system for EREMA recycling plant.

(xii) Energy Efficient heating system for NGR recycling plant.

(xiii) Installation of LED Lighting (Indoor & Outdoor).

(xiv) SEZ - Optimization of FO Consumption

(xv) Use of day light for illumination.

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

i) Converted electrical heating into oil heating.

ii) Converted gas based heating to FO/Coal based heating.

iii) Installation of Solar Generation plant - The theme behind this project is to utilize Solar Energy for power generation thus reduction in unit cost & support to green environment

iv) Use of Wind Energy --The theme behind this project is to utilize wind Energy for power generation thus reduction in unit cost & support to green environment

(iii) Capital investment on energy conservation equipments during the year: ₹ 1.27 Crores

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption :

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

The technology absorption efforts made by the company during the year are listed below:

i) Metalizer up gradation - The theme behind this project is to upgrade Electronic & Mechanical so as to reduce vacuum cycle time / increase up time & productivity of plant

ii) Installation of Induction heaters for barrel heating at NGR - The theme behind this project is to convert conventional electrical heating by use of Induction heating cause less energy consumption.

iii) Modifications in Heating system(Extrusion)

iv) Automation of Raw material feeding System

v) Upgradation of AHU cooling system

(ii) The benefits derived are like product improvement, cost reduction, product development, import substitution and Growth in business

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

(a) Details of Technology Imported

(b) Year of Import

(c) Whether the technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place, and reasons thereof

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

(iv) Expenditure incurred on Research and Development: ₹ 13 Crores
R & D expenditure as percentage of net sales: 0.42%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were ₹ 1,268.88 Crores (Previous Year ₹ 1,292.49 Crores). The total foreign exchange utilized during the year amounted to ₹ 599.30 Crores (Previous Year ₹ 739.06 Crores).

Annexure - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company

Cosmo First is committed to sustainable development of all sections of society and preservation of Environment. CSR Projects of the Company are primarily related to education, environment including plantation drive, life skill education, green and clean initiatives and COVID relief activities.

Detail of projects and programs undertaken by the Company with respect to CSR are covered under Corporate Social Responsibility Section of Annual Report.

2. The Composition of the CSR Committee:

SI. No.	Name of Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Anil Wadhwa	Chairman/Non-Executive Independent Director	2	2
2.	Mr. Ashok Jaipuria	Member/Executive Director	2	2
3.	Mr. A. K. Jain	Member/Executive Director	2	2
4.	Ms. Alpana Parida	Member/Non-Executive Independent Director	2	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: https://www.cosmofirst.com/investors/policies-and-code-of-conduct

4. Details of Impact Assessment of CSR Projects Carried out in pursuance of Sub-Rule (3) of Rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (Attach The Report): Not Applicable

5. Amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

(₹ in Cr)

SI. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs)	Number of meetings of CSR Committee attended during the year

6. Average net profit of the company as per section 135(5): ₹ 297 Crores.

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 5.94 Crores.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 5.94 Crores.

8. (a) CSR amount spent or unspent for the financial year:

(₹ in Cr)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5.24	0.70	19 April 2023		NIL	

(b) Details of CSR amount spent against ongoing projects for the financial year: 2022-23

(₹ in Cr)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocate for the project for 3 years	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Cosmo Tree Plantation - 2023	Environment Sustainability	Yes	Maharashtra	Aurangabad	3 years	1.08	0.02	0.70(*)	By Cosmo Foundation with is implementing partner	PRAYAS Youth Foundation	AACT-P5556CE20177

- (*) ₹ 0.70 Crore transferred to Unspent CSR A/c for FY23
- Name of implementing agency is PRAYAS Youth Foundation which is a registered trust under 12AA.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ in Cr)

(₹ in Cr)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project in current year	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Cosmo Educational Programs	Promoting Education	Yes	Gujarat Maharashtra New Delhi	Vadodara Aurangabad Delhi	2.56	Direct	Cosmo Foundation	CSR00007606
2	Health camps and Health Hygiene Awareness and support – Toilets, Drinking water.	Preventive Health Care	Yes	Gujarat Maharashtra New Delhi	Vadodara Aurangabad Delhi	0.51	Direct	Cosmo Foundation	CSR00007606
3	Environmental Initiatives – Garden Maintenance, Rain water harvesting, Kagzipura water treatment etc.	Environment Sustainability	Yes	Gujarat Maharashtra	Vadodara Aurangabad	0.72	Direct	Cosmo Foundation	CSR00007606
4	Medical & Health Care	Promoting Excellence in Medical & Health Care including Covid Care & Rural Health	NO	-NA-	-NA-	1.50	Indirect	Sitaram Jaipuria Foundation	CSR00016249
						5.29 crore (*)			

Note:

- Educational Programs are directly implemented by Cosmo Foundation. Cosmo – Udayan Shalini Fellowship program is implemented through Udayan Care a registered trust.
- Environmental programs like Garden maintenance, rainwater harvesting etc are implemented by Cosmo Foundation. The Environmental Sustainability Project at Model village Kagzipura is implemented through INTACH which is a registered organization.
- (*) includes ₹ 0.07 crores spent by the foundation received from third parties and the surplus carried forward from previous year

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **INR 5.24 Crores**

(g) Excess amount for set off, if any:

(₹ in Cr)

Sl. No.	Particulars	Amount
i.	Two percent of average net profit of the company as per section 135(5)	Nil
ii.	Total amount spent for the Financial Year	Nil
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in Cr)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(6)			Amount remaining to be spent in Succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2019-20	NIL	NIL				NIL
2	2020-21	NIL	NIL		NIL		NIL
3	2021-22	0.75	0.42				0.33

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	Project ID	Name of the Project	Financial Year in which the project was Commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing
1.	FY22	Cosmo Tree Plantation -2022	2021-22	3 years	1.71	0.42	1.17	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: Not Applicable as the total spent including the amount transferred to unspent CSR account equals to two percent of the average net profit as per section 135(5).

Ashok Jaipuria
(Chairman & Managing Director)
DIN: 00214707

Anil Wadhwa
(Chairman -CSR Committee)
DIN: 08074310

Annexure - F

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT, RULES, 2016

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

Name of the Director	Ratio
1. Mr. Ashok Jaipuria	447.98
2. Mr. A. K. Jain	53.41

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

Name	Designation	% increase / (decrease)
Mr. Ashok Jaipuria	Chairman& Managing Director	(35%)
Mr. A. K. Jain	Whole Time Director	(21%)
Mr. Pankaj Poddar	Chief Executive Officer	(29%)
Mr. Neeraj Jain	Chief Financial Officer	(13%)
Ms. Jyoti Dixit	Company Secretary	8%

3. Percentage increase in the median remuneration of all employees in the FY23: 5.21%

4. Number of Permanent employees on the rolls of Company as on 31 March, 2023: 1148

5. Average percentage increase made in salary of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average increase in remuneration for Employees other than Managerial Personnel is 8.3%. However, for Managerial Personnel there is average decrease in remuneration by 33.6%. The decrease in remuneration of managerial personnel is due to lower profits .

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

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

7. Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

General Note:

- Managerial Personnel includes Chairman and Managing Director and Whole-time Director.

MANAGEMENT DISCUSSION & ANALYSIS

1. COMPANY OVERVIEW

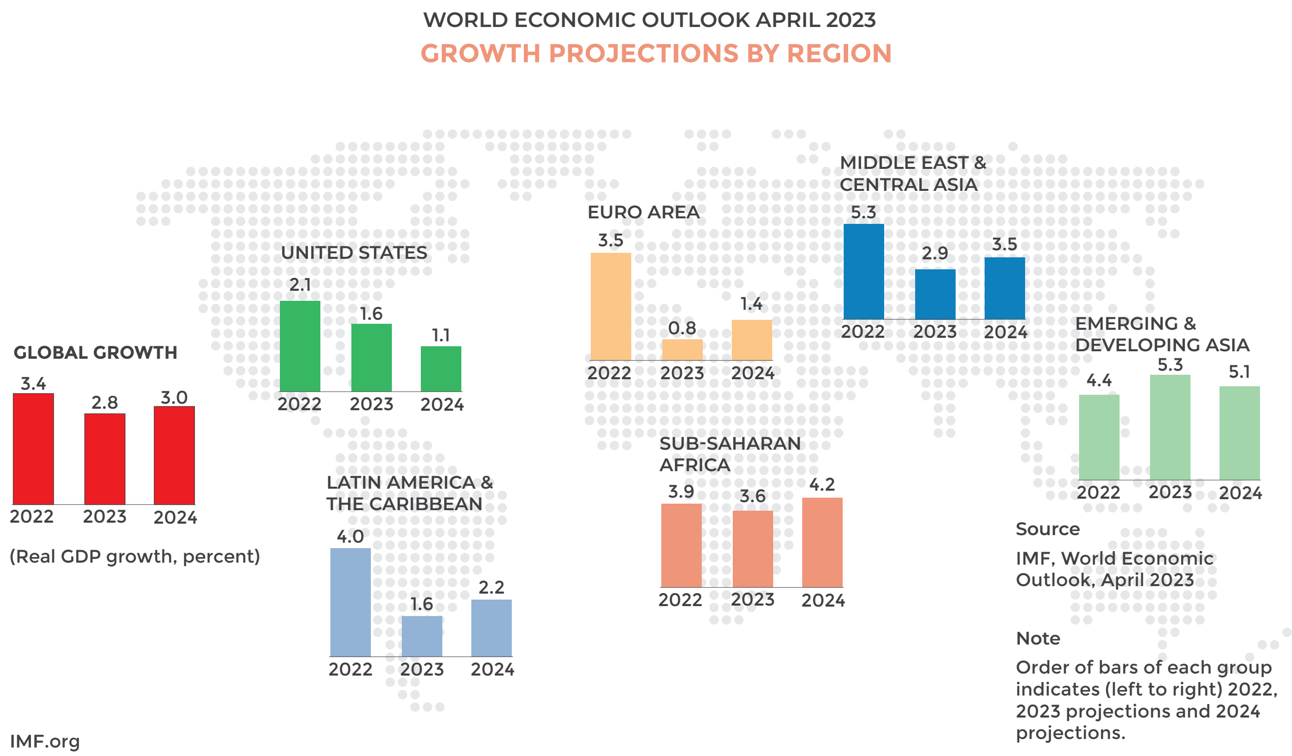
Cosmo First started as Cosmo Films in 1981, has been credited as the first company to introduce BOPP films in India. Today, the Company is the world's largest producer of thermal lamination films, the world's second-largest producer of speciality label films and a leading player of BOPP films in India. The Company's commitment to research and development is evident through its advanced R&D centre in Aurangabad, where it has registered eight patents, with three more in the pipeline and eight currently being applied for. Cosmo First believes in practising excellent corporate governance and maintaining a culture of professional management, which provides the Company with a competitive advantage in the marketplace in the long run.

The Company has a well-diversified business model in terms of markets and products to meet the evolving needs of customers. It has positioned itself with a unique combination of speciality and commodity films, speciality chemicals, and its pet care brand 'Zigly'. With a wide product portfolio under one roof, customised innovation, agility in job line allocation, scale, global reach, and a global warehousing facility, the Company is well-positioned for sustainable growth. This approach enables the Company to mitigate potential uncertainties in the business environment. By remaining focused on its strategy and unique value proposition for customers, with a capable and experienced team, and a people-first approach, Cosmo First will continue to drive long-term value creation for shareholders and other stakeholders.

While Cosmo First had challenging moments in FY23, the Company's long-term value-generating potential remains strong with its diversification in products, with new launches such as shrink films, polyester films, window films, adhesives and masterbatches. Furthermore, the potential for growing revenue in speciality chemicals and pet care is significant which will buttress the strong domestic demand for packaging solutions. With a plan to invest capital in increasing capabilities, Cosmo First looks to a bright future of growth , greater value, innovative products and sustainable profitability.

2. MACROECONOMIC OVERVIEW AND OUTLOOK

2.1 Global economy



At first glance, there are indications that the worldwide economy is on track for a steady revival after being hit hard by the pandemic and Russia Ukraine war. China has made a strong comeback following the reopening of its economy, and the supply chain disruptions are gradually resolving. Additionally, the disruptions caused by the war on energy and food markets are diminishing. At the same time, the coordinated and significant tightening of monetary policies by most central banks is expected to yield results, with inflation moving back towards its targets. Potential downside risks would include sticky inflation (especially in advanced economies), the fallout of bank collapses in the US spreading to the wider global economy and an escalation of the war in Ukraine which has now entered its second year.

According to the latest projections from the IMF[1], the global growth rate is expected to reach its lowest point at 2.8% in 2023 and then increase slightly to 3.0% in 2024. Meanwhile, global inflation is expected to decrease, albeit at a slower rate than previously anticipated, from 8.7% in 2022 to 7.0% this year and further down to 4.9% in 2024.

In many cases, emerging markets and developing economies are experiencing strong growth, with growth rates (Q4 over Q4) increasing from 2.8% in 2022 to 4.5% this year. However, advanced economies, particularly the Euro area and the United Kingdom, are facing a slowdown with expected growth rates (also Q4 over Q4) of 0.7% and -0.4%, respectively, this year before rebounding to 1.8% and 2.0% in 2024.

2.2 Indian economy

The Indian economy is now widely seen as the bright spot[2] in an otherwise gloomy global economic outlook, as per IMF Chief Kristalina Georgieva. Staying with the IMF's data points in its April 2023 world economic outlook, the Indian economy saw a growth rate of 6.8% in 2022, and 5.9% in 2023, and is estimated to grow at a rate of 6.3% in 2024.

Despite, global headwinds, the Russia-Ukraine war and associated price volatility in crude oil, fertiliser and food prices – India finds itself in a unique position to enter a phase of sustained rapid growth going forward. This is further reinforced by Deloitte's India economic outlook, April 2023[3], which suggests that to ensure India attains sustained non-inflationary growth, an increase in private investments on manufacturing capacity building is necessary in addition to the country capitalising on its comparative services advantage.

There is data to back India's potential meteoric rise. For instance, India breached record exports in FY23 with $ 770 Billion with a surge in services exports, thanks to greater acceptance among multinationals (MNCs) to run operations remotely. More importantly, service exports were not limited to traditional sectors such as IT, but also so an increase in the share of business and professional services such as accounting, audit, research and development, quality assurance and after-sales services.

In the manufacturing sector (and associated exports of goods and products), India is seen to be on the cusp of becoming the next big manufacturer in the world. From an increase in electronics exports such as mobile phones to visible signs of the country improving its capacity building in pharmaceuticals and FMCG – India's future looks bright. This has been supported by multiple government initiatives such as the National Infrastructure Pipeline, PM Gati Shakti and National Logistics Policy, among others, that will help reduce the cost of logistics while improving the ease of doing business. Similarly, the agriculture sector of the Indian economy grew at 3.5%[4] in FY23 with agriculture exports touching $ 50.2 Billion in the fiscal year, as per the Press Information Bureau.

3. INDUSTRY OVERVIEW

Cosmo First, a leading player in the flexible packaging industry, has built a strong presence in the industry. With its extensive product portfolio of BOPP films, BOPET Films, thermal films, Coated and other Speciality films, the Company caters to the diverse packaging needs of various industries. Further, Cosmo Speciality Chemicals, is a venture established in 2020 with the aim of revolutionising the masterbatch, coating chemcials and adhesive segments through sustainable technology. Additionally, the Company's offerings cater to the needs of the pet care industry via its fast-growing brand Zigly. With a focus on innovation, a customer-centric approach, and sustainability, Cosmo First continues to drive growth and create value for its stakeholders across these industries.

3.1. Flexible packaging industry overview

The global packaging industry has experienced robust growth over the past few decades, driven by demographic factors like population growth and rapid urbanisation, increased trade, and greater demand for packaging. Sustainability and digitalisation are increasingly popular trends that present challenges

Source: 1) IMF World Economic Outlook April 2023
2) Hindustan Times
3) Deloitte India economic outlook, April 2023
4) Press Information Bureau

and opportunities for the industry. Other factors such as changing consumer preferences, margin compression, and food safety have also impacted the industry and driven demand for new packaging products and innovations.

The global packaging industry in FY21 was approximately $ 1,002.4 Billion[5] and is expected to reach $ 1,275 Billion by 2027. The global flexible packaging market is expected to grow at a CAGR of 4.8%[6] from $ 248.9 Billion in 2022 to $ 315.5 Billion in 2027. Western Europe, North America, Central & East Asia, and South East Asia & Oceania account for 85% of the global market. The flexible packaging market in India is estimated to grow at a CAGR of 12.6% between 2022 and 2027. The size of the market is forecast to increase by USD 18.65 Billion. This growth is mainly due to rising disposable incomes and an improved standard of living in the region. Several factors are driving the growth of the packaging industry, including the rapid growth of the eCommerce segment, changing consumer preferences for customisation, convenience, health, and affordability, and the increasing demand for processed food globally. Sustainability requirements and heightened scrutiny along the value chain, along with digitalisation and automation in the packaging industry, will drive efficiency and innovation, including the development of smart packaging.

3.2. Speciality chemicals industry overview

The speciality chemicals market plays a critical role in many sectors of the global economy, including construction, automotive, electronics, textiles, and healthcare. Speciality chemicals are designed to perform specific functions and add value to end-use products. They are used in a wide range of applications, from adhesives, coatings, and polymers to agrochemicals, food additives, and personal care products. In recent years, the speciality chemicals market has experienced steady growth, driven by the increasing demand for high-performance and sustainable products.

As per a report from Grand View Research, the global speciality chemicals market size was estimated to be $ 616.2 Billion in 2022 and expected to grow to $ 641.5 Billion in 2023. Additionally, the industry is expected to grow at a CAGR of 5.1% to reach $ 914.4 Billion by 2030[7].

The speciality chemicals market was predominantly led by the Asia Pacific region, holding a significant share. This can be attributed to the escalating demand for speciality chemicals in prominent end-use industries such as pharmaceuticals, nutraceuticals, personal care, cosmetics, automotive, and electrical and electronics in China and India.

As per KPMG, the Indian speciality chemicals market represents 22% of the country's chemicals and petrochemicals market with a valuation of $ 32 Billion. With the industry expected to grow at a CAGR of 12% from 2020 – 2025, India has the scope for further exponential growth.

Masterbatches refer to a combination of polymer materials, additives, and pigments that are utilised as a chemical component to improve the characteristics of plastics and provide various shades of colour. The Masterbatch market was estimated to be valued at $ 11.1 Billion in 2020 and projected to grow at a CAGR of 5.1% leading up to 2025 with an estimated valuation of $ 14.3 Billion[8].

Adhesives are another important segment of the speciality chemical industry, used in various applications such as packaging, construction, and automotive. Widely referred to as the adhesives and sealants market, this segment of the speciality chemicals industry is expected to grow at a CAGR of 3.7% globally to be valued at $ 85.8 Billion[9] by 2026. India Adhesive market is expected to grow at a CAGR of 10.26% to be valued at US $1842.936 Million by 2028[10]

3.3. Pet care industry

Cosmo First is a strong proponent of diversifying by entering sunrise sectors and recently entered the pet care industry with end-to-end solutions under the brand Zigly. This particular industry has lacked any large-scale players which provide end-to-end products and services, therefore offering a unique opportunity for the Company to gain market share over time.

The global trend towards urbanisation, nuclear families, double-income households, and changing lifestyles, as well as the growing trend of pet humanisation, have all contributed to the increasing number of pet owners worldwide. India, in particular, has experienced a significant rise in pet ownership, with a thriving pet population of 32 Million that is growing at a rate of over 12% annually. This surge in pet ownership has led to the development of a robust pet-care ecosystem, including retail chains, pet nutrition and services, and pet care services. Furthermore, the emergence of e-commerce has facilitated the distribution of pet products.

The Indian pet care market may be smaller compared to the global market, valued at ₹ 5,100 Crore and it is

Source: 5) GlobeNewswire
6) Markets and Markets
7) Markets and Markets (Textile Chemical Markets)
8) Markets and Markets (Masterbatch Market)
9) Markets and Markets (Adhesives and Sealants Market)
10) knowledge-sourcing.com

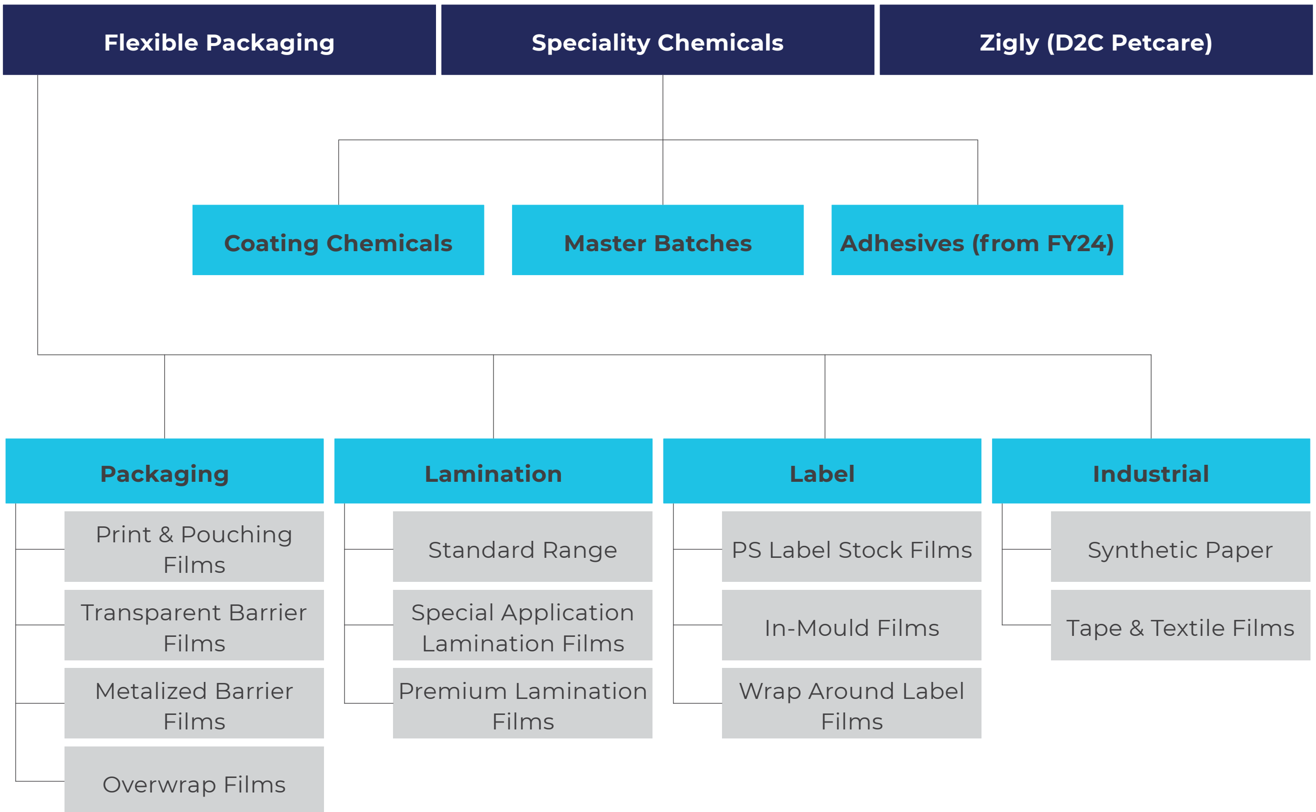
growing rapidly with a projected annual growth of 25% from 2023 to 2027. The market's growth is due to the increasing recognition that pets require specialised nutrition for their health and growth, leading to the entry of top international brands into the region. The pet care market in India is mostly unorganised, and consumers are progressively accepting the idea of providing their pets with food that is specially formulated for their needs, rather than traditional food meant for human consumption. As the pet care markets in the U.S., Canada, and Europe become more congested, Asia, particularly India, is becoming a more attractive market for leading brands.

4. BUSINESS SEGMENTS AND PERFORMANCE

Cosmo First provides an extensive range of products all in one place. It operates four modern manufacturing facilities (three in India and one in South Korea) with an annual installed capacity of:

- BOPP Films: 1,96,000 MT
- BOPET Films: 30,000 MT
- Thermal Lamination Films: 40,000 MT
- Coated Specialty Films: 20,000 MT
- Metalised Films: 22,000 MT
- CPP Films: 10,000 MT
- CSP Line: 7000 MT
- Master batches: 10,000 MT
- Adhesives: 2,500 MT and
- Coating Chemicals: 5000 MT

Cosmo First offers a diverse range of products across various segments such as Speciality Films, BOPP Films, and Speciality Chemicals. The Company has a comprehensive portfolio of BOPP Films for different applications including flexible packaging, lamination, labelling, and industrial usage. The BOPP Films range includes speciality films such as high barrier films, velvet thermal lamination films, and direct thermal printable films. Not only is Cosmo First a market leader in the BOPP sector, but it also offers additional value-added services. Cosmo First is one of the top 4 players in BOPP speciality films and the second-largest player in the world for speciality label films. Furthermore, Cosmo is the largest supplier of thermal lamination films globally.



4.1. Flexible packaging

The flexible packaging segment which includes speciality films and BOPP films has seen challenging situations but Cosmo First clearly outperformed the industry with revenue of ₹ 3065 Crore in FY23 and EBITDA of ₹ 434 Cr. primarily on the back of value add speciality films. The flexible packaging industry has witnessed scenario of excess supply during FY23 due to addition of new supply during the year. This adversely impacted the margins of the whole industry. Cosmo could withhold the margin pressure compared to peers due to high share of specility films (62% in FY23).

Growth:

The Company has planned close to 75% capacity addition in flexible packaging business in phases starting from FY23. While specialized BOPET line got commissioned during FY23, the CPP line and BOPP line are expected to get commissioned within next two years in phases. Both the lines will be the world's largest production capacity lines with lower cost of production.

The Company's focus shall continue to be on improving speciality films, R&D efforts particularly on sustainability which would yield results in coming years. These actions would continue to de-commoditize business model and would contribute in long term sustainable growth. The Company's speciality films sales stand at 62% during FY23. On BOPET line as well, the company is looking to kick off few specialty products which includes window films, security films, PET-G films, and many others.

4.2. Speciality chemicals

In Speciality Chemicals the Company has three verticals i.e. masterbatch, coating chemicals and adhesive. While masterbatch and coating checmicals have been operational during the year, adhesive is expected to commence commercial production from FY24. In each of these segment the Company plans to cater to niche speciality focused either to address current problem area for the Industry or significantly better product compared to currently available. The annual capacity of the Company for masterbatch is 10KMT, adhesives is 2.5KMT and Coating Chemicals is 5KMT. The target is to achieve 7%-8% of Company's consolidated revenue from speciality chemicals in 3-5 years with 25% ROCE

In FY23, the speciality chemicals subsidiary recorded total sales of ₹ 159 Crore, representing a significant 75% growth compared to the previous year. Furthermore, the Company achieved nearly 75% capacity utilisation on its master batch line. Additionally, the complementary adhesives business for the packaging segment is poised for growth in the current financial year. To fuel the growth in speciality chemicals, the Company is going to launch adhesive during FY24 for already known customer base.

4.3. Pet care

The company's direct-to-consumer vertical, launched under the brand Zigly in September 2021, is progressing according to plan. With 15 experience centers operational as on March 2023, the Company targets to have 100 experience centres in next couple of years.

Zigly's current monthly Gross Merchandise Value (GMV) is around ₹ 2 Crore. Company targets to achieve 10 times growth in the next few years. In FY23, Zigly division's GMV reached ₹ 13 Crore, which is nine times higher than the previous year's sales. Zigly has already served over 23,000 customers, with a significant number being repeat customers. The Company's focus is to further multiply Zigly's growth in the coming years, both organically and through potential acquisitions.

5. FINANCIAL PERFORMANCE

During the FY23, on consolidated basis the Company registered sales of ₹ 3,065 crores. Consolidated EBITDA for the year was ₹ 434 crores as against ₹ 620 crores in FY22 primarily due to margin pressure in BOPP & BOPET industry due to commissioning of several new production lines during FY23. Despite challenges, the Company has significantly outperformed the industry with two-third of the revenue coming from the specialty films, which could withstand the margin pressure.

On Standalone basis, the Company registered sales of ₹ 2,742 crores . Standalone EBITDA for the year changed to ₹ 396 crores against ₹ 526 crores in FY22 primarily for the reasons explained above.

As on 31 March, 2023, Return on Capital employed stands at 16% and Return on Equity is 20%. The financials remain strong with Net Debt/EBITDA at one time.

During this year, your Company incurred capital expenditure of ₹ 380.4 Cr as compared to ₹ 282.9 Cr for FY22. The capital expenditure incurred during FY23 shall facilitate enhanced sale of speciality films, sustainability initiatives and solar power as a source of energy. The continuous investment in R&D, Sales & Marketing, Employee practices, Quality, and Customer satisfaction has reaffirmed the Company's growth strategy, as evidenced by the year-on-year growth in specialty films sales.

The Company has made concerted efforts to enhance brand visibility. The Exports for the financial year are ₹ 1,268 Crores which is 46% of total sales. The Company exports to 80+ countries across the globe.

The performance of the overseas subsidiaries was under pressure compared to last year primarily for two reasons. One is reduced gap between the India raw material price index and US raw material price index and second is weakening of foreign currencies against the US dollar, particularly in Japan and Korea. The margin pressure in the US is due to the lower gap between the two-price index. However, this is expected to improve in FY24.

6. KEY FINANCIAL INDICATORS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company is required to give details of significant changes (i.e. changes of 25% or more as compared to the immediately previous financial year) in key financial ratios.

There is no significant changes (i.e. 25% or more) in financial ratios viz. Current Ratio, Debt Turnover Ratio and Inventory Turnover Ratio.

Ratio	FY23	FY22	% Change	Explanation
Interest Coverage Ratio (in times)	7.8	15.5	-49.7%	Primarily lower due to decrease in operating income due to margin pressure caused by significant capacity addition in the domestic industry and change in interest rate significantly
Net Debt to Equity Ratio (%)	33.5	25.6	30.8%	Primarily increase due to higher net debt and due to growth capex
Net Profit Margin (%)	7.9	13.0	39.0%	Primarily lower due to decrease in operating income due to margin pressure caused by significant capacity addition in the domestic industry

7. CHANGE IN RETURN ON NET WORTH

The FY23 witnessed a reduction in PAT, leading to a return on net worth of 18.80% .

8. LIQUIDITY

During the year ended 31 March 2023, the consolidated net debt is of ₹ 433 Crore. The Company has been carrying close to ₹ 456.09 Crores of cash and cash equivalents including liquid investments as at 31 March 2023 at consolidated level. The financials remain strong with Net Debt/EBITDA at one time.

9. R&D AND NEW PRODUCT DEVELOPMENT

Cosmo First takes pride in its continuous investment in research and development, which is focused on providing innovative solutions. Through these consistent efforts in research and development activities, Cosmo First is well-positioned to drive accelerated growth and spearhead new product development globally. In the year under review, the company incurred an expenditure of ₹ 13 Crore on research and development (R&D). Cosmo First's R&D labs, located in India and the USA, are equipped with state-of-the-art equipment and instruments. The R&D team is also actively driving several sustainability projects to ensure that the company remains at the forefront of sustainable film solutions.

The Company has an impressive track record in product development, with eight registered patents and three more in the pipeline. In addition, the Company has filed applications for eight more patents. Cosmo First's dedicated R&D team plays a crucial role in keeping it ahead of the curve when it comes to product innovation. Comprising more than 30 scientists and technologists from esteemed universities in the USA and Europe, the team has a wealth of global experience in areas such as packaging, polymer engineering, and biopolymers. The Company is committed to further strengthening its R&D team to maintain its competitive edge.

Achievements

Security Film

1. Developed inhouse lamination and pressure sensitive adhesive for durable application.

2. Developed own nano pigment dispersions which are suitable for most of the coating chemistries.

3. Our coatings give best IR resistance up to 98% and perfect scratch resistance and durability more than 5 years.

Other Key Films

1. New generation heat resistance film has been developed which can replace PET in certain applications.

2. Extreme ultra high barrier film is developed with barrier properties < 0.06 enabling easy replacement of Aluminum foil.

3. New coated substrates are launched for digital printing.

4. Developed PVC free films for advertising and promotions.

5. Anti fingerprint and one of the best scratch resistant coated substrates are suitable for primary and secondary packaging.

Speciality Chemicals

1. New cost-effective compounds are developed for films giving better aesthetics and unique surface properties for easy runnability and faster printing.

2. New coating portfolio has been introduced for better inkjet printing.

3. Barrier coatings are environmentally friendly and offer one of the best water and oil resistance.

4. Developed specialty acrylic emulsions and PU dispersions which are suitable not only for film but offer unique functionalities to leather, wood and paper.

5. Cosmo is one of the few coatings companies who offer direct FDA and antistatic coatings for packaging applications.

6. Pressure sensitive adhesives are based on specialty acrylic emulsions that gives adhesion to various substrates.

7. PU based flexible adhesives are made to sustain high temperatures and still offer excellent flexibility.

Analytical facility

Cosmo analytical lab has state of the art facilities including GC, particle size analyzer, UV-Vis spectrophotometer. It suitable for all kind of films, coatings, resins, adhesives and Master Batch. Company has invested in new instruments and infrastructural development. This lab is capable of doing all surface, structural and elemental analysis from nano to Macro level. R&D team has invented new methods to analyse critical additive surface migrations very selectively on the surfaces. It can also analyse source and nature of additives by specific extraction methods .

Cosmo application labs can analyse all critical customer requirements in film, packaging adhesives and coating segment. New instruments to perform weatherability testing has recently been added. Cosmo also have pilot synthesis, coating and extrusion facilities that helps to launch our products faster in the market.

New Product Development

The Company launched several new products during the financial year including PVC Free Media, HP Indigo Printable Media for Photo Album Application , Glossy CSP For Tag Application, Ozge synthetic paper for home & office laser printers, Scratch-free coated metallized film for low-migratory inks, PET G Shrink Label Grade Film, Low SIT High Heat Seal Strength Extrusion Grade Barrier Metallized CPP Film etc.

10. SUSTAINABILITY AND ESG INITIATIVES

Cosmo has been working on several sustanability projects. The Company has continuously worked towards enhancing the sustainability of its products, operations, and supply chain. By focusing on product efficiency and taking measures to eliminate high-impact gases, the Company has successfully reduced its carbon footprint. Cosmo First Limited recognises that its commitment to sustainability not only benefits the environment but also helps to boost the bottom line. Cosmo First understands that customers are increasingly seeking sustainable products and operations, and it aims to stay ahead of the curve by adopting sustainable practices throughout its operations. By prioritising sustainability, Cosmo First Limited is not only doing its part to protect the planet but is also positioning itself as a leader in the industry.

10.1 Environment

Cosmo First demonstrates a steadfast commitment to promoting sustainable practices and actively contributing to the circular economy. The Company prioritises the offering of mono layered structures in its films to facilitate ease of recycling. By forging partnerships with renowned global brands, Cosmo First strives to provide structure rationalisation and recyclability solutions, ensuring that its products can be efficiently processed for reuse. The Company's dedication to research and development drives the growth of its specialty film portfolio, enabling the provision of sustainable solutions that contribute to a better future. Cosmo First has also successfully developed Oxo-Biodegradable Films, Water Based Coatings, and heat-resistant BOPP films, which facilitate the creation of mono material structures, further enhancing recyclability. The Company's commitment to reducing plastic consumption is evident through the improved yield of both BOPP and CPP films, allowing for reduced plastic usage while maintaining product integrity.

Cosmo First's unwavering dedication to environmental responsibility extends beyond film production. The Company actively explores alternatives to environmentally harmful materials, exemplified by its substitution of PVC with UV stabilised Synthetic Paper for outdoor promotional applications. Additionally, Cosmo First's Ultra-High Barrier Films provide a suitable replacement for aluminum foil, effectively reducing reliance on non-recyclable materials. The Company places a high priority on reducing greenhouse gas emissions, implementing green energy practices at its plants, and actively pursuing waste reduction and water treatment initiatives. Cosmo First's commitment to sustainable manufacturing encompasses various measures, including rainwater harvesting, the reuse of treated effluent water, and the reutilisation of reprocessed granules derived from waste materials in film production. Through continuous efforts to reduce water usage, minimise waste generation, and lower GHG emissions, the Company upholds the principles of the 3R approach—reducing waste, reusing and recycling resources and products. Ultimately, Cosmo First aims to manufacture environmentally friendly, sustainable polymers that can be easily recycled and reused in various applications, thereby contributing to a more sustainable and resource-efficient future.

Cosmo Tree Plantation Drive

Agroforestry and Miyawaki are viable solutions to address the environmental sustainability. Fruit-bearing tree plantations have multiple benefits such as enhancing farmers' incomes, optimal utilization of land, and coexistence of fruit forests along with conventional crops. It is also a way to promote a healthy, local chemical free fruit supply and increase the green cover. Whereas, Miyawaki forestry is a unique potential natural vegetation concept.

55,000 saplings were planted across locations with 92% survivability being ensured. Urban Miyawaki Forest was created at Army Equestrian Centre and Aahwan at New Delhi. It will enhance the livelihood of farmers and their upcoming generations.

Water Conservation

To preserve water resources in rural areas, Cosmo aimed to make a significant impact on sustainability and environmental stewardship and initiated Rain Water Harvesting Project. It involves promoting water-saving practices, implementing water filtration and reuse systems, and raising awareness about water conservation. Cosmo Foundation implemented this project in 11 rural govt. schools of Karjan & Aurangabad. 6872000 litres of water will be conserved in every monsoon. Underground water tanks were constructed in 2 rural govt. school. Cosmo Foundation created a drinking water facility in two rural schools in Himachal Pradesh for 350 students.

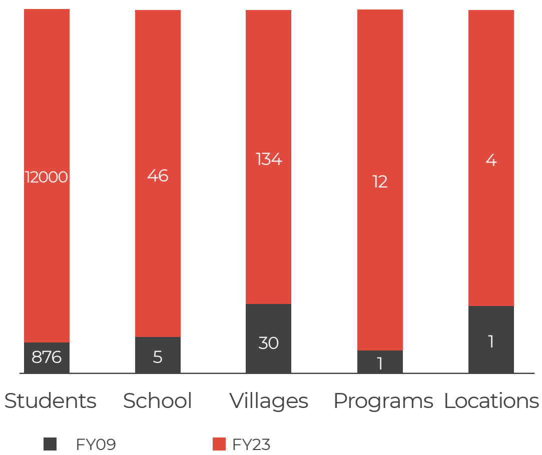
10.2 Social

Cosmo First is not only a leading manufacturer of packaging films and materials, but also a socially responsible corporate citizen. The Company strongly believes in providing a conducive environment to all its stakeholders and advocating for positive change in the world. To achieve this, Cosmo First takes action and engages beyond the boundaries of its facilities.

The Company is committed to giving back to the communities it operates in. It provides food to those who are less privileged, preserves the environment, and invests in the education of tomorrow's leaders. In addition to these initiatives, Cosmo First also supports various social causes that are aimed at improving the quality of life of people in the communities it operates in.

The Company's commitment to being a socially responsible corporate citizen is not only driven by its values but also by the belief that such actions are good for business. By promoting positive change in the world, Cosmo First can build trust and loyalty among its stakeholders, which in turn contributes to the growth and success of the company.

Few initiatives of Cosmo Foundation in the social sector are as follows—



Massive Health Awareness & Check-up Camps – Cosmo Foundation partnership with various private hospitals, organised Massive Health Awareness Camps across villages on the importance of nutrition and oral hygiene, prevention of common illnesses, menstrual and reproductive health, breastfeeding practices, critical illnesses like – pneumonia and epilepsy along with Eye, Gynae & Dental Check-ups. 15000 community members benefitted. Spectacles, eye surgeries and dental treatments were arranged.

Indian National Trust for Art and Cultural Heritage (INTACH) is reviving **700-year-old** handmade paper-making art in the village, Kagzipura and developing this village as a model heritage village in Aurangabad. Cosmo Foundation has partnered with INTACH and a Chemical-free water filtration plant with Dhobi Ghats is being constructed which enables clean water for villagers and also to the handmade paper-making factory. All the villagers took an oath to keep the village and pond clean.

Fondly known as CGVK – **Cosmo Gyan Vihar Kendra** which was started in the year 2009 as a response to the low literacy skill among rural children. The program focuses on imparting basic reading, writing, arithmetic and life skills to children in their native language. It promotes creativity, logical thinking, analytical skills, communication skills, personal hygiene and exposure to the outer world. The program is functional in **30** villages with **17015** students and **45** community-based teachers (Balmitras). With this program children are able to cope up with their academics study better, thus enhancing their motivation to attend school.

Cosmo Foundation launched Cosmo **Digi Pathshala** – A WhatsApp learning platform. Prepared e-content encompassing diverse contents on Foundational Literacy and Numeracy, Native and English language development, operation of digital tools General Knowledge, current affairs, health and hygiene awareness and career awareness. **3941** rural students across Gujarat and Maharashtra are engaged creatively and constructively during the time schools remained closed.

Cosmo Foundation initiated **E-Service centre** in two villages of Karjan block in year 2021. With the aim of making digital services available free of cost to the villagers. 3000 + villagers benefitted with the services like – Change in address in Aadhar and PAN cards, payment of electricity bills, E-shram card registration online applications for admission and scholarship, RTO license test, online exams, etc. The platform received an overwhelming response from the villagers. Resource books/ study material are also available for reference. Village youth take maximum advantage of these resources. The centre is run by rural youth trained under Digital Literacy program of CF.

4 States	Delhi Gujrat Maharashtra Himachal	**134** Villages
6,50,000 Lives Impacted		**4,40,000** Covid Care Support
62,000 Students		**33,000** Recyled Units Manufactured & Donated
55,000 Sapling Planted		
Infracture Support		
200 Toilets		**500** Wastebins
400 Desktops		**475** Institutions Supported

10.3 Governance

Cosmo First upholds ethical and responsible business practices not only to ensure fairness but because it is the right thing to do. The Company takes into account the economic, social, and environmental impact of its actions as part of its strategic planning, risk management, and governance approach.

The Board of Directors holds overall responsibility for upholding best practices in corporate governance, and the senior management supports the Board in fulfilling this duty. To achieve this, the Board and senior management take a consultative approach and seek inputs from all stakeholders, including shareholders, employees, vendors, suppliers, customers, community representatives, government authorities, and industry representatives.

For Cosmo First, maintaining the highest standards of corporate governance is not a mere formality, but an integral part of its core values and a way of life. The Company's philosophy of corporate governance aims to achieve business excellence by enhancing shareholder value, and transparency and ethical business practices are key in discharging corporate responsibilities.

11. QUALITY PERFORMANCE

Cosmo First takes pride in the quality systems implemented by the Company. Here are some of the initiatives undertaken during the year:

- Implementation of Six Sigma System at the organisational level to foster a culture of quality improvement.
- Ongoing second batch of Six Sigma training with new projects underway.
- Implementation of 5S methodology at the shop floors to establish world-class standards.
- Introduction of measures such as double door systems and automated door closures to enhance shop floor operations.
- Recognition of green practices with a green rating awarded by EcoVadis Sustainability Ratings.
- Introduction of lean manufacturing practices at the Karjan unit, which will be gradually implemented across all three locations.
- Collaboration with cross-functional teams to initiate small-scale quality improvement projects, aiming to reduce customer quality complaints.
- Provision of shop floor technical training for the sales and marketing team to enhance their understanding of product applications and manufacturing processes.
- Achievement of A-grade ratings from two major customers during plant quality audits.
- Establishment of a weekly Quality Assurance meeting for customer complaints, contributing to the continuous improvement of the quality management system.
- Sharing success stories of the Company's products through social media platforms.
- Development of an online Certificate of Analysis (COA) generation application in SAP for all three units, providing customers with system-generated COAs.

These initiatives reflect Cosmo First's commitment to maintaining and improving the quality standards of its products and operations.

12. INTERNAL CONTROL SYSTEMS, RISKS AND MITIGATION STRATEGY

At Cosmo First , the Risk Management, Internal Control Systems, and Internal Audit functions work in harmony to create a comprehensive risk management system. This system assesses the effectiveness of the framework concerning risk identification and mitigation.

Internal control systems

The Company has established comprehensive systems and controls throughout its operations, encompassing various financial and operational functions. These measures ensure the efficient execution of operations, safeguarding of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial reports. The Company's Internal Audit Department plays a vital role in providing assurance on compliance with operating procedures, internal policies, and legal requirements, as well as offering suggestions for system and process improvements. Furthermore, the Company has identified and documented key internal financial controls for critical processes across all plants, warehouses, and offices involved in financial transactions. The effectiveness of these financial controls is regularly evaluated through ongoing monitoring and review processes by management, as well as through independent assessments conducted by the internal audit team.

Risks & mitigation strategy

The Company has in place a robust risk management framework that identifies and evaluates business risks and opportunities. Cosmo recognises that the risks need to be handled effectively and mitigated to protect the interests of the shareholders and stakeholders, to achieve business objectives and create sustainable value and growth.

Few factors have been identified that could potentially have an adverse impact on the Company's consolidated financial position, results of operations, or cash flows.

1. Gap between Market Demand and Supply:

The capacity addition in the industry if comes within short time gap may impact the margins temporarily.

However, the Company has taken several steps to increase resistance to industry demand and supply gap if any including shifting of product mix to speciality products.

2. Economic slowdown:

Slowdown in the global economy due to current global developments could adversely impact growth in the short-term although impact in not expected to be significant on flexible packaging industry being part of essential commodity.

3. Strategic risks

Strategic risks encompass various factors such as shifts in consumer demand, competition, intellectual property issues, and potential loss of key customers. To mitigate these risks, the Company proactively engage in activities such as staying ahead in new product development, leveraging the protection provided by patent, trademark, copyright, and trade secret laws in its operating countries, and implementing non-disclosure agreements. A dedicated Key Account Team is focused on fostering strong customer relationships and effectively managing customer attrition to ensure a manageable level of risk.

4. Operational risks

Operations risks encompass various factors such as attracting and retaining key personnel, global health outbreaks, and information technology vulnerabilities. The Company prioritises creating a supportive work environment that promotes personal and professional growth to attract and retain key talent. Recognising the potential impact of information technology disruptions, Cosmo First has implemented measures to mitigate risks, although its systems and networks remain susceptible to advanced and persistent threats that could disrupt operations and compromise sensitive data of customers, employees, and vendors.

5. Financial risks

Financial risks encompass exchange rate risks, interest rate risks, and internal control risks. To mitigate exchange rate risks, the company utilises various derivative contracts, such as foreign exchange forward contracts, currency options, cross-currency swaps, and interest rate swaps. These instruments are employed to effectively manage and hedge against foreign currency exchange risks and interest rate fluctuations. In terms of interest rate cash flow risk, the Company follows a policy to minimise exposure on long-term financing. While the Company is exposed to market interest rate changes through variable interest rate bank borrowings, it maintains adequate internal financial controls that comply with the criteria established by the Company, considering the essential components of internal control outlined in the guidance note issued by the ICAI (Institute of Chartered Accountants of India).

6. Legal and compliance risks

In response to concerns surrounding safety, Greenhouse Gas Emissions, climate change, and plastic recycling, various countries have enacted and are expected to enact regulations and legislations. Cosmo First is proactive in taking necessary measures to ensure its operations and products fully comply with safety, health, and environmental regulations. The Company's legal and R&D functions work diligently to protect its patents and proprietary technology across different geographical regions. The Company has implemented robust systems and processes within and in line with the size and scope of its operations, to monitor and ensure compliance with relevant laws, rules, regulations, and guidelines. By doing so, Cosmo First strives to uphold legal and regulatory compliance at all levels of the organisation.

13. OPPORTUNITIES

1. Innovative packages

Marketers are acutely aware of the significant value and perception associated with brands. In the FMCG industry, many companies are embracing the idea of refreshing their packaging designs to align with the core values their brands represent. It is crucial to recognise that packaging not only safeguards the product but also safeguards the brand itself. Cosmo First is fully committed to creating inventive packaging solutions that entice customers and boost sales. The Company's focus is on developing packages that captivate consumers and effectively communicate the essence of its brands.

2. E-commerce

The growth of e-commerce, which was already on an upward trajectory, received a significant boost during the pandemic as consumers prioritise hygienic packaging when making their purchases. This surge in e-commerce activity has heightened the demand for packaging, especially for new products, and has also led to innovations in last-mile delivery solutions to meet these evolving requirements.

3. Digitisation and Internet of Things (IoT)

Companies are harnessing digital initiatives not only to reduce expenses but also to gain a competitive advantage among consumers. One such example is the integration of technology in packaging, which enhances customer value and service. With the rise of IoT (Internet of Things), packaging is becoming more intuitive and capable of providing instant information to consumers about the products they purchase. This evolution positions packaging as an enabler, facilitating seamless communication and interaction between products and consumers.

4. Sustainable packaging solutions

Cosmo First recognises that sustainable packaging solutions present the most significant opportunity for the Company, and it is committed to achieving that goal. As the awareness of sustainable packaging requirements continues to grow, the Company views it as an opportunity to meet these demands through its products and manufacturing processes. The Company understands that consumers increasingly seek more sustainable packaging options, and it collaborates closely with its customers to ensure its products meet their sustainability needs.

Through partnerships with leading global brands, Cosmo First offers structure rationalisation and recyclability solutions in various categories such as biscuits, noodles, tea and coffee sachets, and soap wrappers, among others. In its pursuit of a better tomorrow, Cosmo First invests in research and development to expand its specialty film portfolio, providing sustainable solutions.

The Company's initiatives include the development of Oxo-Biodegradable Films, increased utilisation of water-based coatings, and the innovation of heat-resistant BOPP films to enable mono material structures. These monolayered structures not only enhance recyclability but also simplify the recycling process, minimising environmental impact. Cosmo First's dedicated R&D team continues to work tirelessly, conducting ongoing research and development to deliver innovative solutions for sustainable packaging.

14. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Cosmo First recognises that its people are its greatest assets, and the belief in people is central to its human resource strategy. The Company places a strong emphasis on talent management, succession planning, performance management, and learning and development initiatives to foster inspiring, strong, and trustworthy leadership. By promoting knowledge, entrepreneurship, and creativity, Cosmo First utilises its human capital to drive competitiveness. The Company also embraces workforce diversity and strives to build its employees' careers through targeted interventions. Learning opportunities enhance employee engagement, boost productivity, reduce turnover, and cultivate a positive culture.

Labour relations in all India operations remained favourable. The Company's plants in India provided various opportunities to encourage an open and supportive work environment, promoting participative decision-making. The Company continued to provide its workers with team-building and collaboration training to strengthen team cohesiveness.

The total employee strength as of 31 March 2023 was 1148.

15. CAUTIONARY STATEMENT

This report will include 'Forward-Looking Statements,' such as statements about the implementation of strategic plans and other statements about Cosmo First's potential business developments and financial results. Although these Forward-Looking Statements reflect the Company's current evaluation and potential expectations for the development of the Company's business, a variety of risks, uncertainties, and other unknown factors could cause actual developments and outcomes to vary materially from those expected. General market, macroeconomic, governmental, and regulatory patterns, changes in currency exchange and interest rates, competitive pressures, technical advances, changes in the financial conditions of third parties doing business with the Company, regulatory developments, and other main factors that may have an effect on the Company's business and financial results. Cosmo First disclaims any duty to update or amend any forward-looking statements to represent events or circumstances that might occur in the future.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

For Cosmo, maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. It is an article of faith, a way of life, and an integral part of the Company's core values. Your company is committed for adopting best global practice 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.

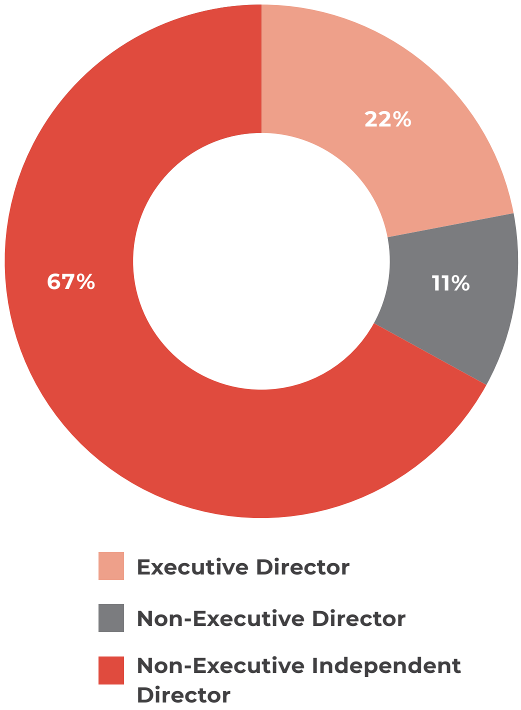
The Company's compliance of Corporate Governance guidelines of the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is as follows**:

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

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-Executive Independent Directors headed by the Chairman. The strength of Board of Directors is Nine (9), out of which Two (2) are Executive Directors, One (1) is Non-Independent Non-Executive Director and Six (6) are Independent Non-Executive Directors. Therefore, more than half of the Board comprises of Independent Directors.

The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgement of the Directors in any manner.

BOARD COMPOSITION



i. The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of Listing Regulations. The structure of the Board and record of other Directorships, Committee memberships & Chairmanships and shareholding in the Company as on 31 March 2023 is as under:

Name of the Director	DIN	Category	Designation	No. of other Directorships Held	Total No. of other Chairmanships /Memberships of Board Level Committees			Shareholding (as on 31 March 2023)
					Chairmanship	Membership	Total	
Mr. Ashok Jaipuria	00214707	Promoter Director	Chairman & Managing Director	2	Nil	Nil	Nil	443254
Mr. A. K. Jain	00027911	Executive Director	Whole Time Director	1	1	1	2	16507
Ms. Alpana Parida	06796621	Independent Non-Executive Director	Director	4	1	4	5	Nil
Mr. H. K. Agrawal	00260592	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	1500

Name of the Director	DIN	Category	Designation	No. of other Directorships Held	Total No. of other Chairmanships /Memberships of Board Level Committees			Shareholding (as on 31 March 2023)
					Chairmanship	Membership	Total	
Mr. H. N. Sinor	00074905	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	Nil
Mr. Pratip Chaudhuri	00915201	Non-Independent Non- Executive Director	Director	3	Nil	4	4	Nil
Mr. Anil Wadhwa	08074310	Independent Non-Executive Director	Director	1	Nil	1	1	200
Mr. Rakesh Nangia	00147386	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	31114
Mr. Arjun Singh	01942319	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	Nil

Notes:

I. The Directorships held by Directors as mentioned above, do not include Directorships in Foreign Companies, Companies registered under Section 8 of Companies Act, 2013, Private Limited Companies and high value debt listed Companies.

II. Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies 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 chairman of more than 5 such committees.

IV. None of the Independent Directors of the Company serves as an Independent Director in more than seven Listed Companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

V. None of the Directors had any relationships inter-se.

ii. Name of other listed entities where Directors of the Company are Directors and the category of Directorship:

Name of the Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Ashok Jaipuria	00214707	Hindware Home Innovation Limited	Independent Non- Executive Director
Mr. A. K. Jain	00027911	-	-
Ms. Alpana Parida	06796621	Nestle India Limited	Independent Non- Executive Director
		FSN E-Commerce Ventures Limited	Independent Non- Executive Director
Mr. H. K. Agrawal	00260592	-	-
Mr. H. N. Sinor	00074905	-	-
Mr. Pratip Chaudhuri	00915201	CESC Limited	Independent Non- Executive Director
		Firstsource Solutions Limited	Independent Non- Executive Director
		Spencer's Retail Limited	Independent Non- Executive Director
Mr. Anil Wadhwa	08074310	AGI Greenpac Limited	Independent Non- Executive Director
Mr. Rakesh Nangia	00147386	-	-
Mr. Arjun Singh	01942319	-	-

iii. Skills/ Expertise/ Competencies Matrix of the Board of Directors

The core skills/ expertise/ competencies as identified by the Board of Directors as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors are given below.

The matrix below highlights the skills and expertise, which are currently available with the Board of Directors of the Company

Skills/ Expertise/ Competencies	Mr. Ashok Jaipuria	Mr. A. K. Jain	Mr. H.K. Agrawal	Mr. H.N. Sinor	Mr. Pratip Chaudhuri	Ms. Alpana Parida	Mr. Anil Wadhwa	Mr. Rakesh Nangia	Mr. Arjun Singh
Business accumen and experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic thinking and planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial and risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓
People management and leadership	✓	-	✓	✓	✓	✓	✓	✓	✓
Digital technology and e-commerce	✓	✓	-	-	-	✓	-	-	✓
Corporate governance, legal and regulatory	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate social responsibility (CSR) and ESG	✓	-	-	-	✓	✓	✓	✓	✓

B. BOARD MEETINGS:

1. Scheduling and selection of agenda items for Board Meetings

The months for holding the Board Meetings in the ensuing year are usually decided in advance and most Board Meetings are held at the Company's registered office in New Delhi. The agenda for each meeting, along with explanatory notes, is sent 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 First Board met Six times on 09 May 2022, 09 August 2022, 14 November 2022, 01 December 2022, 14 February 2023 & 29 March 2023 during the Financial Year ended 31 March 2023. The maximum time gap between any two meetings was not more than one hundred twenty days.

3. **Record of the Directors' attendance at Board Meetings and AGM**

Name of the Director	Number of Board Meetings held during tenure of Directors and attended by them		Attendance at last AGM held on, 29 June 2022
	Held	Attended	
Mr. Ashok Jaipuria	6	6	Yes
Mr. A.K. Jain	6	6	Yes
Ms. Alpana Parida	6	3	Yes
Mr. H.N. Sinor	6	5	Yes
Mr. H. K. Agrawal	6	4	No
Mr. Pratip Chaudhuri	6	5	No
Mr. Anil Wadhwa	6	5	No
Mr. Rakesh Nangia	6	5	No
Mr. Arjun Singh	6	5	No

4. **Availability of information to the Board**

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. Necessary information as mentioned in Schedule II of Listing Regulations has been regularly placed before the Board for its consideration.

C. FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company follows a well-structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

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

The induction programme includes:

1. For each Director, a one to one discussion with the Chairman and Managing Director to familiarise the former with the Company's operations.

2. An opportunity to interact with the CEO, CFO & Company Secretary, business heads and other senior officials of the Company, who also make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The details of the familiarisation programme may be accessed on the Company's website at https://www.cosmofirst.com/disclosure-under-regulation

D. BOARD LEVEL COMMITTEES

In accordance with the Companies Act, 2013 and Listing Regulations on Corporate Governance, the following committees were in operation:

AUDIT COMMITTEE

Mr. Rakesh Nangia (Chairman)
Mr. H.N. Sinor
Mr. Pratip Chaudhuri
Mr. Anil Wadhwa
Mr. H.K. Agrawal

HR, NOMINATION & REMUNERATION COMMITTEE

Mr. H.N.Sinor (Chairman)
Mr. Ashok Jaipuria
Mr. H.K. Agrawal
Mr. Rakesh Nangia

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Alpana Parida (Chairman)
Mr. A. K. Jain
Mr. Pratip Chaudhuri

CSR COMMITTEE

Mr. Anil Wadhwa (Chairman)
Mr. Ashok Jaipuria
Ms. Alpana Parida
Mr. A. K. Jain

RISK MANAGEMENT COMMITTEE

Mr. Ashok Jaipuria (Chairman)
Mr. A. K. Jain
Ms. Alpana Parida
Mr. Arjun Singh
Mr. Pankaj Poddar
Mr. Neeraj Jain

1. AUDIT COMMITTEE

Terms of reference

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. All the members are Non-executive Directors and each member has rich experience in financial sector. The Committee is governed by a charter which is in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Part C of Schedule II of Listing Regulations.

Meetings and attendance during the year

The Audit Committee met Four times during the financial year from 01 April 2022 to 31 March 2023

1.	09 May 2022	3.	14 November 2022
2.	09 August 2022	4.	14 February 2023

The attendance record of the audit committee members is given in following table:

Name of the Audit Committee members	Number of Meetings	
	Held during the tenure of Members	Attended
Mr. Rakesh Nangia*	4	3
Mr. H.N. Sinor	4	3
Mr. Pratip Chaudhuri	4	3
Mr. Anil Wadhwa	4	4
Mr. H.K. Agrawal**	4	4

* Appointed as Chairman of Audit Committee w.e.f 14 February 2023

**Ceased as Chairman of Audit Committee w.e.f 14 February 2023

2. **HR, NOMINATION AND REMUNERATION COMMITTEE**

Terms of reference

This Committee shall identify the persons, who are qualified to become Directors of the Company who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance and devising a policy on diversity of board of directors. Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The terms of the reference of HR, Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of Listing Regulations as well as section 178 of the Companies Act, 2013.

Meetings and attendance during the year

The HR, Nomination & Remuneration Committee met Two times during the financial year from 01 April 2022 to 31 March 2023

1.	09 May 2022
2.	09 August 2022

The attendance record of the HR, Nomination & Remuneration Committee members is given in following table:

Names of the HR, Nomination and Remuneration Committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. H.N. Sinor	2	2
Mr. H. K. Agrawal	2	2
Mr. Ashok Jaipuria	2	2
Mr. Rakesh Nangia	2	1

Compliance Officer

The Compliance Officer for this committee is Ms. Jyoti Dixit, Company Secretary.

Remuneration Policy

A. **Remuneration to Non-Executive Directors**

The Non-Executive Directors are paid remuneration by way of Commission and Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the FY23 was ₹ 25.75 lakhs. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. **Remuneration to Executive Directors**

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

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

Remuneration Paid to Directors

Following tables gives the details of remuneration paid to directors, during the year from 01 April 2022 to 31 March 2023:

Remuneration to Non- Executive Directors

Name of Director	Sitting Fees (₹)	Commission (₹)
Mr. H.K. Agrawal	3,50,000	20,00,000
Mr. Pratip Chaudhuri	5,00,000	20,00,000
Mr. H.N Sinor	3,75,000	20,00,000
Ms. Alpana Parida	2,50,000	20,00,000
Mr. Anil Wadhwa	4,00,000	20,00,000
Mr. Rakesh Nangia	3,50,000	20,00,000
Mr. Arjun Singh	3,50,000	20,00,000

Remuneration to Executive Directors*

Particulars	Designation	Salary (₹)	Commission (₹)	Contribution to provident & Superannuation Funds (₹)	Total Amount (₹)
Mr. Ashok Jaipuria	Chairman & Managing Director	7,50,00,000	16,11,74,825	2,02,50,000	25,64,24,825
Mr. A. K. Jain	Whole time Director	2,81,57,356	-	14,41,128	2,95,98,484

* This does not include value of perquisites

- The Company under the Cosmo First Share Based Employee Benefits Scheme, 2021 (erstwhile known as Cosmo First Employee Stock Plan 2015) granted 79100- stock options to Mr. A.K. Jain, Executive Director in four installments. These Options vested after 3 years from the respective granting date. These options were exercisable within ten years from the date of vesting of the options. Options outstanding as on 31 March 2022 were 52100. The outstanding options and the exercise price was adjusted for Bonus Issue announced in June 2022. Out of these 19000 options were exercised during the financial year and 51000 are outstanding as on 31 March 2023.

- The above mentioned Remuneration paid to directors does include both the fixed component and performance linked incentives as per the confidential service contract executed with director.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

Terms of reference of the Stakeholders Relationship Committee are as per the guidelines set out in the Listing Regulations and Companies Act, 2013 which inter-alia include looking into the investor's complaints on transfer of shares, non-receipt of declared dividends etc. and redressal thereof. To expedite the process of share transfers the Board has delegated the power of share transfer to M/s Alankit Assignments Limited viz. Registrar and Share Transfer Agents who attend the share transfer formalities at least once in a fortnight.

Meetings and attendance during the year

The Stakeholders Relationship Committee met four times during the financial year from 01 April 2022 to 31 March 2023:

1.	09 May 2022	3.	14 November 2022
2.	09 August 2022	4.	14 February 2023

The attendance record of the Stakeholders Relationship Committee members is given in following table:

Names of the Stakeholders Relationship Committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Ms. Alpana Parida	4	2
Mr. Pratip Chaudhuri	4	3
Mr. A. K. Jain	4	4

Compliance Officer

The Compliance Officer for this committee is Ms. Jyoti Dixit, Company Secretary.

Shareholders' Complaints etc. received during the FY23

During the year from 01 April 2022 to, 31 March 2023 the Company received 4 complaints from various Investors / Shareholders. The same were attended to the satisfaction of the Investors. At the end of 31 March 2023, no complaint was pending for redressal.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act 2013.

Terms of reference

The terms of reference of the CSR Committee are:

a. Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

b. Recommend the amount to be spent on CSR activities.

c. Monitor, implementation and adherence to the CSR Policy of the Company from time to time.

d. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy which shall include the following, namely:-

   - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
   - the manner of execution of such projects or programmes as per the CSR policy adopted by the Board;
   - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
   - monitoring and reporting mechanism for the projects or programmes; and
   - details of need and impact assessment, if any, for the projects undertaken by the company.

e. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at https://www.cosmofirst.com/investors/policies-and-code-of-conduct

Meetings and attendance during the year

The Corporate Social Responsibility Committee met two times during the financial year from 01 April 2022 to 31 March 2023

1.	02 May 2022
2.	27 February 2023

Name of the Corporate and Social Responsibility committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Anil Wadhwa	2	2
Mr. Ashok Jaipuria	2	2
Ms. Alpana Parida	2	1
Mr. A. K. Jain	2	2

5. RISK MANAGEMENT COMMITTEE

Terms of reference

The Risk Management Committee of the Company comprises of four directors and two members. The Terms of reference of the Risk Management Committee are in conformity with the provisions of Regulation 21 and Part D of Schedule II of Listing Regulations and includes monitoring and reviewing of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

Meetings and attendance during the year

The Risk Management Committee met two times during the financial year from 01 April 2022 to 31 March 2023:

1.	26 September 2022
2.	29 March 2023

The attendance record of the Risk Management Committee members is given in following table:

Name of the Risk Management Committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Ashok Jaipuria	2	2
Mr. A. K. Jain	2	2
Ms. Alpana Parida	2	1
Mr. Arjun Singh	2	1
Mr. Pankaj Poddar	2	1
Mr. Neeraj Jain	2	2

E. INDEPENDENT DIRECTORS:

It is hereby confirmed that all the Independent Directors fulfill the conditions specified in Listing Regulations and Companies Act, 2013 and all are independent of Management. The Company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a) Training of Independent Directors

Whenever new Non-Executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at https://www.cosmofirst.com/disclosure-under-regulation.

b) Performance Evaluation of Non-Executive and Independent Directors

The Board evaluates the performance of Non-Executive and Independent Directors every year.

All the Non-Executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration.

Their presence on the Board is advantageous and fruitful in taking business decisions.

c) Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 29 March 2023 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

I. Reviewed the performance of Executive Directors, Non-Independent Directors and the Board as a whole;

II. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

III. Reviewed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the period under review, no Independent Director had resigned from the Board before the completion of his/her tenure.

F. GENERAL BODY MEETINGS

I. Date / Venue / Time of previous three Annual General Meetings:

Year	Place	Date	Time	Status of Resolutions
2019-20	Through Video Conferencing (Deemed venue of the meeting: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025	07 August 2020	3:00 P.M.	Special Resolutions were Passed
2020-21	Through Video Conferencing (Deemed venue of the meeting: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025	23 July 2021	3:00 P.M.	Special Resolutions were Passed

Year	Place	Date	Time	Status of Resolutions
2021-22	Through Video Conferencing (Deemed venue of the meeting: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025	29 June 2022	3:00 P.M.	Special Resolutions were Passed

II. **Postal Ballot**

The Company has passed One (1) Special Resolution and Two (2) Ordinary Resolution through Postal Ballot during the FY23. Mr. Sanjiv Aggarwal, Practicing Chartered Accountant and partner of M/s B.K. Shroff & Co. (FRN: 302166E), was appointed as scrutinizer to conduct the Postal Ballot only through e- voting process in fair and transparent manner. Pursuant to the provisions of section 110 of Companies Act, 2013 and Companies (Management and Administration) Rule, 2014, postal ballot notice was sent only by electronic means to those members whose name(s) appeared on the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (NSDL) /Central Depository Services (India) Limited (CDSL) as on cut-off date i.e. Friday, 06 May 2022. Pursuant to the Companies (Management and Administration) Rules, 2014, the Company provided the facility to the members to exercise their votes only through e-voting and the e-voting portal of CDSL remained open from Friday, 13 May 2022 (09.00 a.m.) to Saturday, 11 June 2022 (05.00 p.m.). The scrutinizer submitted his report on E-voting on 11 June 2022. On the basis of the scrutinizer's report, Chairman declared the result of postal ballot through e-voting on 11 June 2022 and announced that all the Special Resolutions in the Postal Ballot Notice were duly passed by the requisite majority. The Results declared along with the Scrutinizer's Report were placed on the website of the Company i.e. (https://www.cosmofirst.com/investors/postal-ballot) and on the website of Central Depository Services (India) Limited "CDSL" and simultaneously communicated to the Stock Exchanges.

Result of voting through Postal Ballot by remote e-voting was as follows:

Item on in the notice	Ordinary/ special resolution	Votes cast in favour of the resolution	% of votes cast in favour	Votes cast against the resolution	% of votes cast against	Invalid votes	Status
1	Special	9748283	99.9974	251	0.0026	0	Passed as Special resolution
2	Ordinary	9690613	99.4058	57921	0.5942	0	Passed as Ordinary resolution
3	Ordinary	9654430	99.0347	94104	0.9653	0	Passed as Ordinary resolution

There is no special resolution proposed to be conducted through postal ballot.

Procedure for Postal Ballot:

- The notices containing the proposed resolutions and explanatory statements thereto are sent to all members of the Company at their registered postal/e-mail addresses alongwith a Postal Ballot Form and a postage pre-paid business reply envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms/e-voting received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman of the Company or a person authorised by him, who on the basis of the report, announces the results; and
- The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for providing e-voting facility to its members. Under this facility, members are provided an electronic platform to participate and vote on the proposals of the Company.

G. AFFIRMATIONS AND DISCLOSURES:

Compliance with Mandatory requirements of Listing Regulations

The Company has complied with all the applicable mandatory requirements of Listing Regulations.

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

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

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

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

   https://www.cosmofirst.com/investors/policies-and-code-of-conduct

2. The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years. The Company received a letter from SEBI dated 26 July 2021 seeking several information and documents. The information was duly submitted within the prescribed timeline. During FY23, SEBI had further asked for several information, which was duly replied. Some officials of the Company were summoned for personal appearances. The concerned officials duly attended the SEBI hearings.

3. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The Code of Conduct is displayed on the website of the Company. All the directors and the senior management personnel have affirmed compliance with the code for the Financial Year ended 31 March 2023. A declaration to this effect, signed by the Chief Executive Officer is annexed to this report.

4. **Whistleblower Policy:** The Company has a vigil mechanism/whistle blower policy. No personnel of the Company has been denied access to the Audit committee and whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

5. **Policy on Material Subsidiaries:** The Company has framed a Policy for determining Material Subsidiaries and the same is available on the website of the Company at www.cosmofirst.com weblink of the same is given below:

   https://www.cosmofirst.com/investors/policies-and-code-of-conduct

6. During the Financial Year ended 31 March 2023 the Company did not engage in commodity hedging activities.

7. During the Financial Year ended 31 March 2023, the Company did not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

8. During the Financial Year ended 31 March 2023 the Company announced Bonus Issue in the ratio of 1:2 (One Equity Share for every Two existing Equity Shares of the Company.) These bonus shares were tradable w.e.f 29 June 2022. Consequent to the bonus issue the paid up capital was revised to ₹27,25,90,720 divided into 2,72,59,072 Equity Shares of ₹10 each.

9. During the Financial Year ended 31 March 2023 the Company has not issued any debt instruments or fixed deposit programme involving mobilization of funds, whether in India or abroad.

10. During the Financial Year ended 31 March 2023 the Company bought back 10,09,345 (Ten Lakh Nine Thousand Three Hundred Forty Five) Equity Shares of the Company through tender offer route at a price of ₹1070/- per share. These shares were extinguished by the depositories on 22 February 2023. Consequent to the buyback the paid up capital was revised to ₹26,24,97,270 divided into 2,62,49,727 Equity Shares of ₹10 each.

11. A certificate from a company secretary in practice confirming that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

12. There have been no instances of non-acceptance of any recommendations of any of the Committee by the Board during the Financial Year under review.

13. Total fees of ₹67 Lakh for FY23, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

14. During the year from 01 April 2022 to 31 March 2023 the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. At the end of 31 March 2023, no complaint was pending for redressal.

15. The necessary certificate under Part B of Schedule II of Listing Regulations, is annexed to this report.

16. The Company Secretary has a key role to play in ensuring the Board procedures and statutory compliances are properly followed. A certificate from the Company Secretary indicating the compliance of Companies Act, 2013 and Listing Regulations has been annexed to this report.

17. **Management Discussion and Analysis Report:** The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.

18. **Compliance Certificate from Practicing Company Secretary:** Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Part C of Schedule V of Listing Regulations , is annexed to this report.

19. Other disclosures as required under Listing Regulations has been given at relevant places in the Annual Report.

20. Non-mandatory requirements-Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

21. The Company has fully complied with the applicable requirements specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

22. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

23. The Company has not given any loan and advance to firms/companies in which Directors are interested.

24. The details of the material subsidiary/(ies) of the Company are as under:
    - Name of Material subsidiary: Cosmo Films Inc. USA
    - Date of Incorporation: 04 December, 2007
    - Place of Incorporation: United States of America
    - Name of Statutory Auditor: M/s VMCA & Associates, Chartered Accountants
    - Date of appointment of Statutory auditor: 01 April 2017

H. MEANS OF COMMUNICATION / INVESTORS' COMMUNICATION

- The quarterly and half-yearly/Annual financial results are forthwith communicated to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors.

- Financial Results are published in leading newspapers, one English newspaper and one Hindi newspaper.
- The financial results are also put up on Company's website at https://www.cosmofirst.com/investors/financial-results
- Presentation(s) made to Institutional Investors or analysts are also put up on Company's website i.e. https://www.cosmofirst.com/investors/investors-presentation.

I. INFORMATION TO SHAREHOLDERS

1. REGISTERED AND CORPORATE OFFICE

1008, DLF Tower-A, Jasola District Centre, New Delhi - 110 025

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. FINANCIAL CALENDAR

Financial Year is 01 April 2023 to 31 March 2024 and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative)
Financial results for the 1st quarter ending 30 June 2023.	August 2023
Financial results for the 2nd quarter and half year ending 30 September 2023	November 2023
Financial results for the 3rd quarter and nine months ending 31 December 2023	February 2024
Financial results for the last quarter and financial year ending 31 March 2024	May 2024

4. WEBSITE

The address of the Company's website is www.cosmofirst.com.

5. DIVIDEND

The Board has recommended Dividend of ₹ 5/- per Equity Share for the FY23. The Dividend if declared at the Annual General Meeting shall be paid on or before 03 September 2023.

The Dividend Distribution Policy ("Policy") of the Company is available on the website of the Company at: https://www.cosmofirst.com/investors/policies-and-code-of-conduct

UNPAID/UNCLAIMED DIVIDENDS

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹ 10,87,401/- of unpaid / unclaimed dividend (unpaid since FY15) and 5435 equity shares were transferred during the FY23 to the Investor Education and Protection Fund (IEPF)

Consequent to the Bonus Issue announced in FY23, 87,459 Bonus shares were transferred to IEPF. In pursuant to the IEPF rules, any benefit accruing on shares transferred to IEPF is also liable to be transferred to IEPF. Therefore, the consequent Bonus Shares were also transferred to IEPF on 24 June 2022 against the original IEPF shares. ₹ 82,829.18/- being the fractional amount arising on sale of fractional shares (representing Bonus shares transferred to IEPF) was also transferred to IEPF.

6. LISTING ON STOCK EXCHANGES

The names of the stock exchanges at which Company's shares are listed as on 31 March 2023 and details of "Stock Codes" are as mentioned below:

Name of the Stock Exchange Stock Code	Stock Code
BSE Ltd.	508814
National Stock Exchange of India Ltd.	COSMOFIRST

7. 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 First Ltd. is INE757A01017

8. ANNUAL LISTING FEE

Annual Listing Fee for the year 2022-23 has been paid to each of the above mentioned stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

9. DISTRIBUTION OF SHAREHOLDING AS ON 31 March 2023

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

Distribution of the shareholdings according to type of shareholders:

Particulars	31 March 2023		31 March 2022	
	No. of Shares	%(Holding)	No. of Shares	%(Holding)
Promoters	11654448	44.40	8012737	44.09
Institutional Investors	1495478	5.70	1304942	7.18
Bodies Corporate	962248	3.67	791624	4.36
Others	12137553	46.23	8063412	44.37
Total	**26249727**	**100**	**18172715**	**100**

Distribution of shareholding according to the number of shares:

Distribution of the Shareholding according to type of shareholders

No. of Equity Shares	31 March 2023				31 March 2022			
	No. of Shareholders	% of Shareholders	No. of shares	% of share Capital	No. of Shareholders	% of Shareholders	No. of shares	% of share Capital
1-500	46256	92.35	3513027	13.38	36258	93.77	2598594	14.30
501-1000	2020	4.03	1437807	5.48	1254	3.24	936304	5.15
1001-2000	933	1.86	1314438	5.01	563	1.46	819457	4.51
2001-3000	324	0.65	804444	3.06	199	0.51	506210	2.79
3001-4000	112	0.22	388452	1.48	72	0.19	259376	1.43
4001-5000	92	0.18	411906	1.57	65	0.17	297532	1.64
5001-10000	169	0.34	1177263	4.48	121	0.31	864455	4.76
10001 and above	184	0.37	1275238	65.54	133	0.34	11890787	65.43
Total	**50090**	**100.00**	**26249727**	**100.00**	**38665**	**100.00**	**18172715**	**100.00**

10. **MARKET PRICE DATA**

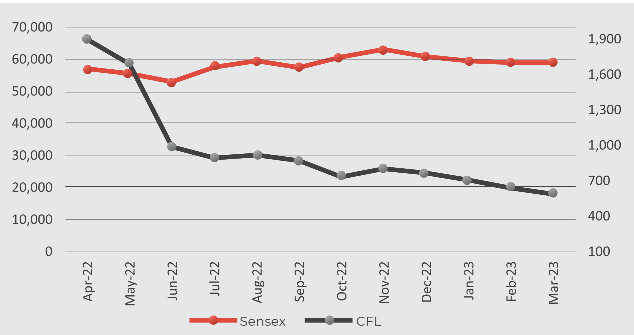
Monthly high and low prices of equity shares of the company traded at The BSE Limited and National Stock Exchange of India Limited are given below:

MONTH	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH(₹)	LOW (₹)
Apr-22	2,140	1,735.35	2142	1735.35
May-22	2,113.90	1,563.15	2,115.40	1,540.00
Jun-22	1,874.25	885.85	1,880.00	882.05
Jul-22	1,040.55	878.70	981.05	879.00
Aug-22	937.95	858.20	937.00	851.10
Sep-22	929.90	837.05	925.00	837.00
Oct-22	899.30	728.05	895.55	728.80
Nov-22	814.20	657.95	815.00	658.10
Dec-22	849.90	690.00	849.00	688.70
Jan-23	795.10	700.00	796.90	700.10
Feb-23	745.60	635.00	745.50	630.00
Mar-23	674.25	549.95	672.05	550.05

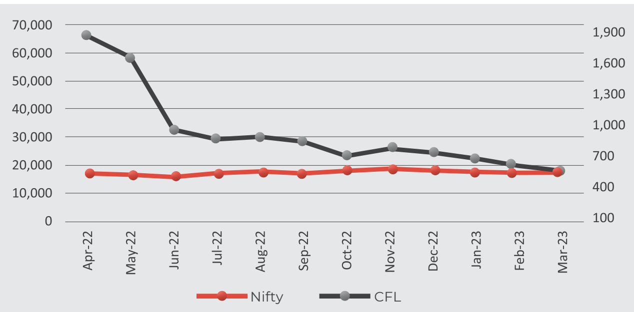
11 **SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX AND NSE NIFTY**

Monthly high/low of market price of the Company's equity shares (₹10 each) traded on the Stock Exchanges during the year 2022-23 is given hereinafter:

a. Company's Share Price Movement vis a vis BSE SENSEX



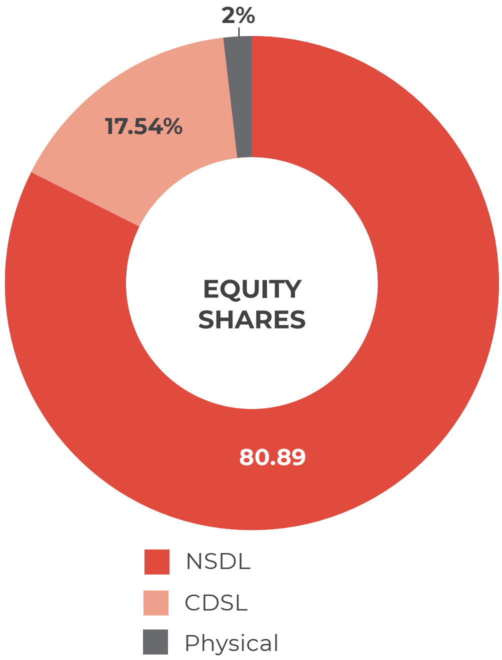
b. Company's Share Price Movement vis a vis NIFTY



12. **DEMAT & LIQUIDITY**

Your Company's equity shares are compulsorily traded in dematerialised form by all categories of investors. 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).

As on 31 March 2023 98.43% (i.e 25835315 Equity Shares) of the total Equity Share Capital (i.e. 26249727 equity shares) were held in demat form.



13. **EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT**

There are no equity shares which are lying in the unclaimed suspense account as at 31 March 2023

14. **OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

There were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments as at 31 March 2023.

15. **REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM**

The Company has appointed a common Registrar i.e. Alankit Assignments Limited for share transfer and dematerialisation of shares. 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 fortnight. Their contact details are as follows;

M/s Alankit Assignments limited
4E/2, Alankit House,
Jhandewalan Extension
New Delhi 110 055
Ph: +011 42541234
Fax: +011 011-42541967
Contact Person: Mr. Vijay Pratap Singh

16. PLANT LOCATIONS

The addresses of the Company's plants are mentioned elsewhere in this Annual Report.

17. ADDRESS FOR CORRESPONDENCE:

i. **Investors' Correspondence** may be addressed to the following:

Ms. Jyoti Dixit
Company Secretary
Cosmo First Limited
1008, DLF Tower-A,
Jasola District Centre,
New Delhi 110 025
E-mail: investor.relations@cosmofirst.com
Ph: +91-11-49494949
Fax: +91-11-49494950

OR

To the Registrar and Share Transfer Agent i.e: Alankit Assignments Limited at the address mentioned under clause 15 of "Information to Shareholders" in this report.

ii. **Queries relating to the Financial Statements** of the Company may be addressed to following:

Mr. Neeraj Jain
Chief Financial Officer
Cosmo First Limited
1008, DLF Tower-A,
Jasola District Centre,
New Delhi 110 025
E-mail: neeraj.jain@cosmofirst.com

18. CREDIT RATING

The Company has been awarded long term rating of AA- and short term rating of A1+ by CRISIL. It indicates a stable outlook for the Company. The rating reflects that the Company has serviced its financial obligations on time. The details of the Credit Rating are available on the website of the Company at www.cosmofirst.com

ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CEO

To
The Board of Directors
Cosmo First Limited
(Formerly known as Cosmo Films Ltd.)
1008, DLF Tower-A,
Jasola District Centre,
New Delhi -110 025

1. The Code of Conduct has been laid down for all the Board members and Senior Management and other employees of the Company.

2. The Code of conduct has been posted on website of the Company.

3. The Board members and Senior Management personnel have affirmed compliance with the code of conduct for the year 2022-23

Date: 29 May 2023
Place: New Delhi

Pankaj Poddar
Chief Executive Officer

CERTIFICATE IN PURSUANT TO REGULATION 17(8) OF THE
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015
FOR THE YEAR ENDED 31 MARCH 2023

To
The Board of Directors
Cosmo First Limited
(Formerly known as Cosmo Films Ltd.)

We, the undersigned hereby certify that:

(a) We have reviewed the financial statements and the cash flow statement for the FY23 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2022-23 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and

   (iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Neraj Jain
Chief Financial Officer

Pankaj Poddar
Chief Executive Officer

Date: 29 May 2023
Place: New Delhi

CERTIFICATE FROM THE COMPANY SECRETARY

I, Jyoti Dixit, Company Secretary of Cosmo First Limited ("i.e. Company") confirm that the Company has:

(i) Maintained all the statutory registers required under the Companies Act, 2013 ("the Act") and the Rules made there under.

(ii) Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies and/ or Authorities as required by the Act.

(iii) Issued all notices required to be given for convening of Board Meeting and General Meeting, within the time limit prescribed by law.

(iv) Conducted the Board Meetings and Annual General Meeting as per the Act.

(v) Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Directors and the Shareholders.

(vi) Made due disclosure required under the Act including those required in pursuance of the disclosure made by the Directors.

(vii) Obtained all necessary approvals of Directors, Shareholders and Central Government as per the requirements.

(viii) Paid dividend amounts to the Shareholders and unpaid dividend amounts, if applicable, have been transferred to the Investor Education and Protection Fund within the limit prescribed.

(ix) Complied with all the requirements of SEBI Listing Regulations, 2015.

(x) The company has also complied with other statutory requirements under the Act and other related statutes in force.

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

Date: 29 May 2023
Place: New Delhi

Jyoti Dixit
Company Secretary

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Cosmo believe in partnering & empowering our stakeholders and creating a culture of transparency and accountability. We see our responsibility to take the lead in sustainable development not only as a duty to the society but also as an opportunity to do well by doing good. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance, we aim to protect and deliver value to all our stakeholders.

We welcome the reporting framework 'Business Responsibility and Sustainability Reporting' ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures. This report also speaks about the Company's ESG approach which propels the business strategy to deliver Company's purpose and pursue sustainable goals.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity-L92114DL1976PLC008355
2. Name of the Listed Entity- COSMO FIRST LIMITED (Formerly Cosmo Films Limited) (the Company)
3. Year of incorporation-1976
4. Registered office address-1008, DLF Tower-A, Jasola District Centre, New Delhi 110025 India
5. Corporate address- 1008, DLF Tower-A, Jasola District Centre, New Delhi 110025 India
6. E-mail-investor.relations@cosmofirst.com
7. Telephone-011-49494949
8. Website-www.cosmofirst.com
9. Financial year for which reporting is being done-2022-2023
10. Name of the Stock Exchange(s) where shares are listed- National Stock Exchange (COSMOFIRST) Bombay Stock Exchange (508814)
11. Paid-up Capital-₹ 26,24,97,270
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

    Jyoti Dixit-Company Secretary

    jyoti.dixit@cosmofirst.com

    011-49494949
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)- Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacture of Flexible Packaging Films (including Value added oriented films for packaging, labels, lamination and industrial applications). The Company has three plants in India (Maharashtra & Gujarat) and one in South Korea.	99%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of Flexible Packaging Films (including Value added oriented films for packaging, labels, lamination and industrial applications)	22201	99%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	5	8
International	1	7	8

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Prominent share in the Indian market across India
International (No. of Countries)	80

b. What is the contribution of exports as a percentage of the total turnover of the entity?

46%

c. A brief on types of customers

Cosmo First Limited provides industry-first niche solutions in the areas of packaging, lamination, industrial and labelling applications. The Company's customer base includes the leading FMCG brands in India and globally, flexible packaging converters, label manufacturers and an extensive network of channel partners across the world for distribution of its range of flexible packaging films.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1066	1003	94	63	6
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**1066**	**1003**	**94**	**63**	**6**
WORKERS						
4.	Permanent (F)	82	82	100	-	-
5.	Other than Permanent (G)	1615	1599	99	16	1
6.	**Total workers (F + G)**	**1697**	**1681**	**99**	**16**	**1**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**-**	**-**	**-**	**-**	**-**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11
Key Management Personnel	3	1	33.33

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees*	12.9%	2.8%	15.60%	11.9%	1.95%	13%	9.9%	1.%	10.9%
Permanent Workers*	6.1%	0%	6.1%	14.9%	0%	14.9%	12%	0%	12%

* As per SEBI Guidelines, for calculating turnover rate, persons leaving the employment shall include those who left the entity voluntarily or due to dismissal, termination, retirement or death in service.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	CF (Netherlands) Holding Limited B.V.	Subsidiary	100	No
2	Cosmo Films Japan, GK	Subsidiary	100	No
3	Cosmo Films Singapore Pte Limited	Subsidiary	100	No
4	Cosmo Films Korea Limited	Subsidiary	100	No
5	Cosmo Films Inc.	Subsidiary	100	No
6	CF Investment Holding Private (Thailand) Company Limited	Subsidiary	100	No
7	Cosmo Films Poland SP.Z.O.O	Subsidiary	100	No
8	Cosmo Speciality Chemicals Pvt Ltd	Subsidiary	100	Yes
9	Cosmo Speciality Polymers Pvt Ltd	Subsidiary	100	Yes
10	Cosmo Global Films Pvt Ltd	Subsidiary	100	Yes
11	Renew Green (GJS One) Private Limited*	Associate	20%+	No
12	OPGS Power Gujarat Private Limited*	Associate	20%+	No
13	Bhadreshwar Vidyut Private Limited*	Associate	20%+	No

* Investment in captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The Company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)-Yes

(ii) Turnover (in ₹)- 2742 Crores

(iii) Net worth (in ₹)- 1147 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Investors (other than shareholders)	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Shareholders	Yes	4	0	Not Applicable	3	0	Not Applicable
Employees and workers	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Customers	Yes	206	10	Pending due to further details awaited from the customers.	237	0	Not Applicable
Value Chain Partners	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Other (please specify)	-	-	-	-	-	-	-

** The Company has a well-defined grievance redressal mechanism in place for all its stakeholders, wherein processes are set internally and communicated to all the stakeholders.*

The Grievance redressal mechanism for Investors and shareholders is placed at the Company's website https://www.cosmofirst.com/investors/grievance-redressal. Further, there is a specific email ID (investor.relations@cosmofirst.com) for addressing queries raised by any Investors and Shareholders.

In addition to this, the Company also has various other Policies, covering different aspects related to grievance redressal including but not limited to Policy on Prevention of Sexual Harassment (POSH), Whistle Blower Policy, Grievance Redressal Policy to safeguard the interest of the employees and workers (including females).

Further, the Company has separate e-mail IDs for its customers and suppliers wherein they can report/raise their concerns i.e., https://login.salesforce.com and supply.chain@cosmofilms.com respectively.

Furthermore, the Company deploys its local employees who regularly visit the communities and interact with people to gauge and address community concerns.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format;

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implication)
Please refer to the Risk and Opportunity section mentioned in Management Discussion & Analysis of Annual Report					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The policies as per SEBI regulations are approved by Board and rest of the policies are approved by the respective process heads in consultation with the Management.								
c. Web Link of the Policies, if available	The Policies of the Company are placed on the Company's website, which can be accessed through the following weblinks: https://www.cosmofirst.com/investors/policies-and-code-of-conduct https://www.cosmofilms.com/company-policies Additionally, the Company's intranet hosts a number of internal policies that are available to internal stakeholders only.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The policies followed by the Company are applicable to value chain partners and are listed on the Company's website. The value chain partners are expected to follow the applicable policies.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	BRCGS Global Standard ISO 14001: 2015	BRCGS Global Standard ISO 9001: 2015	-	ISO 9001: 2015 ISO 14001: 2015	-	ISO 14001: 2015	-	ISO 14001: 2015	ISO 9001: 2015
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Cosmo First Limited is in the process of developing a well-defined ESG Roadmap with structured commitments, goals, and targets. For near future, the Company has also identified some of the Environmental and Social Key Performance indicators (KPIs) which includes: • Noise level reduction by 20% dB (decibels) • 5% reduction in fuel consumption • Enhanced use of recycled material • 5% reduction in waste generation • 5% reduction in carbon emissions								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of specific targets is reviewed periodically by various Committees led by the Management and Board of Directors. For performance against specific targets, please refer ESG section on our website https://www.cosmofirst.com/esg.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Cosmo First Limited is committed to sustainability. Driving product efficiency, eliminating high-impact gases, and improving efficiency throughout operations and our supply chain is not only good for the environment, it's good for business too. Company looks to build on this success, we are working continuously to improve and develop our products. We will continue to focus our efforts to both reduce power demand as well as opportunities for further investment in renewable energy. Carbon reduction has always been a focus and our board has been consistently evaluating our Climate and Carbon Management Strategy which is appropriate for our Company.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	At Cosmo First Limited, we take pride in the fact that apart from striving for business growth and operational excellence, we focus on the betterment of the marginalized communities and the society in general by addressing Social part of the ESG. We have always been passionate about our philanthropic initiatives. The Cosmo Foundation aims to empower local communities by assisting them in attaining their potential. As an extension of our existing programs on computer literacy, basic English learning, and clean and green initiatives, we also engaged ourselves in providing resources to the poor who were impacted the most by the pandemic. And our governance structure is driven by policies that are reviewed periodically and set the core framework for our operations. Our policies apply to all operating locations, businesses and subsidiaries, helping us manage our operational, regulatory and reputational risks, effectively and efficiently. Each policy framework has owners at the top who drive implementation and, where appropriate, corrective actions are taken to ensure that everyone understand their responsibilities and play their role. We wish to reiterate our commitment towards the aim which is to build an organization that positively impacts all three aspects – environment, social, and governance. Making disclosures on sustainability is the first small step we have taken towards the journey of becoming a truly sustainable organization. As one of India's leading packaging solutions companies, we have always acknowledged the contribution towards environment, social and governance (ESG) aspects.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. A.K. Jain Director-Corporate Affairs								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. A.K. Jain, Director Corporate Affairs is responsible for decision making on sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, the Managing Director & Chief Executive Officer / Chief Financial Officer / Company Secretary and senior officials present to the Board of Directors with a Statutory Compliance Certificate on applicable laws.									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Currently, the Company is conducting the assessment/evaluation of the workings of its policies internally. However, in due course the Company might also get these reviewed by external agencies.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/ No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BOD) and Key Managerial Personnel (KMPs)	The Board Members at the time of their appointments / regular intervals (as part of board meetings) are briefed/updated on issues related to the business, regulatory, safety, environmental, social and governance matters, etc. These topics provided insights on the said Principles.	Topics covered through trainings conducted: Corporate Governance, Companies Act, 2013, SEBI Listing Regulations, Environmental & Safety matters	100%
Employees other than BoDs and KMPs	143	Workplace Safety Awareness, Gallup Scorecard virtual Awareness, Hazard & Risk Management System Awareness, Data Privacy, Cyber Security & Mail Phishing Awareness, Insider Trading, Success Factors Trainings, Microsoft Office 365 Mail Training, POSH Trainings, Medical Concerns and First Aid, Brand Product Trainings, HR Policies - Key Features, Labour Law Codes Training, R&D, Product development Trainings, Products and its application Trainings, Branding & Advertising Strategies, Tax Planning Sessions, Environmental Management Trainings, LinkedIn Learnings, TQM (Total Quality Management) & 5S Awareness, Kaizen Trainings, Corporate Induction & New Joiners Training.	99%
Workers	11	Firefighting & Fire Extinguisher handling Training, Medical Concerns and First Aid, Success Factors Trainings, POSH Training, Gallup Departmental Training, Microsoft PowerPoint Essentials, Tax Planning Session, TQM (Total Quality Management) & 5S Awareness Training, Daily Work Management Sessions	94%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	No fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the Company or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions during the current financial year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**		**Has an appeal been preferred? (Yes/No)**
Imprisonment	Not Applicable	Not Applicable	Not Applicable		Not Applicable
Punishment	Not Applicable	Not Applicable	Not Applicable		Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has a dedicated Code of Conduct which contains guidelines on anti-bribery and anti-corruption. We at Cosmo First Limited are committed to conduct our business with the greatest levels of morality, integrity and ethical standards, and does not tolerate bribery or corruption in any form. Cosmo First Limited does not stand any form of bribery by, or of, its employees or any persons or companies acting for it or on its behalf and for that purpose encourage and protect all of its employees who wish to raise and report their genuine concerns about any unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct.

The policy is available on the Company website: https://www.cosmofirst.com/investors/policies-and-code-of-conduct.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	**FY 2021-22 (Previous Financial Year)**
Director's	There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against any directors / KMPs / employees / workers.	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		**FY 2021-22 (Previous Financial Year)**	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable, as there were no cases of corruption and conflicts of interest which were reported during the year.

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
No such programmes were conducted during the financial year 2022-23. However, from the next financial year i.e., financial year 2023-24, the Company is planning to host such awareness sessions for its value chain partners.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes, the Company has processes in place to avoid/manage conflict of interests involving members of the Board. Cosmo First Limited has a detailed 'Code of Conduct for its Directors and Senior Management', which contains comprehensive guidelines and mechanism for avoiding the conflict of interest and for disclosing any such situations that may trigger a potential conflict. The Company also receives an annual confirmation from its Board of Directors regarding the entities they are interested in, and it ensures that the necessary approvals as required under the applicable laws and regulations are obtained before engaging into transactions with each of the entities.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

<table>
<tr><th></th><th>Current Financial Year</th><th>Previous Financial Year</th><th>Details of improvements in environmental and social impacts</th></tr>
<tr><td>R&D</td><td colspan="3" rowspan="2">Environmental and Social impact assessment is one of the key inputs for the new product development/ process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible.

Increasing share of renewable energy in overall energy portfolio is a flagship initiative which demonstrated our commitment towards sourcing clean energy and transition to low carbon operation having a direct impact on the environment.</td></tr>
<tr><td>Capex</td></tr>
</table>

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

      Yes, the Company has procedures in place for sustainable sourcing.

   b. If yes, what percentage of inputs were sourced sustainably?

      The Company is committed towards sustainably sourcing its raw material. We constantly work towards nurturing sustainable relationships with our supply chain partners by building trust, fair treatment and transparency in all procurement related decisions. However, the company is in the process of further strengthening sustainable sourcing and maintaining data around the same.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The majority of the plastic waste that is generated internally is recycled and reused. Company is into Business to business (B2B) business and the products manufactured by it are not supplied to ultimate consumer directly, therefore, once the Company's products are sold to customers such as converters, brands, etc, the post-consumer waste is untraceable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		Number (B)	% (B)/ (A)	Number (C)	% (C)/ (A)	Number (D)	% (D)/ (A)	Number (E)	% (E)/ (A)	Number (F)	% (F)/ (A)
Permanent Employees											
Male	1003	1003	100	1003	100	0	0	1003	100	-	-
Female	63	63	100	63	100	63	100	0	0	-	-
Total	**1066**	**1066**	**100**	**1066**	**100**	**63**	**100**	**1003**	**100**	**-**	**-**
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		Number (B)	% (B)/ (A)	Number (C)	% (C)/ (A)	Number (D)	% (D)/ (A)	Number (E)	% (E)/ (A)	Number (F)	% (F)/ (A)
Permanent workers											
Male	82	82	100	82	100	0	0	82	100	-	-
Female	0	0	0	0	0	0	0	0	0	-	-
Total	**82**	**82**	**100**	**82**	**100**	**0**	**0**	**82**	**100**	**-**	**-**

* The Company has location wise tie-ups with third party day care centres, which employees can avail of.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees#	No. of workers covered as a % of total workers#	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees#	No. of workers covered as a % of total workers#	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100%	100%	Y	100%	100%	Y
Gratuity*	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Others-please specify	-	-	-	-	-	-

* PF/Gratuity/ESI eligibility as per statute.

Percentages above are calculated for eligible employees.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Presently, majority of our premises / offices are largely accessible to differently abled employees and workers. However, the Company is attempting to make further improvements to the current system.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, color, origin, nationality, disability, religion, race, caste, gender, sex and sexual orientation. The Company's Code of Conduct for employees specifically calls out for no discrimination on any grounds.

The Code of Conduct can be accessed at the following link on our website at https://www.cosmofirst.com/investors/policies-and-code-of-conduct

The Company is in the process of formulating a documented policy on Equal Employment Opportunity in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	100%	100%
Female	100%	67%	-	-
Total	**100%**	**100%**	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

<table>
<tr><th></th><th>Yes/No (If yes, then give details of the mechanism in brief)</th></tr>
<tr><td>Permanent Workers</td><td rowspan="4">Yes, The Company is committed to providing a safe and conducive work environment to all of its employees, workers and associates. Transparency and openness are organizational values and are practised across all levels. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. Employees can reach out independently to the Human Resource Function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the senior management.

In addition, the Company has formulated Whistle blower policy for employees to report any kind of suspected or actual misconduct in the organisation and Prevention of Sexual Harassment at Workplace policy for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such complaints received. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy.</td></tr>
<tr><td>Other than Permanent Workers</td></tr>
<tr><td>Permanent Employees</td></tr>
<tr><td>Other than Permanent Employees</td></tr>
</table>

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	**FY 2022-23 (Current Financial Year)**			**FY 2021-22 (Previous Financial Year)**		
	Total employees / workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	**1066**	**0**	**0**	**1039**	**0**	**0**
Male	1003	0	0	975	0	0
Female	63	0	0	64	0	0
Total Permanent Workers	**82**	**82**	**100**	**87**	**87**	**100**
Male	82	82	100	87	87	100
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	**FY 2022-23 (Current Financial Year)**					**FY 2021-22 (Previous Financial Year)**				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**% (B / A)**	**No. (C)**	**% (C / A)**		**No. (E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Male	1003	923	92	946	94	975	907	93	887	91
Female	63	57	90	58	92	64	59	92	58	90
Total	**1066**	**980**	**92**	**1004**	**94**	**1039**	**966**	**93**	**945**	**91**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Male	82	74	90	75	92	87	80	92	78	90
Female	-	-	-	-	-	-	-	-	-	-
Total	**82**	**74**	**90**	**75**	**92**	**87**	**80**	**92**	**78**	**90**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B)/(A)	Total (C)	No.(D)	%(D)/ (C)
Employees						
Male	1003	1003	100	975	975	100
Female	63	63	100	64	64	100
Total	**1066**	**1066**	**100**	**1039**	**1039**	**100**
Workers						
Male	82	82	100	87	87	100
Female	-	-	-	-	-	-
Total	**82**	**82**	**100**	**87**	**87**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Cosmo First Limited places a high value on preserving and improving the health and safety of its employees. Employee workplace safety is the cornerstone of the Company's sustainability approach. To protect everyone's safety, the Company has put in place extensive compliant measures at all touch points. We have Occupational Health Committees (OHC) which are occupied with necessary equipment's such as Stretchers, First Aid kits, Antivenom kits etc.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have a well-defined safety observation system i.e., Hazard Identification and risk assessment (HIRA) procedures in place to ensure continual improvement of the organization's occupational health and safety while continuously using steps to promote employee well-being and healthcare.

HIRA is the process of defining and describing risks by characterizing their probability, frequency, and severity, as well as assessing unfavourable consequences, such as possible losses and injuries.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company have specific processes for workers to report the work-related hazards. The Company has put in place the appropriate mechanisms to ensure the workers safety, which includes reporting of such incidents, if any observed by the safety teams during the safety rounds and alternatively the workers can also share the same with the safety team.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Health and Personal accident insurance is in place.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) *	Employees	2.63	2.30
	Workers	4.93	3.78
Total recordable work-related injuries*	Employees	16	14
	Workers	30	23
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* The injuries were of minor nature.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Safety has always been a core principle and top priority at Cosmo First Limited. The Company has a well-structured safety framework in place to monitor, implement, and take corrective actions for safety improvements. Cosmo First Limited is taking the following measures to ensure a safe and healthy work place:

- Occupational Health & Safety Policy in place.
- Proper systems in place for reporting of unsafe acts and conditions.
- Periodic trainings are being conducted on safe work practices and use of emergency systems.
- Adopted new technologies to control adverse events and putting in place high-level safety measures including cut-resistant gloves, metal detectors, spill kits, scaffolds, electrical hand gloves etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	1	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety practices	100% by the entity
Working Conditions	100% by the entity

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has best practices across sites for injury/incidents prevention and ensures safety improvements, as well as taking many efforts to prevent workplace accidents, such as:

- Implementing cut resistance gloves for preventing cut injuries.
- Spill kits for collecting oil spill in production areas to avoid fire risk.
- Implementation of Machine Guarding.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes, the employees and permanent workers are covered under Group Health Insurance/Mediclaim Policy and Term Life Insurance and in the unfortunate event of the death of an employee including workers, the Company extends financial support to the surviving family members of such employees and permanent workers.

2. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

3. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   Yes, the Company provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. For instance, retainership is made available to retiring employees on case to case basis and in case of termination of employment, the departing employee is given assistance with their job hunt.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   Stakeholders play a crucial role in our journey at Cosmo First Limited, and we realize the need to work together and address their concerns in order to meet the ambitious goals we have set as a part of the organization's vision.

   Any key stakeholder is defined as any individual, group of individuals or institution that adds value to the business chain of the Corporation. Both internal and external stakeholders, have been acknowledged by the Company.

   We have identified those entities or individuals as our key stakeholders group that can reasonably be expected to be significantly impacted by the Company's activities or products.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, notice board, intranet	Regularly	Recognition & Rewards + Talent management + new opportunities + CSR & Sustainability updates+ HR Policies & engagement surveys
Community	Yes	Comm meetings, pamphlets	Regularly	Need assessment + development programs.
Suppliers	No	Email, website,	Regularly	Query and grievance redressal, SCM
Investors or external channels	No	Email, SMS, ads, website, newspaper	Regularly	General updates + Queries + Business Performance + ESG Updates + Events & Activations (campaigns & announcement)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, ads, website, newspaper	Quarterly	Corporate Event updates such as Buyback/ Dividend Updates + Business Performance + Sustainability announcements
Customers	No	Customers meets, One–on–one interaction, Digital channels like mobile applications, website and many more, Customer satisfaction survey Feedback surveys etc.	Regularly	Anticipating requirements + Creating value + Customer feedback on product + Product safety and value for money
Government Regulatory Bodies	No	E-mails and letters, Conferences, Industry forums, Regulatory filings, Meetings with officials, Representations	Regularly	Inputs for ease of doing business + Inputs for regulatory changes + Ensuring compliance with laws

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company maintain a constant and proactive engagement with our key stakeholders that enables us to communicate our strategy and performance at each level. We practice continuous two-way communication and engagement to align expectations from each group of stakeholders with that of the management. The board regularly keeps revisiting various developments based on the feedback received from all the stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, the Company in consultation with the stakeholders has identified material environmental and social topics. The materiality assessment conducted identified a list of material topics that are the most relevant and applicable for the Company and actions are to be taken on them. Further, while developing our processes and policies, we make sure to incorporate the inputs received from stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Company conducts need assessments in the communities it operates in prior to starting the projects there. All our projects involve active stakeholder consultations and engagements to understand their instance and address their concerns. For more details please refer to the CSR section of Annual Report 2022-23.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1066	1066	100	1039	1039	100
Other than permanent	-	-	-	-	-	-
Total Employees	**1066**	**1066**	**100**	**1039**	**1039**	**100**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Workers						
Permanent	82	82	100	87	87	100
Other than permanent	1615	1615	100	1407	1407	100
Total Workers	**1697**	**1697**	**100**	**1494**	**1494**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1003	0	0	1003	100	975	0	0	975	100
Female	63	0	0	63	100	64	0	0	64	100
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	82	0	0	82	100	87	0	0	87	100
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	6	35,37,500	1	22,50,000
Key Managerial Personnel	2	1,94,15,268	1	32,97,411
Employees other than BoD and KMP	1001	4,70,000	62	5,33,184
Workers	82	9,99,168	0	-

* The median remuneration is computed for non-executive directors

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes, Head HR is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Respect for human rights is one of the Company's fundamental and core principles, and it works to defend, protect, and promote human rights in order to ensure fair and ethical business and employment practices. The Company's commitment to human rights and fair treatment is reflected in the various Company's policies including Company's Human Rights, Code of Conduct, Ethics Policy, POSH, Grievance Redressal Policy etc. All Employees and applicants are treated equally according to their individual qualifications, abilities, experiences, and other employment standards. Company ensures no discrimination due to race, religion, colour, national origin, sex, age, disability etc.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In cases of discrimination and harassment, we at Cosmo First Limited guarantee that the complainants are completely protected from reprisals, sanctions, or other forms of action for voicing honest concerns. In the Company's Grievance Redressal Policy, Whistle Blower Policy, and POSH, there are specific clauses regarding the confidentiality of the complainant that state that all reports/records associated with complaints, along with the information exchanged during a specific process/investigations, would be considered as confidential and access of the same would be restricted by the Company as deemed fit.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Currently, human rights requirements are not completely forming part of all the business agreements and contracts; however, recently the Company has started incorporating relevant clauses on Human Rights in the agreements being executed by the Company.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% assessed by the entity.
Forced/ Involuntary labour	100% assessed by the entity.
Sexual harassment	100% assessed by the entity.
Discrimination at workplace	100% assessed by the entity.
Wages	100% assessed by the entity.
Others- please specify	--

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code covers the Company's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, ethical dealings with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption, and exemplary personal conduct. Any violation of the Code by an employee renders the person liable for disciplinary action.

2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Presently, majority of our premises / offices are largely accessible to differently abled visitors and workers. However, the Company is attempting to make further improvements to the current system.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption in Mega Joules (A)	613848409	598876499
Total fuel consumption in Mega Joules (B)	351225432	342623422
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	**965073842**	**941499921**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.035	0.033
Energy intensity (optional) – the relevant metric may be selected by the entity		

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	243765	157912
(iii) Third party water	134659	148632
(iv) Seawater/Desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**378424**	**306544**
Total volume of water consumption (in kilolitres)	**378424**	**306544**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001380102	0.00001085495
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Cosmo First Limited recognizes the need of efficient water resource management both within and outside of its working sites. Efforts are being undertaken to optimize the efficiency of water consumption while simultaneously ensuring its availability for all stakeholders.

   The company has established ETP and STP plants to treat its generated wastewater; the treated wastewater is recycled for use in order to reduce freshwater consumption.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg/NM3	25	30
SOx	mg/NM3	130	172
Particulate matter (PM)	mg/NM3	37	37

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others-please specify		NA	NA

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	20457	20735
Total Scope 2 emissions (Break-up of the GHG into CO2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	151441	147375
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00000626907	0.0000059529
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has taken up various projects to reduce the Green House Gas emissions, which includes installation of Solar Plants at various locations, the details of which are given below:

Plant	Solar plant capacity (KWp)	Units Generation (KWh)		Metric tonnes of CO2 equivalent	
		FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Waluj	949.41	1202688	1164421	1022	990
Shendra	2000.00	2701607	2388152	2296	2030
Karjan	2041.00	1998872	2611924	1699	2220
Total		5903167	6164497	5018	5240

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	7769.89	7428.1
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) *(Used oil, waste/residue containing oil, spent solvent, exhaust air/gas cleaning residue, sludge)*	98.86	87.8
Other Non-hazardous waste generated (H). Please specify, if only *(MS Scrap, packaging material scrap, HDPP, LDPP, fly ash/TFH Coal, garbage)*	2158.92	1890
Total (A+B + C + D + E + F + G + H)	10027.67	9405.9

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented a strong waste management system that supports the Company's activities in order to effectively manage waste. The Company ensures that hazardous and non-hazardous waste generated by our operations are managed responsibly and are efficiently disposed of to minimise environmental impacts. Some of the practices being adopted by the Company to manage its waste includes:

- Inhouse reprocessing of the non-hazardous waste,
- Sending hazardous waste to the authorized disposal facility.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable, as the Company does not have any operations/offices in or around ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has complied with the applicable environmental laws/regulations/guidelines applicable in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 5

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to;

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	Organization of Plastics Processors of India (OPPI)	National
4	Label Manufacturers Association of India (LMAI)	National
5	All India Plastics Manufacturers Association (AIPMA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable as the Company has not received any adverse orders from regulatory authorities.		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable, as there were no projects that required SIA as per the law in the current year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

If we receive any grievances from the communities, we call the parties involved, have a mutual discussion with them, and decide on a solution that is viable for the community, and close the matter accordingly.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	The Company gives priority to suppliers in local community for sourcing of input material, baring speciality chemicals which are procured from buyers who may not be available in local vicinity.	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

5. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Social Transformation through Education, Environment and Empowerment Programs.	12,000 rural students 2,25,000 community members.	Entire population is from marginalized and vulnerable group.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Cosmo First Limited has a strong complaint handling procedure to ensure that consumer complaints are addressed immediately and effectively. Further, to better understand its customers' expectations, the Company communicates with them via email, specialized customer software, and other channels. The Company is constantly monitoring the complaints and taking appropriate action within the time frame set by the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Company is into B2B business and the products manufactured by it are not supplied to ultimate consumer directly, hence not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY2022-23 (Current Financial Year)		Remarks	FY2021-22 (Previous Financial Year)		Remarks
	Received during the year	**Pending resolution at end of year**		**Received during the year**	**Pending resolution at end of year**	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	206	10	Pending due to further details awaited from the customers.	237	Nil	-

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   The Company has Information Technology Policy in this regard which is available on Intranet portal of the Company. Web link for the IT policy :

   https://cosmoupdates.com/empportal/index.php/front/getPagedata/34

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not Applicable.

INDEPENDENT AUDITOR'S REPORT

To the Members of Cosmo First Limited (formerly 'Cosmo Films Limited')

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Cosmo First Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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 Standalone Financial Statements 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 standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The Company has entered into various derivative contracts including foreign exchange forward contracts, currency options, cross currency swaps and interest rate swaps which are used to manage and hedge foreign currency exchange risks and interest rate risks. The Company has reported net derivative financial assets at fair value of ₹ 8.29 crores and net derivative financial liabilities at fair value of ₹ 0.32 crores as of 31 March 2023. The Company's accounting policy on derivatives is disclosed in note 1 (iii) l) (iii) and related disclosures are included in note 46. The Company's significant judgements in applying accounting policy are disclosed in note 1 (iv).	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments in order to verify existence and rights. • Reviewed the hedging strategy of the Company, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied.

Key audit matter	How our audit addressed the key audit matter
The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Company measures the effectiveness thereof using valuation models, such as hypothetical derivative method. Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience. Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	• Inspected the underlying agreements and deal confirmations for the derivatives. • Assessed whether the accounting policy is consistent with the requirements of Indian Accounting Standard 109 'Financial Instruments'. • Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting. We have also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of derivatives are considered reasonable.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management 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 management 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 STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 statements, 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 adequate internal financial controls system 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 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 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 standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. As stated in note no. 19(iv) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended, is applicable for the Company only with effect from 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 23077974BGXFFJ8544

Place: New Delhi
Date: 29 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo First Limited on the standalone financial statements as of and for the year ended 31 March 2023)

(i) a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year by engaging an outside expert and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and based on the examination of the title deeds and mortgage deeds provided to us, we report that, the title deeds of all the immovable properties which are included under the head of property, plant and equipment and investment properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and Rules made thereunder.

(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year (except for goods-in-transit, in respect of which, the goods have been received subsequent to year end). According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records.

b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions on aggregate basis, are in agreement with the unaudited books of account of the Company, for the respective quarters, except for some differences due to reporting of advances received from customers primarily comprising of subsidiaries.

(iii) a) According to the information and explanations given to us, the Company has made investments in companies and granted loans, secured or unsecured to other parties, during the year, the details of which are as follows:

Particulars	Loans (₹ in crores)
Aggregate amount granted during the year	
- Chief executive officer	-
- Other employees	1.38
Balance outstanding as at balance sheet date in respect of above cases	
- Chief executive officer	5.86
- Other employees	1.53

The Company has not provided any advances in the nature of loans, secured or unsecured, guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) or any other parties.

b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of grant of all loans are not, prima facie, prejudicial to the Company's interest.

c) According to the information and explanations given to us, in respect of aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated and, in our opinion, repayments/receipts of the principal amount and the interest are regular.

d) According to the information and explanations given to us, there is no overdue amount in respect of aforesaid loans granted to such other parties.

e) According to the information and explanations given to us, there are no loans or advances in the nature of loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security, as applicable.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of Company's products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Income-tax Act, 1961	Income tax	0.09	-	2016-17	Income Tax Appellate Tribunal
	Income tax	3.47	4.55	2012-13	Income Tax Appellate Tribunal
	Income tax	1.00	1.00	2011-12	Income Tax Appellate Tribunal
	Income tax	1.22	1.62	2010-11	Income Tax Appellate Tribunal
	Income tax	5.57	6.61	2009-10	Income Tax Appellate Tribunal
	Income tax	2.98	3.07	2008-09	Income Tax Appellate Tribunal
	Income tax	5.18	-	2007-08	Income Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial year)	Forum where dispute is pending
	Income tax	5.67	-	2006-07	Income Tax Appellate Tribunal
	Income tax	1.76	-	2005-06	High Court
	Income tax	0.68	-	2005-06	Income Tax Appellate Tribunal
	Income tax	0.82	-	2004-05	Income Tax Appellate Tribunal
	Income tax	0.61	-	2003-04	Income Tax Appellate Tribunal
	Income tax	4.71	4.71	2002-03	Hon'ble Supreme Court of India
	Income tax	1.40	-	1997-98	High Court
Central Excise Act, 1944	Excise duty	16.10	1.83	2005-06 to 2017-18	Appellate Tribunal
	Excise duty	0.75	-	2015-16 to 2017-18	Assistant Commissioner
	Service tax	0.99	0.12	2006-07, 2012-13 to 2017-18	Appellate Tribunal
	Service tax	1.65	0.10	2009-10 to 2014-15	Assistant Commissioner

(viii) According to the information and explanations given to us, there are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).

(ix) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) a) According to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the Order are not applicable.

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the Order are not applicable.

b) The Company has not conducted non-banking financial or housing finance activities during the year.

c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.

d) The Group has no CIC which are part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) There is no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the said Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 23077974BGXFFJ8544

Place: New Delhi
Date: 29 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo First Limited on the standalone financial statements as of and for the year ended 31 March 2023)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Cosmo First Limited ("the Company")** as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls systems with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 23077974BGXFFJ8544

Place: New Delhi
Date: 29 May 2023

STANDALONE BALANCE SHEET as at 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars				Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS						
Non-current assets						
a)	Property, plant and equipment			2	1,316.95	925.82
b)	Capital work-in-progress			3	140.07	267.84
c)	Investment property			4	7.93	8.06
d)	Intangible assets			5	6.38	2.62
e)	Right of use assets			6	40.54	7.66
f)	Financial assets					
	(i)	Investments		7	244.27	155.73
	(ii)	Loans		8	5.59	6.04
	(iii)	Other financial assets		9	3.65	3.96
g)	Income tax assets (net)				33.19	8.99
h)	Other non-current assets			10	112.61	82.30
					1,911.18	**1,469.02**
Current assets						
a)	Inventories			11	344.58	357.62
b)	Financial assets					
	(i)	Investments		12	374.80	409.59
	(ii)	Trade receivables		13	157.49	197.90
	(iii)	Cash and cash equivalents		14	10.47	22.74
	(iv)	Bank balance other than (iii) above		15	13.12	15.11
	(v)	Loans		16	1.47	1.43
	(vi)	Other financial assets		17	54.01	23.91
c)	Other current assets			18	80.90	45.98
					1,036.84	**1,074.28**
TOTAL ASSETS					**2,948.02**	**2,543.30**
EQUITY AND LIABILITIES						
Equity						
a)	Equity share capital			19	26.25	18.17
b)	Other equity			20	1,121.05	1,069.72
					1,147.30	**1,087.89**
Liabilities						
Non-current liabilities						
a)	Financial liabilities					
	(i)	Borrowings		21	546.37	479.65
	(ii)	Lease liabilities			38.00	6.39
b)	Provisions			22	18.07	16.77
c)	Deferred tax liabilities (net)			23	159.78	143.06
d)	Other non-current liabilities			24	57.58	58.11
					819.80	**703.98**
Current liabilities						
a)	Financial liabilities					
	(i)	Borrowings		25	291.82	269.40
	(ii)	Lease liabilities			4.16	1.72
	(iii)	Trade payables				
		(a)	Total outstanding dues to micro and small enterprises	26	6.34	11.00
		(b)	Total outstanding dues to creditors other than micro and small enterprises	26	502.92	330.97
	(iv)	Other financial liabilities		27	71.27	80.90
b)	Other current liabilities			28	90.48	45.04
c)	Provisions			29	13.93	12.40
					980.92	**751.43**
TOTAL EQUITY AND LIABILITIES					**2,948.02**	**2,543.30**
Summary of significant accounting policies				1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note no.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	30	2,741.73	2,824.15
Other income	31	57.71	45.56
Total income		**2,799.44**	**2,869.71**
Expenses			
Cost of materials consumed		1,850.50	1,866.98
Purchase of traded goods		7.55	-
Change in inventories of finished goods and stock in trade	32	5.75	(32.82)
Employee benefits expense	33	168.90	173.88
Depreciation and amortisation expense	34	69.08	58.08
Finance costs	35	51.46	37.43
Allowance for expected credit losses		(0.01)	0.24
Other expenses	36	371.20	335.54
Total expenses		**2,524.43**	**2,439.33**
Profit before tax		**275.01**	**430.38**
Tax expense			
- Current tax	37	48.06	75.61
- Deferred tax expense/(credit)		19.64	41.83
- Tax adjustment for earlier years		(6.33)	-
Total tax expense		**61.37**	**117.44**
Net profit for the year		**213.64**	**312.94**
Other comprehensive income			
1) Items that will not be reclassified to profit or loss			
- Remeasurements of net defined benefit plans		0.76	0.09
- Tax on above items		(0.27)	(0.03)
2) Items that will be reclassified to profit or loss			
- Effective portion of gain/(loss) on hedging instrument in cash flow hedge		(22.71)	8.73
- Net changes in fair value of financial instruments carried at fair value through other comprehensive income		(2.43)	(2.00)
- Tax on above items		8.79	(2.85)
Total other comprehensive income		**(15.86)**	**3.94**
Total comprehensive income		**197.78**	**316.88**
Earnings per equity share	38		
- Basic (₹)		79.57	116.54
- Diluted (₹)		78.33	114.14
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Opening balance as at 1 April 2021	18.17
Changes during the year	-
Closing balance as at 31 March 2022	**18.17**
Issue of bonus shares	9.09
Buyback of shares	(1.01)
Closing balance as at 31 March 2023	**26.25**

B. OTHER EQUITY

	Reserves and surplus						Items of other comprehensive income			Treasury Shares	Total
	Retained earnings	Securities premium	Share options outstanding account	Capital reserve	General reserve	Capital Redemption Reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
Balance as at 1 April 2021	**578.88**	**4.30**	**4.35**	**3.32**	**230.86**	**1.27**	**(0.01)**	**2.55**	**0.65**	**(10.06)**	**816.11**
Profit for the year	312.94	-	-	-	-	-	-	-	-	-	**312.94**
Other comprehensive income for the year	0.06	-	-	-	-	-	5.72	(2.55)	0.71	-	**3.94**
Total comprehensive income for the year	**313.00**	**-**	**-**	**-**	**-**	**-**	**5.72**	**(2.55)**	**0.71**	**-**	**316.88**
Transaction with owners											
Equity dividend	(62.70)	-	-	-	-	-	-	-	-	-	**(62.70)**
Employee stock option expense	-	-	4.75	-	-	-	-	-	-	-	**4.75**
Transfer from share option outstanding on exercise and lapse	-	2.50	(2.50)	-	-	-	-	-	-	-	**-**
Sale of treasury shares	-	0.62	-	-	-	-	-	-	-	(5.94)	**(5.31)**
Balance as at 31 March 2022	**829.18**	**7.42**	**6.60**	**3.32**	**230.86**	**1.27**	**5.71**	**-**	**1.36**	**(16.00)**	**1,069.72**

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and surplus						Items of other comprehensive income		Treasury Shares	Total
	Retained earnings	Securities premium	Share options outstanding account	Capital reserve	General reserve	Capital Redemption Reserve	Effective portion of cash flow hedges	Debt instruments through other comprehensive income		
Balance as at 1 April 2022	**829.18**	**7.42**	**6.60**	**3.32**	**230.86**	**1.27**	**5.71**	**1.36**	**(16.00)**	**1,069.72**
Profit for the year	213.64	-	-	-	-	-	-	-	-	**213.64**
Other comprehensive income for the year	0.49	-	-	-	-	-	(14.77)	(1.58)	-	**(15.86)**
Total comprehensive income for the year	**214.13**	**-**	**-**	**-**	**-**	**-**	**(14.77)**	**(1.58)**	**-**	**197.78**
Transaction with owners										
Buyback of equity share capital including expenses thereto	-	-	-	-	(132.77)	-	-	-	-	**(132.77)**
Transfer from general reserve on account of buyback of equity share capital	-	-	-	-	(1.01)	1.01	-	-	-	**-**
Issue of bonus shares	-	(4.50)	-	(3.32)	-	(1.27)	-	-	-	**(9.09)**
Employee stock option expense	-	-	6.45	-	-	-	-	-	-	**6.45**
Transfer from share option outstanding on exercise and lapse	-	0.54	(0.54)	-	-	-	-	-	-	**-**
Purchase of treasury shares	-	(2.61)	-	-	-	-	-	-	(8.43)	**(11.05)**
Balance as at 31 March 2023	**1,043.31**	**0.85**	**12.51**	**-**	**97.08**	**1.01**	**(9.06)**	**(0.22)**	**(24.43)**	**1,121.05**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

STATEMENT OF CASH FLOWS for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A.	**Cash flow from operating activities**		
	Profit before tax	275.01	430.38
	Adjustment for		
	Depreciation and amortisation expense	69.08	58.08
	Finance costs	51.46	37.43
	Interest on financial assets carried at amortised cost	(0.32)	-
	Gain on investments carried at fair value through profit and loss	(12.14)	(22.70)
	Loss/(gain) on investments carried at fair value through other comprehensive income	0.97	(0.33)
	Dividend income	(0.55)	(0.33)
	(Decrease)/ increase in allowance for expected credit losses	(0.01)	0.24
	Interest Income	(15.41)	(14.28)
	Grant income on export promotion capital goods	(3.27)	(2.92)
	Liabilities no longer required written back	(6.36)	(0.72)
	Loss on sale of property, plant and equipment	0.33	0.18
	Profit on disposal of non current assets held for sale	-	(2.36)
	Employee share based compensation	6.45	4.75
	Unrealised gain on exchange fluctuation	(2.86)	(2.03)
	Unrealised claims recoverable	(5.93)	-
	Unrealised sales tax incentives	(6.27)	(5.63)
	Gain on derivatives classified under other comprehensive income	(3.93)	6.75
	Operating profit before working capital changes	**346.25**	**486.51**
	Adjustment for		
	Inventories	13.04	(86.06)
	Trade receivables	40.12	(9.76)
	Other financial assets	(26.58)	26.07
	Loans	0.40	2.10
	Other assets	(23.08)	2.21
	Trade payables	168.26	143.20
	Other financial liabilities	(14.98)	(1.16)
	Other liabilities and provisions	49.13	20.50
	Cash flow from operating activities post working capital changes	**552.56**	**583.61**
	Income tax paid (net)	(60.33)	(72.19)
	Net cash flow from operating activities (A)	**492.23**	**511.42**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets and capital work in progress (including capital advances)	(338.58)	(271.53)
	Sale of property, plant and equipment	0.75	0.45
	Proceeds from disposal of non current assets held for sale	-	0.18
	Sale/(purchase) of current and non-current investments (net)	35.67	(187.50)
	Purchase of non-current investments in subsidiaries	(81.10)	(18.30)
	Interest received	16.10	15.14
	Dividend received	0.55	0.33
	Investments in / (redemption of) fixed deposits (net)	1.85	(3.14)
	Net cash flow used in investing activities (B)	**(364.76)**	**(464.37)**
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	203.42	289.37
	Repayment of long term borrowings	(139.46)	(144.29)
	(Repayment) of / proceeds from short term borrowings (net)	(6.53)	(99.18)
	Sale/(acquisition) of treasury shares (net)	(11.06)	(5.30)
	Interest paid	(50.26)	(36.98)
	Dividend and tax thereon paid	-	(62.70)
	Buyback of equity shares including expenses and tax	(133.78)	-
	Payment of lease liabilities	(2.07)	(0.62)
	Net cash flow used in financing activities (C)	**(139.74)**	**(59.70)**
	(Decrease)/Increase in net cash and cash equivalents (A+B+C)	(12.27)	(12.65)
	Cash and cash equivalents at the beginning of the year (refer note 14)	22.74	35.39
	Cash and cash equivalents at the end of the year (refer note 14)	**10.47**	**22.74**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements

This is the Statement of Cash Flows referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

1. CORPORATE INFORMATION, BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Corporate information

Cosmo First Limited (formerly Cosmo Films Limited) (the 'Company'), manufacturers of Bi-axially Oriented Polypropylene Films (BOPP) was incorporated in India in 1981, under the Companies Act, 1956. The Company is engaged in the production of flexible packaging films. Company's products majorly comprise of BOPP Films, Thermal Films and Coated Films. In India, the Company is currently having manufacturing facilities at Aurangabad and Shendra in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries operating in different countries. During the previous financial year, the Company had made a foray into the Pet Care business with the launch of its platform ZIGLY which will offer pet parents the widest range of pet care products and services to give them an opportunity to choose from an amazing array of pet care options, ranging from pet food and treats to grooming supplies, health care products and much more.

ii) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2023 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors, along with these financial statements on 29 May 2023.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans – plan assets measured at fair value.

iii) Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

b) **Property, plant and equipment**

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible assets	Useful life
Building – Factory	30 years
Building – Non factory	60 years
Continuous process plant and machinery	25 years
Plant and Machinery used in generation, transmission and distribution of power	40 years
Other plant and machinery	15 years
Furniture and fittings	10 years
Vehicles	6-8 years
Office equipment	3-5 years

Cost of the leasehold land and leasehold improvements are amortised over the period of the lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) **Investment property**

Recognition and initial measurement

Investment properties are measured initially at cost, including transaction costs and where applicable, borrowing costs. Following initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Subsequent measurement (depreciation and useful lives)

Subsequent to initial recognition, an expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated over the useful economic life and assessed for impairment whenever there is an indication that the investment properties may be impaired.

De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	Amortised over a period of 6 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

f) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) **Inventory**

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined on the basis of weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of finished goods, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

h) **Foreign currency translation**

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR or ₹) and are rounded to two decimal places of crores, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

As per the generally accepted accounting principles followed by the Company till 31 March 2017, exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. Exchange differences arising on other long-term foreign currency monetary items existing as on 31 March 2017 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. The Company has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2017, as allowed under Ind AS 101.

For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

i) **Leases**

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The Company as a lessee

The Company's leased asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k) Revenue recognition - Sale of products and services

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax.

Income in respect of service contracts, which are generally in the nature of providing job work services, are recognised in Statement of Profit and Loss on completion of performance obligation.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Balance Sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its Balance Sheet, depending on whether something other than the passage of time is required before the consideration is due.

l) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

any, etc.

ii. **Investments in equity instruments of subsidiaries** - Investments in equity instruments of subsidiaries existing as at 1 April 2016, the date of transition to Ind AS, are accounted for at fair value at such date, as per the exemptions available in Ind AS 101. Other investments in equity instruments of subsidiaries are accounted for at their cost.

iii. **Financial assets at fair value**

- Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in profit or loss.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Bonds –** All bonds are in scope of Ind-AS 109 and measured at fair value. Bonds which are held for the purpose of both collecting contractual cash flows and selling financial assets are classified as at fair value through other comprehensive income (FVOCI). Bonds which are held for the purpose of trading are classified as at fair value through profit and loss (FVTPL).
- **Derivative assets -** All derivative assets are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Subsequent measurement

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Hedge accounting

The Company enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates which are designated as cash flow hedges. Further, the Company has designated certain non-derivative financial instruments in cash flow hedging relationship to manage its exposure to risk arising from changes in foreign exchange rates.

At the inception of a hedge relationship, the Company documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the period under audit, the Company has designated certain forward currency contracts, cross currency swaps and foreign currency risk component of borrowings in foreign currencies as hedging instruments in cash flow hedge relationships. The forward currency contracts and cross currency swaps have been entered into to mitigate foreign currency exchange risk arising from financial liabilities denominated in foreign currencies. Further, foreign currency risk component of borrowings in foreign currencies are designated to hedge the foreign currency risk in certain highly probable sales transactions denominated in foreign currency.

Cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

(i) The cumulative gain or loss on the hedging instrument from inception

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of the hedge; and

(ii) The cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the Balance Sheet. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the cash flow hedge reserve until the forecast transaction occurs.

n) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

i. For debtors that are not past due – The Company applies approach permitted by Ind AS 109 'Financial Instruments', which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime expected credit losses are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

   Life time expected credit losses are assessed and accounted based on company's historical counter party default rates and forecast of macro-economic factors, by dividing receivables that are not considered to be individually significant by reference to the business segment of the counter party and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counter party default rates. The Company defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation

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of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

ii. For debtors considered past due – any enhancement in the accrual done for expected credit loss on individually significant receivables is made to recognise any additional expected credit loss on amount recoverable. The Company writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Company.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

o) Post- employment and other employee benefits

Defined contribution plan

Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Superannuation fund

Superannuation is a post-employment benefit defined contribution plan under which the company pays specified contributions to the insurer. The company makes specified quarterly contributions to the superannuation fund. The contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

p) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognised to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

s) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

t) Non-current assets held for sale

An entity shall classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

u) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general

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corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Company as a whole.

w) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

x) Employee share based payments

The Company has granted stock options/ restricted stock units under Cosmo Films Employees Stock Option Plan 2015/ Share Based Employee Benefit Scheme, 2021 to the employees of the Company and its subsidiaries. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in share options outstanding account. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share options outstanding account. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

(iv) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory – The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However,

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for the year ended 31 March 2023

the actual future outcome may be different from this judgement.

Useful lives of depreciable/ amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Contingent liabilities – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

(v) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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(All amounts in ₹ crores, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Description	Own assets						Leasehold land	Leasehold improvements	Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment			
Gross carrying value									
As at 1 April 2021	18.96	187.82	1,215.67	10.43	14.39	24.33	100.74	-	1,572.34
Additions	-	3.60	16.02	0.67	2.55	1.53	-	1.80	26.16
Disposals	-	-	(0.16)	(0.47)	(0.88)	(3.51)	-	-	(5.02)
Transferred to investment property	-	(3.50)	-	-	-	-	(4.85)	-	(8.35)
Foreign exchange fluctuation	-	-	(0.15)	-	-	-	-	-	(0.15)
As at 31 March 2022	**18.96**	**187.92**	**1,231.38**	**10.63**	**16.06**	**22.34**	**95.89**	**1.80**	**1,584.98**
Additions	-	55.10	377.27	1.85	3.93	2.33	4.76	5.52	450.76
Disposals/adjustments	-	-	(0.17)	(0.18)	(1.49)	(1.52)	-	-	(3.36)
Foreign exchange fluctuation	-	-	4.90	-	-	-	-	-	4.90
As at 31 March 2023	**18.96**	**243.02**	**1,613.38**	**12.30**	**18.50**	**23.15**	**100.65**	**7.32**	**2,037.28**
Accumulated depreciation									
As at 1 April 2021	**-**	**51.93**	**514.81**	**8.31**	**6.77**	**19.14**	**6.50**	**-**	**607.46**
Charge for the year	-	4.89	44.74	0.68	1.79	2.49	1.51	0.17	56.27
Transferred to investment property	-	-	-	-	-	-	(0.19)	-	(0.19)
Disposals/adjustments	-	-	(0.14)	(0.45)	(0.36)	(3.43)	-	-	(4.38)
As at 31 March 2022	**-**	**56.82**	**559.41**	**8.54**	**8.20**	**18.20**	**7.82**	**0.17**	**659.16**
Charge for the year	-	5.77	51.40	0.49	1.96	1.74	1.46	0.69	63.51
Disposals/adjustments	-	-	(0.01)	(0.01)	(0.91)	(1.41)	-	-	(2.34)
As at 31 March 2023	**-**	**62.59**	**610.80**	**9.02**	**9.25**	**18.53**	**9.28**	**0.86**	**720.33**
Net carrying amount as at 31 March 2022	**18.96**	**131.10**	**671.97**	**2.09**	**7.86**	**4.14**	**88.07**	**1.63**	**925.82**
Net carrying amount as at 31 March 2023	**18.96**	**180.43**	**1,002.58**	**3.28**	**9.25**	**4.62**	**91.37**	**6.46**	**1,316.95**

Note:

a) Additions include ₹ 0.56 crores (31 March 2022: ₹ 1.63 crores) towards assets located at research and development facilities.

b) Contractual obligation

Refer note 39(B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Property, plant and equipment pledged as security

Refer note 21 and 25 for information on property, plant and equipment pledged as security by the Company.

d) Depreciation for the year has been included in “depreciation and amortisation expense” line item in statement of profit and loss.

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3 CAPITAL WORK-IN-PROGRESS

Description	Amount
As at 1 April 2021	**16.45**
Add: Addition during the year	277.55
Less: Capitalisation during the year	(26.16)
As at 31 March 2022	**267.84**
Add: Addition during the year	318.23
Less: Capitalisation during the year	(446.00)
As at 31 March 2023	**140.07**

(a) Ageing Schedule of Capital-work-in progress

As at 31 March 2023	Amount in Capital-work-in progress for a period of				
	<1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) Project in progress	139.74	0.33	-	-	**140.07**
ii) Projects temporarily suspended	-	-	-	-	**-**

As at 31 March 2022	Amount in Capital-work-in progress for a period of				
	<1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) Project in progress	256.05	4.03	1.80	5.96	**267.84**
ii) Projects temporarily suspended	-	-	-	-	**-**

4 INVESTMENT PROPERTY

Description	Land	Building	Total
Gross carrying value			
As at 1 April 2021	-	-	-
Add: Transferred from property, plant and equipment	4.85	3.50	8.35
As at 31 March 2022	**4.85**	**3.50**	**8.35**
Additions/disposals	-	-	-
As at 31 March 2023	**4.85**	**3.50**	**8.35**
Accumulated depreciation			
As at 1 April 2021	-	-	-
Add: Transferred from property, plant and equipment	0.19	-	0.19
Add: Charge for the year	0.07	0.03	0.10
As at 31 March 2022	**0.26**	**0.03**	**0.29**
Add: Charge for the year	0.08	0.05	0.13
As at 31 March 2023	**0.34**	**0.08**	**0.42**
Net carrying amount as at 31 March 2022	**4.59**	**3.47**	**8.06**
Net carrying amount as at 31 March 2023	**4.51**	**3.42**	**7.93**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(i) Amount recognised in statement of profit and loss for investment properties

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rental income	1.34	1.07
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
Profit arising from investment properties before depreciation	**1.34**	**1.07**
Less: Depreciation	(0.13)	(0.10)
Profit arising from investment properties after depreciation	**1.21**	**0.97**

* Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

ii) Leasing arrangements

Investment property comprises of land and building which is leased to subsidiary companies under long-term operating leases with rentals payable monthly. Refer note 43 for details on future minimum lease rentals.

iii) Fair value of the investment property as at 31 March 2023 is ₹ 9.29 crores (31 March 2022 : ₹ 8.84 crores). The Company has obtained independent valuation for its investment property from a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

5 INTANGIBLE ASSETS

Description	Software	Total
Gross carrying value		
As at 1 April 2021	**11.99**	**11.99**
Additions	0.78	0.78
Disposals/Adjustment	-	-
As at 31 March 2022	**12.77**	**12.77**
Additions	4.91	4.91
Disposals/Adjustment	-	-
As at 31 March 2023	**17.68**	**17.68**
Accumulated amortisation		
As at 1 April 2021	**9.52**	**9.52**
Charge for the year	0.63	0.63
Disposals	-	-
As at 31 March 2022	**10.15**	**10.15**
Charge for the year	1.15	1.15
Disposals/Adjustment	-	-
As at 31 March 2023	**11.30**	**11.30**
Net carrying amount as at 31 March 2022	**2.62**	**2.62**
Net carrying amount as at 31 March 2023	**6.38**	**6.38**

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for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

6 RIGHT OF USE ASSETS- LAND AND BUILDING

Description	Total
Gross carrying value	
As at 1 April 2021	**-**
Additions	8.73
As at 31 March 2022	**8.73**
Additions	37.17
As at 31 March 2023	**45.90**
Accumulated depreciation	
As at 1 April 2021	**-**
Charge for the year	1.07
As at 31 March 2022	**1.07**
Charge for the year	4.29
As at 31 March 2023	**5.36**
Net carrying amount as at 31 March 2022	**7.66**
Net carrying amount as at 31 March 2023	**40.54**

7 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Carried at cost		
Investment in subsidiaries (unquoted):		
Investments in equity instruments		
3,136,415 (31 March 2022: 2,836,415) equity shares of EUR 10 each fully paid up in CF (Netherlands) Holdings Limited BV	141.38	115.34
2,020,000 (31 March 2022: 2,020,000) equity shares of ₹ 10 each fully paid up in Cosmo Speciality Chemicals Private Limited	2.02	2.02
10,000 (31 March 2022: 10,000) equity shares of ₹ 10 each fully paid up in Cosmo Speciality Polymers Private Limited	0.01	0.01
10,000 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up in Cosmo Global Films Private Limited	0.01	-
Investments in preference shares		
70,000,000 (31 March 2022: 35,000,000) non-cumulative optionally convertible preference shares of ₹ 10 each fully paid up in Cosmo Speciality Chemicals Private Limited	70.00	35.00
23,300,000 (31 March 2022: 3,300,000) non-cumulative optionally convertible preference shares of ₹ 10 each fully paid up in Cosmo Speciality Polymers Private Limited	23.30	3.30

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(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Carried at fair value through profit and loss		
Investment in equity instruments		
Other (unquoted):		
2,615,000 (31 March 2022: 2,615,000) equity shares of ₹ 0.19 each fully paid up in OPGS Power Gujarat Private Limited	0.05	0.05
757,000 (31 March 2022: 757,000) equity shares of ₹ 0.19 each fully paid up in Bhadreshwar Vidyut Private Limited	0.01	0.01
6,225,333 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up in Renew Green (GJS One) Private Limited	7.49	-
	244.27	**155.73**
Aggregate amount of unquoted investments	244.27	155.73

8 NON- CURRENT LOANS

Particulars	As at 31 March 2023	As at 31 March 2022
Loans considered good - secured*		
- Loans to officer	4.56	5.36
Loans considered good - unsecured		
- Loans to employees	1.03	0.68
	5.59	**6.04**

* Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

9 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Derivative assets	-	0.77
Security deposit	3.65	3.19
	3.65	**3.96**

Note:

a) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

10 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances	72.60	41.79
Prepaid expenses	0.69	1.19
Recoverable from statutory authorities	39.32	39.32
	112.61	**82.30**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

11 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw material (refer note a below)	172.52	183.88
Finished goods (refer note b below)	139.92	148.92
Stock in trade	4.21	0.96
Stores and spares (refer note c below)	27.93	23.86
	344.58	**357.62**

Note:

a) including goods in transit ₹ 28.05 crores (31 March 2022: ₹ 12.57 crores)

b) including goods in transit ₹ 30.52 crores (31 March 2022: ₹ 77.93 crores)

c) including goods in transit ₹ 1.59 crores (31 March 2022: ₹ 0.03 crores)

d) During the year ended 31 March 2023, ₹ 1.63 crores (31 March 2022 : ₹ 0.52 crores) was charged to statement of profit and loss for slow moving and obsolete inventories.

12 CURRENT INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit and loss		
Investments in debt mutual funds (quoted)	5.01	-
Investments in equity instruments (quoted)	1.08	20.15
Investment in infrastructure investment trust (quoted)	9.16	13.49
Investment in alternative investment funds (unquoted)	17.05	24.71
Investments in market linked debentures (quoted)	187.22	159.73
Investments in PMS funds (quoted)	-	9.04
Investments in equity instruments (unquoted)	13.41	16.58
Investments in preference shares (unquoted)	5.67	5.13
Investment carried at fair value through other comprehensive income		
Investments in perpetual bonds of banks and corporate bonds (quoted)	136.20	160.76
	374.80	**409.59**
a) Aggregate book value of quoted investments	335.21	345.85
Aggregate market value of quoted investments	338.67	363.17
Aggregate book value of unquoted investments	30.19	39.52
Aggergate amount of impairment in value of investments	-	-

13 TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good- unsecured	157.49	197.90
Trade receivables- credit impaired	3.36	3.55
	160.85	**201.45**
Less: Allowance for expected credit losses	(3.36)	(3.55)
	157.49	**197.90**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Note:

a) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

b) Refer note 21 and 25 for trade receivables pledged as security for liabilities.

c) Ageing Schedule of trade receivables:

As at 31 March 2023	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	<6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed trade receivables- considered good	-	96.15	60.65	0.09	-	-	0.60	157.49
ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed trade receivables- Credit impaired	-	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed trade receivables- Credit impaired	-	-	0.06	0.48	0.08	0.27	2.47	3.36

As at 31 March 2022	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	<6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed trade receivables- considered good	-	134.35	63.55	-	-	-	-	197.90
ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed trade receivables- Credit impaired	-	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed trade receivables- Credit impaired	-	-	-	0.17	0.20	0.58	2.60	3.55

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

14 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	10.43	7.70
Cash on hand	0.04	0.04
Deposits with bank (with original maturity less than 3 months)	-	15.00
	10.47	**22.74**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

15 OTHER BANK BALANCES

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks in current accounts		
- Unclaimed dividend account	1.88	2.02
Pledged deposits (refer note a and b below)	11.24	11.09
Deposit with banks (with original maturity more than 3 months but remaining maturity less than 12 months)	-	2.00
	13.12	**15.11**

Note:

a) Pledged deposits include deposits amounting to ₹ 6.24 crores (31 March 2022: ₹ 4.81 crores) pledged as margin money for issue of letter of credit and bank guarantees.

b Deposit amounting to ₹ 5.00 crores (31 March 2022: ₹ 6.27 crores) are pledged against borrowing facility.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

16 CURRENT LOANS

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to officer, considered good- secured*	0.96	0.96
Loans considered good- unsecured		
- Loans to employees	0.51	0.47
	1.47	**1.43**

* Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

17 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to subsidiaries	22.25	-
Discount recoverable	12.56	3.28
Export benefits recoverable	8.50	14.85
Derivative assets	8.29	4.35
Others	2.41	1.43
	54.01	**23.91**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

18 OTHER CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	9.91	18.04
Balances with statutory authorities	54.92	14.98
Prepaid expenses	6.23	9.06
Others	9.84	3.90
	80.90	**45.98**

19 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
60,000,000 equity shares of ₹ 10 each (31 March 2022 : 25,000,000 equity shares of ₹ 10 each)	60.00	25.00
Issued, subscribed and fully paid up		
26,249,727 equity shares of ₹ 10 each (31 March 2022 : 18,172,715 equity shares of ₹ 10 each)	26.25	18.17
	26.25	**18.17**

Reconciliation of number of shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	1,81,72,715	18.17	1,81,72,715	18.17
Issue of bonus shares	90,86,357	9.09	-	-
Buyback of shares	(10,09,345)	(1.01)	-	-
Equity shares at the end of the year	**2,62,49,727**	**26.25**	**1,81,72,715**	**18.17**

Notes:

(i) Of the above 242,051 shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation in the financial year 2002-03. No shares has been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(ii) a) Of the above 8,486,705 shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account in the financial year 2002-03.

b) The Company has also allotted 9,086,357 bonus equity shares of ₹ 10/- each in ratio of 1 (one) Equity share for 2 (two) equity share held to the equity shareholder(s) whose name appeared in the register of members on 17 June 2022 i.e. the "Record Date" by capitalisation of capital reserve, share premium account and capital redemption reserves.

(iii) The Board of Directors of the Company at their meeting held on 01 December 2022 had approved Buyback of 1,009,345 equity shares (3.70% of equity capital) of the Company, through the "Tender Offer" route for an aggregate amount of upto ₹ 108.00 crores at a price of ₹ 1070 per equity share. The said equity shares bought back were extinguished on 22 February 2022. An amount of ₹ 138.55 crores (including income tax and direct buyback costs) had been utilized from the other equity for the aforesaid buyback including creation of capital redemption reserve account of ₹ 1.01 crores (representing the nominal value of the equity shares bought back).

(iv) During the year, the Board of Directors has recommended final dividend of ₹ 5 per equity share (31 March 2022: ₹ Nil per equity shares) subject to approval of shareholders in annual general meeting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

During the year, the Board of Directors declared an interim dividend of ₹ Nil per equity share (31 March 2022: ₹ 35 per equity shares).

During the year ended 31 March 2023 the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil per share (31 March 2022: ₹ 35 per share).

(v) Terms and rights attached to equity shares:

The Company has only one class of equity shares having the par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors, if any, is subject to approval of shareholders in Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Mr. Ashok Jaipuria*	1,06,29,304	40.50%	73,05,016	40.20%

* it includes shares of 10,186,050 (31 March 2022: 7,032,332) registered under name of Mr. Ashok Jaipuria where beneficial owner is Gayatri and Annapurna (partnership firm).

(vii) Details of shareholding of promoters

Particulars	As at 31 March 2023			As at 31 March 2022	
	No of shares	% holding	%age change	No of shares	% holding
Mr. Ashok Jaipuria	4,43,254	1.69%	0.19%	2,72,684	1.50%
Ms. Aanchal Jaipuria Bhandari	1,24,433	0.47%	-	85,907	0.47%
Mr. Ambrish Jaipuria	4,78,628	1.82%	-	3,30,439	1.82%
Ms. Abha Jaipuria	32,832	0.13%	0.01%	22,667	0.12%
Mrs. Yamini Kumar	1,05,402	0.40%	-	72,768	0.40%
Pravasi Enterprises Ltd	6,866	0.03%	-	4,740	0.03%
Andheri Properties and Developers Pvt Ltd	933	0.00%	-	622	0.00%
Mr. Ashok Jaipuria -Registered Owner C/o Gayatri & Annapurana - Beneficial Owner	1,01,86,050	38.81%	0.11%	70,32,332	38.70%
Fawkes Management Pvt Ltd - Registered Owner C/o Ashok Jaipuria Private Trust - Beneficial Owner	150	0.00%	-	100	0.00%
Fawkes Management Pvt Ltd.-Registered Owner C/o Ashok Jaipuria Family Trust -Beneficial Owner	2,75,900	1.05%	-	1,90,478	1.05%
	1,16,54,448	**44.40%**		**80,12,737**	**44.09%**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

(viii) Shares reserved for issue under options

Particulars	As at 31 March 2023	As at 31 March 2022
	No. of shares	No. of shares
Under the Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015), equity share of ₹ 10 each, at an exercise price as decided by management on case to case basis	3,72,822	1,88,897

These shares are held as treasury shares under other equity (refer note 20)

For terms and details refer note 41

20 OTHER EQUITY

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings	1,043.31	829.18
General reserve	97.08	230.86
Capital reserve	-	3.32
Security premium account	0.85	7.42
Treasury Shares	(24.43)	(16.00)
Share options outstanding account	12.51	6.60
Effective portion of cash flow hedges	(9.06)	5.71
Debt instruments through other comprehensive income	(0.22)	1.36
Capital redemption reserve	1.01	1.27
Total other equity	**1,121.05**	**1,069.72**

Nature and purpose of reserves

(i) Capital reserve

Capital reserve was created under financial statements prepared in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP') out of the profit earned from a specific transaction of capital nature.

(ii) Securities premium account

Securities premium account represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

(iii) General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iv) Share options outstanding account

The reserve is used to recognize the grant date fair value of the options issued to employees under Company's employee stock option plan.

(v) Treasury shares

This reserve represents Company's own equity shares held by the Cosmo ESOP Trust which is created under the Employee Stock Option Plan, 2015.

(vi) Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(vii) Debt instruments through other comprehensive income

The Company has classified investments in perpetual bonds as at fair value through other comprehensive income (FVOCI) since:

(a) perpetual bonds are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those bonds; and

(b) the contractual terms of perpetual bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This reserve represents changes in fair value of perpetual bonds from the date of such classification to the reporting date. When the perpetual bonds are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(viii) Capital redemption reserve

This reserve represents a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

21 NON-CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2023	As at 31 March 2022
Foreign currency term loans (refer note A below)*		
- from banks	338.88	375.85
- from others	50.29	64.93
Rupee term loans (refer note B below)		
- from banks	301.97	147.92
- from others	2.67	10.65
Vehicle loans (refer note C below)	6.58	5.45
	700.39	**604.80**
Less:- Current maturities disclosed under current borrowings (refer note 25)	154.02	125.15
	546.37	**479.65**

*include hedged foreign currency borrowings of ₹ 324.53 crores (31 March 2022: ₹ 197.38 crores)

Notes:

	Particulars	As at 31 March 2023	As at 31 March 2022
(A)	**Foreign currency term loans comprises of :**		
(i)	Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13, 2013-14 and 2014-15 and carries interest based upon Euribor plus 105 bps per annum. The loan is repayable in 17 equal semi-annual instalments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.	-	10.25

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	As at 31 March 2023	As at 31 March 2022
(ii)	Loan of USD 3,581,148 (₹ 25 crores) taken from ICICI Bank Limited during the financial year 2019-20 and carries interest rate based upon 3 month USD libor plus 3.31% per annum. The loan is repayable in 12 quarterly instalments starting at the end of first fiscal quarter from the first drawdown date. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	-	3.40
(iii)	Loan of USD 9,729,936 taken from Export-Import Bank (EXIM) of India during the financial year 2015-16 , 2016-17 and 2017-18 and carries interest rate based upon SOFR plus 275 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	16.79	27.71
(iv)	Loan of EUR 14,614,201 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16, 2016-17 and 2017-18 and carries interest rate based upon Euribor plus 60 bps per annum. The loan is repayable in 20 equal semi-annual instalments from the date of 28 February 2018 . **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.	58.96	67.57
(v)	Loan of EURO 4,586,555 (₹35 crores) taken from Yes Bank Limited during the financial year 2017-18 and carries interest rate based on 6 months Euribor plus 280 bps per annum. During the financial year 2018-19 this loan has been converted into hedged FCNR loan. The tenure of the facility remain in-line with the original sanction. The loan is repayable in 10 equal half yearly instalments starting from December 2017. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	-	3.86

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(vi)	Loan of EURO 4,700,510 (₹35 crores) taken from Infrastructure Development Finance Company (IDFC) during the financial year 2017-18 and carries interest rate Euribor plus 245 bps. The loan is repayable in 8 equal semi annual instalments after moratorium of 18 months from the date of disbursement. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	-	9.88
(vii)	Loan of ₹27.76 crores taken from IDBI Bank Limited (IDBI) during the financial year 2014-15 and 2015-16 and carries interest based upon base rate plus 2.5% per annum. The loan is repayable in 10 structured half yearly instalments starting from 31 March 2018. During the financial year 2019-20 and 2020-21, this loan has been converted into fully hedged FCNR loan. The tenure of facilities remain in-line with the original sanction. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) Demand Promissory Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (iii) Second pari passu charge on current assets of the company both present and future.	-	2.90
(viii)	Loan of EUR 4,752,270 (₹40 crores) taken from Yes Bank Limited during the financial year 2018-19 and carries interest rate based on 6 months Euribor plus 310 bps per annum. The loan is repayable in 9 equal half yearly instalments after moratorium of 6 months from the first date of disbursement. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge by way of hypothecation on movable and by way of equitable mortgage over all immovable fixed assets (both present and future) except those are exclusively charged to other lenders (ii) second pari-passu charge by way of hypothecation on current assets of the borrower (both present and future).	-	13.32
(ix)	Loan of USD 6,768,043(₹50 crores) taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	-	31.90

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(x)	Loan of USD 4,900,000 (₹ 40 crores)taken from Export-Import Bank (EXIM) of India during the financial year and carries interest rate based upon USD 6 month SOFR plus 325 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 24 months from the date of first disbursement. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	33.70	37.22
(xi)	Loan of EUR 19,371,000 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2021-22 and 2022-23 and carries interest rate fixed at 44 bps per annum. The loan is repayable in 20 equal semi-annual instalments starting from November 2023. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Waluj, Aurangabad.	173.65	139.59
(xii)	Loan of EURO 12,144,766 (₹ 100 crores) taken from Bank of Baroda during the financial year 2021-22and carries interest rate based upon 6 month EURIBOR plus 2.25% per annum. The loan is repayable in 3 half yearly instalments starting from April 2023. Security The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	108.87	94.10
B	**Rupee term loans comprises of :**		
(i)	Loan of ₹ 50 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2020-21 and carries interest rate PLR less 5 bps per annum. The loan is repayable in 84 months inclusive of 24 months moratorium period. Security The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	42.49	50.00
(ii)	Loan of ₹40 crores taken from Bajaj Finance Limited during the financial year 2017-18 and carries interest rate linked to SBI's one year MCLR to be reset quarterly . The loan is repayable in 60 equal monthly instalments after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	2.67	10.67

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for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	As at 31 March 2023	As at 31 March 2022
(iii)	Loan of ₹60 crores taken from IndusInd Bank during the financial year 2018-19 and carries interest rate based upon Mibor plus 250 bps per annum.The loan is repayable in 22 equal quarterly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	21.82	32.73
(iv)	Loan of ₹ 100 crores taken from State Bank of India during the financial year 2020-21, 2021-22 & 2022-23 and carries interest rate based on 6 months MCLR plus 100 bps per annum. The loan is repayable in 14 half yearly installment after a moratorium of one year from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	85.53	65.60
(v)	Loan of ₹ 65 crores taken from ICICI Bank Limited during the financial year 2022-23 and carries interest rate based on 12 months MCLR per annum plus applicable spread, if any. The loan is repayable in 12 quarterly structured installment after a moratorium of three financial quarters from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	65.00	-
(vi)	Loan of ₹ 75 crores taken from IndusInd Bank Limited during the financial year 2022-23 and carries interest rate based on 91 days T-bill plus 155 bps per annum. The loan is repayable in 28 quarterly installment after a moratorium of one year from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	75.00	-
(vii)	Loan of ₹50 crores taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	12.34	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
C	**Vehicle loans taken from Union Bank of India carries interest @ 8% - 9% per annum. This loan is repayable in 3 years**	6.58	5.45
	Security		
	Vehicle loans from Union Bank of India are secured against hypothecation of respective vehicles.		
	Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(3.01)	(1.36)
		700.39	**604.80**

Note:

Refer note 25 - current maturities of long term borrowings are disclosed under the head current borrowings

Refer note 45 and 46 for disclosure of fair values in respect financial liabilities measured at amortised cost and analysis of maturity profile.

Refer note 49 for reconciliation of liabilities arising from financing activities.

22 PROVISIONS

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 42)	18.07	16.77
	18.07	**16.77**

23 DEFERRED TAX LIABILITIES (NET)#

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax asset arising on account of:		
Cash flow hedge reserve	4.82	-
Expenses deductible/ Income taxable in future years under Income tax Act, 1961 (net)	8.11	11.00
Minimum alternative tax credit entitlement	28.50	5.89
	41.43	**16.89**
Deferred tax liability arising on account of:		
Property, plant and equipment and other intangible assets -depreciation and amortisation	201.21	156.83
Cash flow hedge reserve	-	3.12
	201.21	**159.95**
	159.78	**143.06**

Refer note 37 for movement in deferred tax balances.

24 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred income on export promotion capital goods scheme	57.58	58.11
	57.58	**58.11**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

25 CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash credit and other working capital facilities (refer note a)	137.80	144.25
Current maturities of long-term borrowings (refer note 21)	154.02	125.15
	291.82	**269.40**

Notes:

(a) Cash credits and other working capital facilities are secured by first pari passu charge on entire current assets of the company and second pari passu charge on entire fixed assets secured to financial institutions except assets exclusively carved out.

26 TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
- total outstanding dues to micro and small enterprises	6.34	11.00
- total outstanding dues to creditors other than micro and small enterprises	176.69	168.79
Acceptances	326.23	162.18
Total	**509.26**	**341.97**

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars		31 March 2023	31 March 2022
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	6.34	11.00
ii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	1.31	5.54
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.03	0.05
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.41	0.36

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

Ageing schedule of trade payables:

As at 31 March 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not due	<1 year	1 year-2 Years	2 year-3 Years	More than 3 Years	Total
i) MSME	-	4.65	-	-	-	-	4.65
ii) Others	-	460.48	40.11	-	-	-	500.59
iii) Disputed dues- MSME	-	-	1.68	0.01	-	-	1.69
iv) Disputed dues- Others	-	-	-	0.73	0.28	1.32	2.33

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

As at 31 March 2022		Outstanding for following periods from due date of payment						
		Unbilled	Not due	<1 year	1 year-2 Years	2 year-3 Years	More than 3 Years	Total
i)	MSME	-	10.21	-	-	-	-	10.21
ii)	Others	-	265.76	60.57	0.93	-	-	327.26
iii)	Disputed dues- MSME	-	-	0.43	0.36	-	-	0.79
iv)	Disputed dues- Others	-	-	0.49	0.19	0.80	2.23	3.71

27 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	31 March 2023	31 March 2022
Interest accrued but not due on borrowings	1.72	0.88
Security deposits	0.34	0.74
Unpaid dividend	1.88	2.03
Other accrued liabilities	25.55	27.59
Employee related liabilities	23.71	42.62
Derivative liabilities	0.32	7.04
Payable for capital goods	17.75	-
	71.27	**80.90**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

28 OTHER CURRENT LIABILITIES

Particulars	31 March 2023	31 March 2022
Statutory dues	4.40	12.31
Advance received from customers	82.50	29.82
Deferred income on export promotion capital goods scheme	3.58	2.91
	90.48	**45.04**

29 PROVISIONS

Particulars	31 March 2023	31 March 2022
Provision for gratuity (refer note 42)	3.91	3.22
Provision for compensated absences	10.02	9.18
	13.93	**12.40**

30 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Operating revenue (refer note a below)		
Sale of products-domestic	1,432.76	1,489.46
Sale of products-export	1,268.43	1,292.10
	2,701.19	**2,781.56**
Other operating revenue		
Export benefit income	24.51	28.93
Sales tax incentive	6.27	5.63
Job work charges	0.06	0.54
Scrap sales	7.64	5.16
Others	2.06	2.33
Revenue from operations	**2,741.73**	**2,824.15**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Note:

a) The Company applies Indian Accounting Standard 115, 'Revenue from Contracts with Customers' ('Ind AS 115'), . Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(i) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Year ended 31 March 2023

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,432.76	9.76	1,442.52
Export	1,268.43	-	1,268.43
Total	**2,701.19**	**9.76**	**2,710.95**
Revenue by time			
Revenue recognised at point in time			2,710.95
Revenue recognised over time			-
Total			**2,710.95**

* excludes export benefit income of ₹ 24.51 crores and sales tax incentive of ₹ 6.27 crores

Year ended 31 March 2022

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,489.46	8.04	1,497.50
Export	1,292.10	-	1,292.10
Total	**2,781.56**	**8.04**	**2,789.60**
Revenue by time			
Revenue recognised at point in time			2,789.60
Revenue recognised over time			-
Total			**2,789.60**

* excludes export benefit income of ₹ 28.93 crores and sales tax incentive of ₹ 5.63 crores

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

(ii) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	26.88	12.83
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(iii) Assets and liabilities related to contracts with customers

Description	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities related to sale of goods		
Advance from customers	82.50	29.82

(iv) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	2,772.29	2,873.84
Less: Discount, rebates, credits etc.	61.34	84.24
Revenue from operations as per Statement of Profit and Loss *	**2,710.95**	**2,789.60**

* excludes export benefit income of ₹ 24.51 crores (31 March 2022 : ₹ 28.93 crores) and sales tax incentive of ₹ 6.27 crores (31 March 2022 : ₹ 5.63 crores)

b) Details of products sold

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Manufactured goods		
- Packaging films	2,692.05	2,780.46
- Others	9.14	1.10
Total	**2,701.19**	**2,781.56**

31 OTHER INCOME

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from:		
- Fixed deposit with banks:	0.67	0.52
- Other financial assets carried at amortised cost	0.32	0.26
- Investment in perpetual bonds carried at fair value through other comprehensive income	13.40	12.24
- Others	1.34	1.68
Gain on investments carried at fair value through profit and loss	12.14	22.70
Gain on investments carried at fair value through other comprehensive income	(0.97)	0.33
Foreign exchange gain (net)	17.24	-
Insurance and other claims	2.00	0.39

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent	1.39	1.11
Grant income on export promotion capital goods	3.27	2.92
Dividend income	0.55	0.33
Liabilities no longer required written back	6.36	0.72
Profit on disposal of non current assets held for sale	-	2.36
	57.71	**45.56**

32 CHANGE IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	148.92	117.06
Stock in trade	0.96	-
	149.88	**117.06**
Closing inventories		
Finished goods	139.92	148.92
Stock in trade	4.21	0.96
	144.13	**149.88**
Decrease / (Increase) in inventories of finished goods & stock in trade	**5.75**	**(32.82)**

33 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages, allowances and bonus	146.57	155.59
Employee stock option expense	6.45	4.75
Contribution to provident and other funds	11.19	9.52
Staff welfare expenses	4.69	4.02
	168.90	**173.88**

34 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment and investment property	63.64	56.38
Amortisation of intangible assets	1.15	0.63
Depreciation on right-of-use assets	4.29	1.07
	69.08	**58.08**

35 FINANCE COSTS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on		
Term loans	11.10	14.98
Cash credit and short term loans	21.78	11.59
Others	0.70	0.92
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	11.19	4.26
Interest on lease liabilities	2.21	0.51
Other borrowings costs	4.48	5.17
	51.46	**37.43**

The finance costs shown above is net of borrowing costs capitalised during the year ended 31 March 2023 of ₹ 11.68 crores at 6.59% (31 March 2022: ₹ 2.90 crores at 6.50%).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

36 OTHER EXPENSES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent	3.99	3.34
Rates and taxes	1.20	2.25
Stores, spare parts and packing materials consumed	104.97	109.78
Insurance	4.45	4.66
Repairs and maintenance		
- Building	1.64	1.44
- Machinery	18.31	17.19
- Others	4.02	3.24
Power and fuel	168.40	141.25
Other manufacturing expenses	0.02	2.06
Printing and stationery	0.77	0.42
Training and recruitment expenses	1.86	1.28
Travelling and conveyance	8.22	3.12
Vehicle running and maintenance	9.33	8.77
Communication expenses	0.82	0.74
Legal and professional charges	14.60	13.08
Foreign exchange loss (net)	-	2.70
Corporate social responsibility (CSR) expenditure (refer note b below)	5.95	3.55
Freight and forwarding	2.74	2.55
Other selling expenses	12.14	6.80
Payment to auditors (refer note a below)	0.55	0.54
Loss on sale of property, plant and equipment	0.33	0.18
Miscellaneous expenses	6.89	6.60
	371.20	**335.54**

Note: Other expenses includes research and development expenses (refer note 40)

a) Payment to auditors (exclusive of goods and service tax)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Payment to auditors (exclusive of goods and service tax)		
As auditor		
- Audit fee	0.50	0.48
- Tax audit fee	0.03	0.03
In other capacity		
- Certification and other matters	0.01	0.02
- Reimbursement of out of pocket expenses	0.01	0.01
Total	**0.55**	**0.54**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
b) Details of corporate social responsibility expenditure		
(a) Gross amount required to be spent by the company during the year	5.95	3.55
(b) Amount of expenditure incurred during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purposes other than (i) above	5.25	2.80
(c) Shortfall at the end of the year out of the amount required to be spent by the Company during the year*;	0.70	0.75
(d) Total of previous years shortfall	0.33	-
(e) Reason for shortfall	Due to ongoing projects to be completed in 3 years	Due to ongoing projects to be completed in 3 years
(f) Nature of CSR activities	Promoting Education, Disaster relief COVID-19, Preventive Healthcare and Environment Sustainability	
(g) Details of related party transactions:		
Contribution to Cosmo Foundation	3.75	2.80
Contribution to Sitaram Jaipuria Foundation	1.50	-

*Deposited in CSR unspent account on 19 April 2023 (31 March 2022: 27 April 2022)

37 INCOME TAX

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The income tax expense consists of the following :		
Current tax expense	48.06	75.61
Deferred tax expense/(credit)	19.64	41.83
Tax adjustment for earlier year		
- Current tax	(11.93)	-
- Deferred tax	5.60	-
Total income tax	**61.37**	**117.44**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:		
Profit before tax	275.01	430.38
At India's statutory income tax rate of 34.94 % (31 March 2022: 34.94%,)	96.10	150.39
Adjustments in respect of current income tax		
Income exempted from income taxes	(25.93)	(30.49)
Tax adjustment for earlier year	(6.33)	(1.74)
Other adjustments	(2.47)	(0.72)
Total income tax expense	**61.37**	**117.44**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Movement of net deferred tax assets and liabilities for the year ended 31 March 2023 is as follows:

	Opening balance	Deferred tax credit/charge in profit and loss	Deferred tax credit/ charge in Other comprehensive income	Closing balance
Deferred tax liabilities (net)				
Deferred tax asset arising on account of:				
Cash flow hedge reserve	-	-	4.82	4.82
Expenses deductible/ Income taxable in future years under Income tax Act, 1961 (net)	11.00	(3.47)	0.58	8.11
Minimum alternative tax credit entitlement	5.89	22.61	-	28.50
	16.89	**19.14**	**5.40**	**41.43**
Deferred tax liability arising on account of:				
Cash flow hedge reserve	3.12	-	(3.12)	-
Property, plant and equipment and other intangible assets -depreciation and amortisation	156.83	44.38	-	201.21
	159.95	**44.38**	**(3.12)**	**201.21**
	143.06	**25.24**	**(8.52)**	**159.78**

Movement of net deferred tax assets and liabilities for the year ended 31 March 2022 is as follows:

	Opening balance	Deferred tax credit/charge in profit and loss	Deferred tax credit/ charge in Other comprehensive income	Closing balance
Deferred tax liabilities (net)				
Deferred tax asset arising on account of:				
Expenses deductible/ Income taxable in future years under Income tax Act, 1961 (net)	9.67	1.17	0.16	11.00
Minimum alternative tax credit entitlement	48.07	(42.18)	-	5.89
	57.74	**(41.01)**	**0.16**	**16.89**
Deferred tax liability arising on account of:				
Cash flow hedge reserve	0.08	-	3.04	3.12
Property, plant and equipment and other intangible assets -depreciation and amortisation	156.01	0.82	-	156.83
	156.09	**0.82**	**3.04**	**159.95**
	98.35	**41.83**	**2.88**	**143.06**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

38 EARNINGS PER SHARE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year (₹ in crores)	213.64	312.94
Weighted average number of equity shares outstanding for the purpose of basic earnings per share	2,68,50,902	2,68,51,816
Effect of potential ordinary shares on share options outstanding	4,22,963	5,64,470
Weighted average number of equity shares outstanding for the purpose of diluted earnings per share	2,72,73,865	2,74,16,286
Earnings per equity share (face value ₹ 10.00 per share)		
Basic	79.57	116.54
Diluted	78.33	114.14

Note :

The Company has allotted 90,86,357 bonus equity shares during the current year. In accordance with IND-AS 33 (Earnings per share), the calculation of basic and diluted earnings per share for current and previous year has been accordingly adjusted and restated.

39 CONTINGENCIES AND COMMITMENTS

Particulars		As at 31 March 2023	As at 31 March 2022
(A)	**Contingent liabilities**		
I	Claims against the Company not acknowledged as debt	2.14	0.26
II	Disputed demand for Income tax (refer note (a) below)	8.18	8.18
III	Pending duty obligation under Export Promotion Capital Goods licenses	16.25	13.33
IV	Disputed demand for Excise duty and Service tax	17.05	17.05
V	Disputed demands for labour/employee dispute	0.48	0.48
VI	Bank guarantees issued in favour of third parties	25.60	33.25

Notes:

a) Disputed demand for income tax includes a dispute of ₹ 4.71 crores (31 March 2022: ₹ 4.71) between the Company and income tax department over computation of deduction under Section 80HHC of the Income-tax Act, 1961. The Company has filed a special leave petition against the order of Hon'ble Delhi High Court which has been accepted by the Hon'ble Supreme Court of India and is pending. Based on the legal opinion taken from an independent expert, the management is of the view that it is more likely than not that matter will be decided in favour of the Company.

(B) Commitments

Particulars		As at 31 March 2023	As at 31 March 2022
a)	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	343.75	395.70
b)	**Others**		
	Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	60.56	101.60
	Uncalled funding commitment pertaining to investments	20.47	10.42

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

40 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditures incurred by the Company during the financial year are mentioned below:

Particulars	For the year ended	
	31 March 2023	31 March 2022
Research and development capital expenditure (gross)	0.56	1.63
Research and development revenue expenditure		
Material and consumables	7.42	5.91
Employee benefits expense	4.81	5.14
Other expenses	0.23	1.62
	13.02	**14.30**
Sales for the year	**2,701.19**	**2,781.56**
Total research and development expenditure/sales	0.48%	0.51%

Assets purchased/capitalised for research and development centres

Description	Amount
Gross carrying value	
As at 31 March 2021	**9.46**
Additions	1.63
As at 31 March 2022	**11.09**
Additions	0.56
As at 31 March 2023	**11.65**
Accumulated depreciation	
As at 31 March 2021	**3.51**
Depreciation for the year	0.82
As at 31 March 2022	**4.33**
Depreciation for the year	0.90
As at 31 March 2023	**5.23**
Net carrying amount as at 31 March 2022	**6.76**
Net carrying amount as at 31 March 2023	**6.42**

41 1. EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the shareholders, the Company has introduced Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) which supersedes earlier Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015) to provide share based incentive to the eligible employees of the Company and its subsidiaries. However, Options already granted under CF ESOP 2015 will continue to be governed in accordance with the said Plan. The plan is implemented via trust route which will acquire the equity shares of the Company by secondary market acquisition, however, in case of any shortfall the Company will issue new shares as required. When exercisable, each option is convertible into one equity share.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

A) Details of options granted under the CF ESOP 2015 are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise period	Exercise price per share	Exercise price per share post bonus issue
CF Employees Stock Option Scheme 2015:						
Option I	13-Jan-16	1,93,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 300.05	₹ 200.03
Option II	13-Jul-16	2,50,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 351.40	₹ 234.27
Option III	07-Jul-17	2,00,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 433.20	₹ 288.80
Option IV	02-Jun-18	2,25,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 237.70	₹ 158.47

B) Movement of options granted

Particulars	Year ended 31 March 2023	Weighted average exercise price	Year ended 31 March 2022	Weighted average exercise price
Options outstanding at the beginning of the year	1,80,915	363.64	4,80,000	318.80
Increase on account of bonus issue	82,007	246.95	-	-
Options exercised during the year	(67,922)	222.77	(2,99,085)	292.12
Options cancelled during the year	-	-	-	-
Options outstanding at the end of the year	**1,95,000**	**251.18**	**1,80,915**	**363.64**

The weighted average remaining contractual life outstanding as at 31 March 2023 was 7.02 years (31 March 2022: 7.86 years). The weighted average exercise price of options outstanding as at 31 March 2023 was ₹ 251.18 (31 March 2022: ₹ 363.64).

C) The fair value of options used to compute proforma net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

	Option-I	Option-II	Option-III	Option-IV
Grant Date	13-Jan-16	13-Jul-16	07-Jul-17	02-Jun-18
Market Price (₹)	300.05	351.40	433.20	237.70
Exercise Price (₹)	300.05	351.40	433.20	237.70
Expected Volatility (%) $	57.70	39.55	27.70	31.91
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil
Expected life (years)*	3	3	3	3
Dividend yield (%)	1.17	2.85	2.31	2.52
Risk free interest rate (%)	7.59	7.50	6.54	7.83
Fair value on grant date (₹)	128.25	103.45	98.60	62.46

$ The expected volatility was determined based on historical volatility data.

* Options life is considered on the basis of earliest possible exercise after vesting

2. Restricted Stock Units (RSUs):

A) Details of options granted under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Number of options post bonus	Vesting condition	Exercise period	Exercise price per share
Cosmo Films Share Based Employee Benefit Scheme 2021:						
RSU I	09-Mar-21	25,000	37,500	On completion of 3 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU II	09-Mar-21	1,05,000	1,57,500	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU III	09-Mar-21	25,000	37,500	On completion of 5 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU IV	09-Mar-21	1,05,000	1,57,500	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU V	27-May-21	25,000	37,500	On completion of 5.25 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VI	16-Sep-21	50,000	75,000	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VII	16-Sep-21	50,000	75,000	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VIII	27-Jan-22	7,500	11,250	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU IX	27-Jan-22	7,500	11,250	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00

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(All amounts in ₹ crores, unless otherwise stated)

B) Movement of RSU granted

Particulars	Year ended 31 March 2023	Weighted average exercise price	Year ended 31 March 2022	Weighted average exercise price
Outstanding at the beginning of the year	4,00,000	10.00	2,60,000	10.00
Granted during the year	-	-	1,40,000	10.00
Increase on account of bonus issue	2,00,000	10.00	-	-
Outstanding at the end of the year	**6,00,000**	**10.00**	**4,00,000**	**10.00**

The weighted average remaining contractual life outstanding as of 31 March 2023 was 4.41 years (31 March 2022: 5.41 years). The weighted average exercise price of options outstanding as of 31 March 2023 was ₹ 10.00 (31 March 2022: ₹ 10).

C) The fair value of RSUs used to compute proforma net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

Particulars	RSU-I	RSU-II	RSU-III	RSU-IV	RSU-V	RSU-VI	RSU-VII	RSU-VIII	RSU-IX
Grant Date	09-Mar-21	09-Mar-21	09-Mar-21	09-Mar-21	27-May-21	16-Sep-21	16-Sep-21	27-Jan-22	27-Jan-22
Market Price (₹)	643.25	643.25	643.25	643.25	786.65	1535.85	1535.85	1798.85	1798.85
Exercise Price (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Expected Volatility (%) $	59.23	59.23	59.23	59.23	59.61	63.43	63.43	61.33	61.33
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected life (years)*	3 years	4 years	5 years	7 years	5.25 years	4 years	7 years	4 years	7 years
Dividend yield (%)	3.89	3.89	3.89	3.89	3.18	1.63	1.63	1.39	1.39
Risk free interest rate (%)	6.22	6.22	6.22	6.22	5.97	6.2	6.2	6.66	6.66
Fair value on grant date (₹)	564.10	542.76	522.24	483.51	658.41	1431.10	1363.78	1693.59	1625.35

$ The expected volatility was determined based on historical volatility data.

* Options life is considered on the basis of earliest possible exercise after vesting

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for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

3. Stock Appreciation Rights (SARs):

A) Details of SARs under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Number of options post bonus issue	Vesting condition	Exercise period	Exercise price per share	Exercise price per share post bonus issue
Cosmo Films Share Based Employee Benefit Scheme 2021:							
Option I	03-Feb-22	31,650	47,475	On completion of 3 year of service from the date of grant	On completion of 3 year of service from the date of grant	₹ 1,800.00	₹ 1,200.00
Option II	03-Feb-22	31,650	47,475	On completion of 5 year of service from the date of grant	On completion of 5 year of service from the date of grant	₹ 1,800.00	₹ 1,200.00

B) Movement of SARs granted

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Outstanding at the beginning of the year	63,300	-
Granted during the year	-	63,300
Increase on account of bonus issue	31,650	-
Outstanding at the end of the year	**94,950**	**63,300**

The weighted average remaining contractual life outstanding as of 31 March 2023 was 2.84 years (31 March 2022: 3.84 years). The weighted average exercise price of options outstanding as of 31 March 2023 was ₹ 1200.00 (31 March 2022: ₹ 1800.00).

C) Market value of SARs as at the reporting date is used to determine the fair value amortised in the statement of profit and loss.

42 EMPLOYEE BENEFIT OBLIGATIONS

1) GRATUITY

The Company makes contribution towards gratuity to a defined retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation. The expected contribution to the plan for next annual reporting period amounts to ₹ 3.91 crores (31 March 2022: ₹ 3.22 crores).

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 4 years (31 March 2022: 4 years).

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Present value obligation as at the end of the year	33.57	31.53
Fair value of plan assets as at the end of the year	(11.59)	(11.54)
Net liability /(assets) recognised in Balance Sheet	**21.98**	**19.99**

b. Changes in defined benefit obligation

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Present value obligation as at the start of the year	31.53	30.51
Interest cost	2.28	2.09
Current service cost	1.30	1.13
Past service cost	-	-
Benefits paid	(0.98)	(2.21)
Actuarial loss/ (gain) on obligations	(0.56)	0.01
Present value obligation as at the end of the year	**33.57**	**31.53**

c. Table showing changes in the fair value of plan assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at beginning of year	11.54	12.26
Interest income on plan assets	0.83	0.84
Return on plan assets excluding interest income	0.20	0.10
Contributions	0.00	0.55
Benefits paid	(0.98)	(2.21)
Fair value of plan assets at the end of year	**11.59**	**11.54**

d. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	1.30	1.13
Past service cost	-	-
Net Interest cost	1.45	1.25
Expected return on plan asset	-	-
Amount recognised in the Statement of Profit and Loss	**2.75**	**2.38**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

e. Other Comprehensive Income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial losses/(gains) on arising from change in demographic assumption	0.00	0.00
Actuarial (gain)/loss on arising from change in financial assumption	(0.28)	(0.36)
Actuarial loss/(gain) on arising from experience adjustment	(0.28)	0.37
Return on plan assets excluding interest income	(0.20)	(0.10)
Amount recognised in other comprehensive income	**(0.76)**	**(0.09)**

f. Actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	7.23%
Future salary increase	7.00%	7.00%

g. Demographic assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Retirement age (Years)	58	58
Mortality rates inclusive of provision for disability	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

h. Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	33.57	31.53
a) Impact due to increase of 0.50%	(0.49)	(0.45)
b) Impact due to decrease of 0.50%	0.52	0.48
Impact of the change in salary increase		
Present value of obligation at the end of the year	33.57	31.53
a) Impact due to increase of 0.50%	0.52	0.48
b) Impact due to decrease of 0.50%	(0.49)	(0.45)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

i. **Maturity profile of defined benefit obligation**

Particulars	As at 31 March 2023	As at 31 March 2022
April 2022 to March 2023		
April 2023 to March 2024	19.69	17.27
April 2024 to March 2025	1.72	2.66
April 2025 to March 2026	1.52	2.17
April 2026 to March 2027	2.16	1.35
April 2027 onwards	22.39	20.10

j. **Investment details**

Particulars	As at 31 March 2023		As at 31 March 2022	
	(₹ in crore)	% invested	(₹ in crore)	% invested
Insurance funds	₹11.59	100	11.54	100

2) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to Provident Fund	5.66	4.84
Employer's contribution to Superannuation Fund	1.72	1.72
Employer's contribution to labour welfare fund and employee state insurance	0.20	0.22

3) The Company has granted non-recurring long term incentives to select employees which is linked with valuations of specified businesses of a future date. In view of the management, projections of future valuations of specified businesses as at the current reporting date is not feasible. Accordingly, the Company has not recognized any expense on this account for the year ended 31 March 2023

43 LEASES

a) Leases disclosure as lessee:

A The Company has taken residential/commercial premises on lease. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The Company is prohibited from selling or pledging the underlying leased assets as security. The Company also has certain leases of various assets with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

B **Lease liabilities are presented in the statement of financial position as follows:**

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	38.00	6.39
Current	4.16	1.72
Total	**42.16**	**8.11**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
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C Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short-term leases	3.99	3.34
Leases of low value assets	-	-
Total	**3.99**	**3.34**

D The maturity analysis of lease liabilities are disclosed in Note no. 46.

E The Company had total cash outflows for leases of ₹ 8.28 crores (March 31, 2022: ₹ 4.47 crores).

b) Leases disclosure as lessor

The Company has given surplus factory land and building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 1.34 crores (31 March 2022: ₹ 1.11 crores) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under “Other income” (refer note 31). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within one year	1.34	1.34
Later than one year but not later than five years	2.47	3.81
Later than five years	-	-
Total	**3.81**	**5.15**

44 RELATED PARTY DISCLOSURES

In accordance with the required Indian Accounting Standard (IndAS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties and relationships:

A. Subsidiary company

a) CF (Netherlands) Holdings Limited BV., Netherlands

b) Cosmo Speciality Chemicals Private Limited

c) Cosmo Speciality Polymers Private Limited (incorporated on 29 June 2021)

d) Cosmo Global Films Private Limited (incorporated on 9 January 2023)

B. Step-down subsidiary companies

a) Cosmo Films Inc., USA

b) Cosmo Films Japan (GK), Japan

c) Cosmo Films Korea Limited, Korea

d) CF Investment Holding Private (Thailand) Company Limited, Thailand

e) Cosmo Films (Singapore) Pte. Limited, Singapore

f) Cosmo Films Poland Sp Z.O.O, Poland

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

C. Enterprises over which Key managerial personnel of the Company and their relatives have significant influence:

a) Sunrise Manufacturing Company Limited
b) Pravasi Enterprises Limited
c) Cosmo Foundation
d) Gayatri & Annapurana (Partnership firm)
e) Nangia & Company LLP
f) Fawkes Management Private Ltd
g) Cosmo Ferrites Limited
h) Nangia Andersen LLP
i) Petsfamilia Foundation
j) Sitaram Jaipuria Foundation

D. Key management personnel

a) Mr. Ashok Jaipuria, Chairman and Managing Director of Company
b) Mr. Anil Kumar Jain, Director of corporate affairs
c) Mr. H. K. Agrawal, Independent Director
d) Mrs Alpana Parida, Independent Director
e) Mr. Rakesh Nangia, Independent Director
f) Mr. Pratip Chaudhuri, Non-Independent Director
g) Mr. H. N. Sinor, Independent Director
h) Mr. Anil Wadhwa, Independent Director
i) Mr. Arjun Singh, Independent Director (joined w.e.f. 27 October 2021)
j) Mr. Pankaj Poddar, Chief Executive Officer
k) Mr. Neeraj Jain, Chief Financial Officer
l) Mrs. Jyoti Dixit, Company Secretary

E. Relative of key management personnel

a) Mrs. Yamini Kumar
b) Mrs. Aanchal Jaipuria Bhandari
c) Mr. Ambrish Jaipuria
d) Mrs. Devyani Jaipuria
e) Ms. Rachna Morarka
f) Ms. Ruchir Jain

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

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Particulars	Subsidiaries and step-down subsidiaries companies		Key management personnel and their relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Transactions during the year								
1 Investment made								
Cosmo Speciality Chemicals Private Limited	35.00	15.00	-	-	-	-	**35.00**	**15.00**
Cosmo Speciality Polymers Private Limited	20.00	3.31	-	-	-	-	**20.00**	**3.31**
CF (Netherlands) Holdings Limited BV., Netherlands	26.04	-	-	-	-	-	**26.04**	**-**
Cosmo Global Films Private Limited	0.01	-	-	-	-	-	**0.01**	**-**
2 Purchase of goods								
Cosmo Speciality Chemicals Private Limited	116.38	67.30	-	-	-	-	**116.38**	**67.30**
3 Sales								
Cosmo Films Inc., USA	265.25	300.97	-	-	-	-	**265.25**	**300.97**
Cosmo Films Korea Limited, Korea	48.62	86.69	-	-	-	-	**48.62**	**86.69**
Cosmo Films Japan (GK), Japan	21.07	14.60	-	-	-	-	**21.07**	**14.60**
CF (Netherlands) Holdings Limited BV., Netherlands	73.15	84.60	-	-	-	-	**73.15**	**84.60**
Cosmo Speciality Chemicals Private Limited	14.83	31.14	-	-	-	-	**14.83**	**31.14**
Sales from Pet care vertical	-	-	0.05	0.02	-	-	**0.05**	**0.02**
4 Sales return								
Cosmo Films Inc., USA	0.81	-	-	-	-	-	**0.81**	**-**
CF (Netherlands) Holdings Limited BV.,Netherlands	0.82	0.95	-	-	-	-	**0.82**	**0.95**
5 Other operating revenues								
Cosmo Films Inc., USA	0.70	0.46	-	-	-	-	**0.70**	**0.46**
Cosmo Films Korea Limited, Korea	0.33	0.25	-	-	-	-	**0.33**	**0.25**
Cosmo Films Japan (GK), Japan	0.23	0.18	-	-	-	-	**0.23**	**0.18**
Cosmo Speciality Chemicals Private Limited	0.52	0.31	-	-	-	-	**0.52**	**0.31**
6 Reimbursement received for expenses paid (net)								
Cosmo Speciality Chemicals Private Limited	2.62	0.87	-	-	-	-	**2.62**	**0.87**
7 Expenses incurred								

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Particulars	Subsidiaries and step-down subsidiaries companies		Key management personnel and their relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Cosmo Films Japan (GK), Japan	1.03	0.75	-	-	-	-	**1.03**	**0.75**
CF (Netherlands) Holdings Limited BV., Netherlands	0.98	1.04	-	-	-	-	**0.98**	**1.04**
8 Rent received/(paid)								
Pravasi Enterprises Limited	-	-	-	-	0.02	0.02	**0.02**	**0.02**
Cosmo Speciality Chemicals Private Limited	0.93	0.83	-	-	-	-	**0.93**	**0.83**
Cosmo Speciality Polymers Private Limited	0.41	0.24	-	-	-	-	**0.41**	**0.24**
Cosmo Films Japan (GK), Japan	(0.71)	(0.71)	-	-	-	-	**(0.71)**	**(0.71)**
9 Professional fees paid/ (received)								
Mrs. Yamini Kumar	-	-	2.04	1.71	-	-	**2.04**	**1.71**
Nangia & Company LLP	-	-	-	-	0.07	0.07	**0.07**	**0.07**
Nangia Andersen LLP	-	-	-	-	0.03	0.27	**0.03**	**0.27**
Cosmo Ferrites Limited	-	-	-	-	(0.45)	(0.08)	**(0.45)**	**(0.08)**
Cosmo Speciality Chemicals Private Limited	(0.24)	(0.28)	-	-	-	-	**(0.24)**	**(0.28)**
10 Short term employee benefits	-	-	41.86	67.61	-	-	**41.86**	**67.61**
11 Post employment benefits*	-	-	2.29	1.20	-	-	**2.29**	**1.20**
12 Share based payments	-	-	5.29	4.01	-	-	**5.29**	**4.01**
13 Buyback of shares								
Mr. Ashok Jaipuria	-	-	1.69	-	-	-	**1.69**	-
Mr. Anil Kumar Jain	-	-	0.13	-	-	-	**0.13**	-
Mr. Rakesh Nangia	-	-	0.12	-	-	-	**0.12**	-
Mr. Pankaj Poddar	-	-	1.06	-	-	-	**1.06**	-
Mr. Ambrish Jaipuria	-	-	1.82	-	-	-	**1.82**	-
Mrs. Aanchal Jaipuria Bhandari	-	-	0.47	-	-	-	**0.47**	-
Mrs. Yamini Kumar	-	-	0.40	-	-	-	**0.40**	-
Mrs Abha Jaipuria	-	-	0.12	-	-	-	**0.12**	-
Gayatri & Annapurana	-	-	-	-	38.78	-	**38.78**	-
Fawkes Management Private Ltd	-	-	-	-	1.05	-	**1.05**	-
Pravasi Enterprises Limited	-	-	-	-	0.03	-	**0.03**	-
Mr. Neeraj Jain	-	-	0.20	-	-	-	**0.20**	-
Mrs. Jyoti Dixit	-	-	0.00	-	-	-	**0.00**	-
14 Sitting fee/commission paid								

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Particulars	Subsidiaries and step-down subsidiaries companies		Key management personnel and their relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Mr. H. K. Agrawal	-	-	0.34	0.36	-	-	**0.34**	**0.36**
Mrs. Alpana Parida	-	-	0.33	0.35	-	-	**0.33**	**0.35**
Mr. Pratip Chaudhuri	-	-	0.35	0.37	-	-	**0.35**	**0.37**
Mr. H. N. Sinor	-	-	0.34	0.36	-	-	**0.34**	**0.36**
Mr. Anil Wadhwa	-	-	0.34	0.35	-	-	**0.34**	**0.35**
Mr. Rakesh Nangia	-	-	0.34	0.35	-	-	**0.34**	**0.35**
Mr. Arjun Singh	-	-	0.16	0.14	-	-	**0.16**	**0.14**
15 Loan given								
Mr. Anil Kumar Jain	-	-	-	2.40	-	-	**-**	**2.40**
16 Loan (repayment) received								
Mr. Pankaj Poddar	-	-	(1.38)	(0.37)	-	-	**(1.38)**	**(0.37)**
Mr. Anil Kumar Jain	-	-	-	(2.40)	-	-	**-**	**(2.40)**
17 Interest income on loan given								
Mr. Pankaj Poddar	-	-	0.25	0.29	-	-	**0.25**	**0.29**
Mr. Anil Kumar Jain	-		-	0.02	-	-	**-**	**0.02**
18 Contribution to CSR/ Donation paid								
Contribution to Cosmo Foundation	-	-	-	-	4.44	2.80	**4.44**	**2.80**
Contribution to Petsfamilia Foundation	-	-	-	-	0.20	0.01	**0.20**	**0.01**
Contribution to Sitaram Jaipuria Foundation	-	-	-	-	1.50	-	**1.50**	**-**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

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(All amounts in ₹ crores, unless otherwise stated)

Particulars	Subsidiaries and step-down subsidiaries companies		Enterprises owned or significantly influenced by key management personnel or their relatives		Key management personnel and their relatives		Total	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Outstanding balances								
1 Trade receivables/ Loans & advances								
Cosmo Films Inc., USA	-	15.84	-	-	-	-	**-**	**15.84**
Cosmo Films Korea Limited, Korea	16.75	38.20	-	-	-	-	**16.75**	**38.20**
Cosmo Films Japan (GK), Japan	2.10	0.51	-	-	-	-	**2.10**	**0.51**
CF (Netherlands) Holdings Limited BV., Netherlands	-	14.17	-	-	-	-	**-**	**14.17**
Cosmo Speciality Chemicals Private Limited	4.45	7.24	-	-	-	-	**4.45**	**7.24**
Cosmo Speciality Polymers Private Limited	17.80	0.34	-	-	-	-	**17.80**	**0.34**
2 Advance received for future supplies								
Cosmo Films Inc., USA	61.39	-	-	-	-	-	**61.39**	**-**
CF (Netherlands) Holdings Limited BV., Netherlands	7.08	-	-	-	-	-	**7.08**	**-**
3 Remuneration/ commission payable	-	-	-		20.82	35.16	**20.82**	**35.16**
4 Loan outstanding								
Mr. Pankaj Poddar	-	-	-	-	5.86	7.24	**5.86**	**7.24**
5 Interest receivable								
Mr. Pankaj Poddar	-	-	-	-	-	0.01	**-**	**0.01**

45 FAIR VALUE MEASUREMENTS

A) Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2023	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	246.15	136.20	-
(ii) Trade receivables	-	-	157.49
(iii) Cash and cash equivalents	-	-	10.47
(iv) Other bank balances	-	-	13.12
(v) Loans	-	-	7.06
(vi) Derivative assets	7.33	0.96	-
(vii) Others financial assets	-	-	49.37
Total	**253.48**	**137.16**	**237.51**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

As at 31 March 2023	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
(i) Borrowings	-	-	838.19
(ii) Lease liabilities			42.16
(iii) Trade payables	-	-	509.26
(iv) Derivative liabilities	0.32	-	-
(v) Other financial liabilities	-	-	70.95
Total	**0.32**	**-**	**1,460.56**

As at 31 March 2022	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	248.89	160.76	-
(ii) Trade receivables	-	-	197.90
(iii) Cash and cash equivalents	-	-	22.74
(iv) Other bank balances	-	-	15.11
(v) Loans	-	-	7.47
(vi) Derivative assets	4.11	1.01	-
(vii) Others financial assets	-	-	22.75
Total	**253.00**	**161.77**	**265.97**
Financial liabilities			
(i) Borrowings	-	-	749.05
(ii) Lease liabilities	-	-	8.11
(iii) Trade payables	-	-	341.97
(iv) Derivative liabilities	5.76	1.28	-
(v) Other financial liabilities	-	-	73.86
Total	**5.76**	**1.28**	**1,172.99**

Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B) Fair value hierarchy

The different levels of fair value have been defined below:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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(All amounts in ₹ crores, unless otherwise stated)

B) (i) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2023	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	7 and 12	151.45	204.27	26.63
(ii) Derivative assets	9 and 17	-	8.29	-
Total financial assets		**151.45**	**212.56**	**26.63**
Financial liabilities				
(i) Derivative liabilities	22 and 28	-	0.32	-
Total financial liabilities		**-**	**0.32**	**-**

As at 31 March 2022	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	7 and 12	203.38	184.44	21.77
(ii) Derivative assets	9 and 17	-	5.12	-
Total financial assets		**203.38**	**189.56**	**21.77**
Financial liabilities				
(i) Derivative liabilities	22 and 28	-	7.04	-
Total financial liabilities		**-**	**7.04**	**-**

Valuation process and technique used to determine fair values

(i) All financial instruments are initially recognised at cost and subsequently re-measured at fair value as described below:

a) The fair value of investment in quoted Equity Shares is measured at quoted price as at reporting date.

b) The fair value of investment in quoted Bonds and Debentures is measured based on the last traded price on stock exchange as at the reporting date.

c) The fair value of investments in Alternative Investment Funds and Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these funds in the published statements as at the balance sheet date.

d) The fair value for unquoted instruments where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques used in determining the fair value of various assets is as follows:

i. Asset Approach: Net Assets Value Method

ii. Income Approach:Discounted Cash Flows Method

iii. Market Approach: Comparable Companies Multiples Method

(ii) Fair value for derivatives contracts is determined using observable forward and option exchange rates and yield curves as at the balance sheet date.

B) (ii) Fair value of financial assets and liabilities measured at amortised cost

The fair values of loans are not materially different from the amortised cost thereof. Further, the management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other current financial assets (excluding derivative assets), current borrowings, trade payables and other current financial liabilities (excluding derivative liabilities) approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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(All amounts in ₹ crores, unless otherwise stated)

All the long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

The fair value measurements disclosed in respect of financial assets and liabilities measured at amortised cost fall within Level 3 of fair value hierarchy.

46 RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis Credit ratings	Diversification of bank deposits, collateral credit limits and letter of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	"Foreign currency forwards Foreign currency options Cross currency swaps"
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in mutual funds, debt securities and equity and preference instruments including alternate investment funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Life time expected credit loss or fully provided for

As the Company's trade receivables do not contain a significant financing component, it measures the loss allowance in respect thereof at an amount equal to lifetime expected credit losses

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company or debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

Credit risk exposure

Credit rating	Particulars	As at 31 March 2023	As at 31 March 2022
A: Low credit risk	Cash and cash equivalents	10.47	22.74
	Other bank balances	13.12	15.11
	Loans	7.06	7.47
	Other financial assets	57.66	27.87
	Trade receivables	157.49	197.90
	Investments*	382.35	409.59
B: Medium credit risk	-	-	-
C: High credit risk	-	-	-

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due. Company obtains the credit insurance for export debtors from Export Credit Guarantee Corporation

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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(All amounts in ₹ crores, unless otherwise stated)

(ECGC) of India and for domestic debtors from insurance company.

Investments

This risk refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both.

The Company's deployment in debt instruments are primarily in bonds and debentures issued by highly rated banks, financial institutions and public sector undertakings. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits are determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Banks/Financial Institutions /public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

Furthermore, with respect to the company's investments in Equity and Preference instruments, Mutual Funds and AIF's, since these investments are not exposed to counterparty risks, therefore they have been considered under low credit risk instruments.

Derivative instruments

Credit risk related to derivative instruments is managed by the Company by doing transactions with highly rated banks. Further, management has established limits for use of derivative instruments to minimise the concentration of risks and therefore mitigate financial loss through counterparties potential failure to make payments.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Provision for expected credit losses

a) Expected credit losses for financial assets other than trade receivables

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Company is in possession of the underlying asset. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties.

The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

b) Expected credit loss for financial assets under simplified approach

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Customer advances amounting to ₹ 82.50 crores (31 March 2022 : ₹ 29.82 crores) were not considered for the purpose of computation of expected credit losses under simplified approach. Based on such simplified approach, an allowance of ₹ 3.36 crores and ₹ 3.55 crores as at 31 March 2023 and 31 March 2022 has been recognised respectively.

Age of receivables	As at 31 March 2023	As at 31 March 2022
Not due	96.15	134.35
0-180 days past due	60.71	63.55
181-360 days past due	0.57	0.17
More than 360 days past due	3.42	3.38
Total	**160.85**	**201.45**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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Reconciliation of loss provision – Lifetime expected credit losses

Reconciliation of loss allowance	Amount
Loss allowance as on 1 April 2021	**3.53**
Allowance for expected credit losses	0.02
Loss allowance on 31 March 2022	**3.55**
Allowance for expected credit losses	(0.01)
Amounts written off	(0.18)
Loss allowance on 31 March 2023	**3.36**

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

	As at 31 March 2023	As at 31 March 2022
Expiring within one year (cash credit and other facilities)	814.75	576.36
Expiring beyond one year	-	-

Contractual maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity grouping based on their undiscounted contractual maturities (including interest).

31 March 2023	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	291.82	155.11	242.23	149.03	838.19
(ii) Lease liabilities	4.16	4.92	17.23	15.85	42.16
(iii) Trade payables	509.26	-	-	-	509.26
(iv) Other financial liabilities	70.95	-	-	-	70.95
(v) Derivative liabilities	0.32	-	-	-	0.32
Total	**876.51**	**160.03**	**259.46**	**164.88**	**1,460.88**

31 March 2022	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	269.40	152.00	227.93	99.72	749.05
(ii) Lease liabilities	1.72	1.74	4.65	-	8.11
(iii) Trade payables	341.97	-	-	-	341.97
(iv) Other financial liabilities	72.98	-	-	-	72.98
(v) Derivative liabilities	7.04	-	-	-	7.04
Total	**693.11**	**153.74**	**232.58**	**99.72**	**1,179.15**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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C. Market risk

(i) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Company's exposure to interest rate risk on borrowings is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate	664.54	609.46
Fixed rate	173.65	139.59
Total	**838.19**	**749.05**

The following table illustrates the sensitivity of profit after tax and equity to a possible change in interest rates of +/- 1% in current year (31 March 2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year +1%	Profit for the year-1%
As at 31 March 2023	(4.32)	4.32
As at 31 March 2022	(3.96)	3.96

(ii) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP, Euro and JPY. Fluctuations in foreign currency exchange rates may have an impact on profit or loss and the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through a hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company's policy is to hedge material foreign exchange risk associated with borrowings, highly probable forecast sales and purchases transactions denominated in foreign currencies. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses forward exchange contracts, currency swaps, other derivatives and non-derivative instruments to hedge the effects of movements in exchange rates on foreign currency denominated assets, liabilities and highly probable forecast transactions. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies and as well as financing transactions and loans denominated in foreign currencies. The Company is also exposed to foreign exchange risk on its highly probable forecasted sales and purchases. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the profit or loss or other comprehensive income. Instruments designated in hedging relationship and hedge accounting disclosures are include in section "Derivative financial instruments and hedge accounting".

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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Forex exposure	As at 31 March 2023		As at 31 March 2022	
	Foreign Currency	INR (crores)	Foreign Currency	INR (crores)
Financial assets				
USD	25,22,549	20.90	1,37,44,258	104.39
GBP	4,71,207	4.80	-	-
EUR	22,65,537	20.31	25,18,795	21.18
JPY	2,91,84,585	1.80	84,35,116	0.53
Financial liabilities				
USD	2,16,03,314	178.96	3,12,04,457	237.00
GBP	7,329	0.07	12,389	0.12
EUR	3,97,20,781	356.10	4,52,82,958	380.69
JPY	-	-	-	-
Derivative/non derivative contracts				
USD	(1,49,47,227)	(123.82)	(78,84,168)	(59.88)
EUR	(3,22,46,476)	(289.09)	(1,63,60,963)	(137.54)
Forward contracts for forecasted transactions				
GBP/INR	-	-	15,00,000	14.97

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	As at 31 March 2023	As at 31 March 2022
USD	82.84	75.95
GBP	101.91	99.78
JPY	0.62	0.62
EURO	89.65	84.07

Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and non-derivative financial instruments designated as cash flow hedges.

A)

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD sensitivity				
INR/USD increase by 5.00% (31 March 2023- 5.00%)	(5.14)	(4.20)	-	(0.11)
INR/USD decrease by 5.00%% (31 March 2022- 5.00%)	5.14	4.20	-	0.11
GBP sensitivity				
INR/GBP increase by 5.00% (31 March 2023- 5.00%)	0.15	(0.00)	-	-
INR/GBP decrease by 5.00% (31 March 2022- 5.00%)	(0.15)	0.00	-	-
EUR sensitivity				
INR/EUR increase by 5.00% (31 March 2023- 5.00%)	(5.27)	(11.25)	(5.65)	(0.45)

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Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
INR/EUR decrease by 5.00% (31 March 2022 5.00%)	5.27	11.25	5.65	0.45
JPY sensitivity				
INR/JPY increase by 5.00% (31 March 2023- 5.00%)	0.06	0.02	-	-
INR/JPY decrease by 5.00% (31 March 2022- 5.00%)	(0.06)	(0.02)	-	-

Derivative financial instruments

The fair value of the Company's open derivative positions recorded within financial instruments (derivative) is as follows:

Forex exposure	As at 31 March 2023		As at 31 March 2022	
	Liability	Assets	Liability	Assets
Cash flow hedges				
- Forward foreign currency contracts	0.23	0.96	-	2.29
- Options	-	7.33	6.01	2.77
- Interest rate swaps	0.09	-	0.06	0.06
- Currency swaps	-	-	0.97	-
Total	**0.32**	**8.29**	**7.04**	**5.12**

* Refer statement of profit and loss and statements of change in equity for the change in the fair value of cash flow hedges.

b) The Company uses foreign currency forward contracts, foreign currency options contracts and non-derivative financial instruments (i.e. foreign currency borrowings) to mitigate exchange rate exposure arising from forecast sales and purchase in USD, EUR and GBP. Also, the Company uses foreign currency options contracts, cross currency swap contracts and interest rate swap contracts to mitigate exchange rate exposure and interest rate exposure arising from foreign currency borrowings.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards and cross currency swaps entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

In hedges of foreign currency borrowings and forecast transaction, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness in the hedges have been disclosed.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Other derivatives, which have not been designated in hedging relationship, are considered by management to be part of economic hedge arrangements but have not been formally designated.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31 March 2023								
Cash flow hedge								
Foreign currency and interest rate risk								
Derivative instruments								
(i) Foreign exchange forward contracts (including options, currency swaps)	USD 14,947,267	0.21	0.32	April 2023-September 2023	1:1	USD/INR-82.46	(0.11)	0.11
	EUR 12,875,476	7.12	-	April 2023-August 2023	1:1	EUR/INR-82.30	7.12	(7.12)
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 19,371,000	-	173.65	November 2023- May 2033	1:1	-	-	-
As at 31 March 2022								
Cash flow hedge								
Foreign currency and interest rate risk								
Derivative instruments								
(i) Foreign exchange forward contracts (including options, currency swaps)	USD 11,812,998	2.24	0.97	April 2022-January 2023	1:1	USD/INR-74.58	1.28	(1.28)
	EUR 14,727,182	0.34	5.92	April 2022-January 2023	1:1	EUR/INR-87.43	(5.58)	5.58
	GBP 1,500,000	1.28	-	December 2022- April 2023	1:1	-	1.28	(1.28)
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 1,633,782	-	13.74	April 2022-July 2023	1:1	EUR/INR-79.87	0.09	(0.09)
	USD 447,644	-	3.40	April 2022-May 2022	1:1	USD/INR-75.95	-	-

* represents outstanding balance of loans designated under natural hedge

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2023

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	0.67	-	5.93	Finance cost and other expenses/ income
(ii) Foreign currency borrowings	(18.54)	-	(1.09)	Finance cost and other expenses/ income

For the year ended 31 March 2022

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	7.38	-	(0.75)	Finance cost and other expenses/ income
(ii) Foreign currency borrowings	(0.47)	-	2.57	Finance cost and other expenses/ income

Price risk

Exposure

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period :

Particulars	Impact on profit after tax		Impact on other components of equity	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Investments*				
Net asset value - increase by 1%	1.55	1.62	0.89	1.05
Net asset value - decrease by 1%	(1.55)	(1.62)	(0.89)	(1.05)

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

47 CAPITAL MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarised as follows:

The Company monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, tax, depreciation and amortisation (EBITDA)

Debt equity ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings (including current maturities of long term debt)	838.19	749.05
Less: Investments	(374.80)	(409.59)
Less: Cash and cash equivalents	(10.47)	(22.74)
Less: Pledged deposits	(11.24)	(11.09)
Less: Deposit with banks	-	(2.00)
Net debt	**441.68**	**303.63**
Total equity	1,147.30	1,087.89
Net debt to equity ratio	**38.50%**	**27.91%**

Ratio of net debt to EBIDTA

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before exceptional items and tax*	275.01	430.38
Add: Depreciation and amortisation expenses	69.08	58.08
Add: Finance costs	51.46	37.43
EBIDTA	**395.55**	**525.89**
Net debt	441.68	303.63
Ratio of net debt to EBIDTA	**1.12**	**0.58**

* Includes other income

Gearing ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Net debt	441.68	303.63
Total equity	1,147.30	1,087.89
Equity and net debt	1,588.98	1,391.52
Gearing ratio	**27.80%**	**21.82%**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Dividend paid	As at 31 March 2023	As at 31 March 2022
Equity shares		
Interim dividend for the year ended 31 March 2023 of ₹ Nil per share (31 March 2022:₹ 35 per share) (including dividend distribution tax)	-	62.70

48 SEGMENT REPORTING

In accordance with Ind AS 108, the Board of Directors being the Chief operating decision maker of the Company have determined its only one reportable business segment of packaging films. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below:

a) Revenue as per geographical markets:

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Packaging films	1,423.62	1,488.36	1,268.43	1,292.10
Others	9.14	1.10	-	-
Total	**1,432.76**	**1,489.46**	**1,268.43**	**1,292.10**

b) There is only one customer (wholly owned subsidiary) which has contributed more than 10% revenue i.e. Cosmo Films Inc.

49 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening balance as at 1 April 2022	**604.80**	**144.25**	**749.05**
Cash flow:			
- Proceeds	203.42	-	**203.42**
- Repayment	(139.46)	(6.53)	**(145.99)**
Non cash			
- Finance cost adjustment for effective interest rate	0.37	-	**0.37**
- Foreign exchange difference	31.26	0.08	**31.34**
Closing balance as at 31 March 2023	**700.39**	**137.80**	**838.19**

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening balance as at 1 April 2021	**466.57**	**243.14**	**709.71**
Cash flow:			
- Proceeds	289.37	-	289.37
- Repayment	(144.29)	(99.18)	(243.47)
Non cash			
- Finance cost adjustment for effective interest rate	0.30	-	0.30
- Foreign exchange difference	(7.15)	0.29	(6.86)
Closing balance as at 31 March 2022	**604.80**	**144.25**	**749.05**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

50 KEY FINANCIAL RATIOS:

Ratio	Measurement unit	Numerator	Denominator	31 March 2023	31 March 2022	Changes	Remarks
a) Current Ratio	Times	Current Assets	Current Liabilities	1.06	1.43	-26.07%	Primarily lower due to increase in trade payable
b) Total debt to equity ratio	Percentage	Total Debt	Shareholder's Equity	73.06%	68.85%	6.11%	Refer note 1 below
c) Net debt to equity ratio	Percentage	Net Debt	Shareholder's Equity	38.50%	27.91%	37.93%	Primarily increase due to higher net debt
d) Debt service coverage ratio	Times	Earnings available for debt service	Debt Service	1.75	2.25	-22.13%	Refer note 1 below
e) Return on equity ratio	Percentage	Net profit after tax	Shareholder's Equity	18.62%	28.77%	-35.27%	Refer note 2 below
f) Inventory turnover ratio	Times	Purchase of goods	Average Inventory	5.27	6.10	-13.64%	Refer note 1 below
g) Trade receivable turnover ratio	Times	Revenue from operations	Average trade receivable	15.43	14.70	4.97%	Refer note 1 below
h) Trade payable turnover ratio	Times	Purchase of goods	Average trade payables	4.35	7.10	-38.79%	Primarily improved due to increase in number of payable days outstanding
i) Net working capital turnover ratio	Times	Revenue from operations	Working Capital	49.03	8.75	460.49%	Primarily improved due to decrease in net working capital in business caused by high trade payable
j) Net profit ratio	Percentage	Net profit after tax	Revenue from operations	7.79%	11.08%	-29.68%	Refer note 2 below
k) Return on capital employed	Percentage	Earning before interest and tax (EBIT)	Average capital employed	15.83%	25.83%	-38.72%	Refer note 2 below
l) Return on investment (Equity instruments)	Percentage	Net fair value change (including dividend income)	Weighted average cost of instrument during the year	2.53%	19.32%	-86.89%	Financial year 2022-23 was exceptionally low due to market factors.
m) Return on investment (Debt instruments)	Percentage	Net fair value change (including interest income)	Weighted average cost of instrument during the year	6.76%	9.73%	-30.56%	Financial year 2022-23 was exceptionally low due to market factors.

Notes:

1. Since the change in ratio is less than 25%, no explanation is required to be furnished.
2. Primarily lower due to decrease in operating income due to margin pressure caused by significant capacity addition in the domestic industry during Financial Year 2022-23.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

51 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

(i) Details of benami properties held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Valuation of Property, Plant and Equipment and Intangible Assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(iv) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Registration of charges or satisfaction with registrar of companies

There are no changes or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Fund received / loaned

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries .

(xi) No funds have been received by the Company from any person or entity, including foreign entities (Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xii) The Company has been sanctioned working capital limits from banks or financial institutions on the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions on aggregate basis, are in agreement with the unaudited books of account of the Company, for the respective quarters, except for some differences due to reporting of advances received from customers primarily comprising of subsidiaries.

52 Per transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an arms length basis". Management is of the opinion that the Company's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

53 There has been no subsequent events which required any adjustment for the financial year ending 31 March 2023.

54 Previous year numbers have been regrouped wherever consider necessary to confirm to current year classifications.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

INDEPENDENT AUDITOR'S REPORT

To the Members of Cosmo First Limited (formerly known as 'Cosmo Films Limited')

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Cosmo First Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2023, of consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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 Consolidated Financial Statements 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The group has entered into various derivative contracts including foreign exchange forward contracts, currency options, cross currency swaps and interest rate swaps which are used to manage and hedge foreign currency exchange risks and interest rate risks. The Group has reported net derivative financial assets at fair value of ₹ 8.29 crores and net derivative financial liabilities at fair value of ₹ 0.32 crores as of 31 March 2023.	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments in order to verify existence and rights. • Reviewed the hedging strategy of the Group, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied.

Key audit matter	How our audit addressed the key audit matter
The Group's accounting policy on derivatives is disclosed in note 1 (iv) I) (iii) and related disclosures are included in note 47. The Group's significant judgements in applying accounting policy are disclosed in note 1 (v). The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Group measures the effectiveness thereof using valuation models, such as hypothetical derivative method. Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience. Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	• Inspected the underlying agreements and deal confirmations for the derivatives. • Assessed whether the accounting policy is consistent with the requirements of Ind AS 109 'Financial Instruments'. • Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting. We have also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of derivatives are considered reasonable.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements, 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 system 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 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 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 consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (after eliminating intra-group balances) of ₹ 177.14 crores as at 31 March 2023,

total revenue of ₹ 468.99 crores, net profit after tax of ₹ 22.48 crores, total comprehensive income of ₹ 37.00 crores (after eliminating intra-group transactions) and net cash outflows of ₹ 5.51 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Further, these subsidiaries are located outside India and their financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India 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 on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

2. We did not audit the financial statements / financial information of six subsidiaries, whose financial statements / financial information reflect total assets (after eliminating intra-group balances) of ₹ 140.06 crores as at 31 March 2023, total revenues of ₹ 235.09 crores, total net loss after tax of ₹ 6.11 crores, total comprehensive income / (loss) of (₹ 2.99 crores) (after eliminating intra-group transactions) and net cash outflows of ₹ 5.03 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of other auditors and the unaudited financial statements / financial information provided by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we refer to clause ii(b) of CARO report (Annexure A to the Independent Auditor's Report) of the Holding Company (i.e. Cosmo First Limited having CIN 'L92114DL1976PLC008355').

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian

Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and on the basis of the written representations received from the directors of three subsidiary companies covered under the Act, none of the directors of the Holding Company and such subsidiary companies covered under the Act, are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. Further, subsidiary companies, which are covered under the Act, have not paid or provided for any managerial remuneration during the year.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. As stated in note 18(iv) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiaries which are companies incorporated in India, only with effect from 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 23077974BGXFFK7366
Place: New Delhi
Date: 29 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo First Limited on the consolidated financial statements as of and for the year ended 31 March 2023)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Cosmo First Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Financial

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

OPINION

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 23077974BGXFFK7366
Place: New Delhi
Date: 29 May 2023

CONSOLIDATED BALANCE SHEET as at 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	1,367.28	979.07
b) Capital work-in-progress	3	185.48	270.29
c) Investment property	4	12.70	13.52
d) Intangible assets	5	6.38	2.62
e) Right of use assets	5A	40.54	7.66
f) Financial assets			
(i) Investments	6	7.70	0.21
(ii) Loans	7	5.59	6.04
(iii) Other financial assets	8	3.70	3.96
g) Deferred tax assets (net)	22	17.77	6.80
h) Income tax assets (net)		35.00	9.89
i) Other non-current assets	9	116.40	86.86
		1,798.54	**1,386.92**
Current assets			
a) Inventories	10	534.93	554.08
b) Financial assets			
(i) Investments	11	410.03	445.95
(ii) Trade receivables	12	199.56	219.97
(iii) Cash and cash equivalents	13	32.94	45.65
(iv) Bank balances other than (iii) above	14	13.12	15.11
(v) Loans	15	2.51	2.69
(vi) Other financial assets	16	32.85	24.59
c) Other current assets	17	103.39	64.59
		1,329.33	**1,372.63**
TOTAL ASSETS		**3,127.87**	**2,759.55**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	18	26.25	18.17
b) Other equity	19	1,271.86	1,172.56
		1,298.11	**1,190.73**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	20	546.58	479.65
(ii) Lease liabilities		38.00	6.39
b) Provisions	21	24.88	22.68
c) Deferred tax liabilities (net)	22	159.91	143.20
d) Other non-current liabilities	23	57.58	58.11
		826.95	**710.03**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	24	343.27	330.40
(ii) Lease liabilities		4.16	1.72
(iii) Trade payables			
(a) Total outstanding dues to micro and small enterprises	25	7.40	11.00
(b) Total outstanding dues to creditors other than micro and small enterprises	25	521.07	353.70
(iv) Other financial liabilities	26	88.73	100.36
b) Other current liabilities	28	22.60	45.22
c) Provisions	29	13.93	12.41
d) Current tax liabilities (net)		1.65	3.98
		1,002.81	**858.79**
TOTAL EQUITY AND LIABILITIES		**3,127.87**	**2,759.55**
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated Balance Sheet referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note no.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	30	3,065.29	3,038.39
Other income	31	51.95	48.32
Total income		**3,117.24**	**3,086.71**
Expenses			
Cost of materials consumed		2,024.60	1,993.59
Purchase of traded goods		8.32	1.74
Change in inventories of finished goods and stock in trade	32	21.16	(122.25)
Employee benefits expense	33	217.09	219.61
Finance costs	34	55.45	39.81
Depreciation, amortisation and impairment expense	35	74.96	63.30
Allowance for expected credit losses		(1.00)	0.80
Other expenses	36	412.77	373.49
Total expenses		**2,813.35**	**2,570.09**
Profit before tax		**303.89**	**516.62**
Tax expense	37		
- Current tax		57.25	79.53
- Deferred tax expense/(credit)		9.01	40.48
- Tax adjustment for earlier years		(6.36)	-
Total tax expense		**59.90**	**120.01**
Net profit for the year		**243.99**	**396.61**
Other comprehensive income			
1) Items that will not be reclassified to profit or loss			
- Remeasurements of net defined benefit plans		0.74	0.09
- Tax on above items		(0.26)	(0.03)
2) Items that will be reclassified to profit or loss			
- Effective portion of gain/(loss) on hedging instrument in cash flow hedge		(22.71)	7.68
- Net changes in fair value of financial instruments carried at fair value through other comprehensive income		(4.27)	(4.36)
- Foreign currency translation reserve		19.48	2.63
- Tax on above items		8.79	(2.50)
Total other comprehensive income		**1.77**	**3.51**
Total comprehensive income		**245.76**	**400.12**
Earnings per equity share	38		
- Basic (₹)		90.86	147.70
- Diluted (₹)		89.45	144.66
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated Statement of Profit and Loss referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Opening balance as at 1 April 2021	18.17
Changes during the year	-
Closing balance as at 31 March 2022	**18.17**
Issue of bonus shares	9.09
Buyback of shares	(1.01)
Closing balance as at 31 March 2023	**26.25**

B. OTHER EQUITY

	Reserves and surplus						Items of other comprehensive income				Treasury Shares	Total
	Retained earnings	Securities premium	Share options outstanding account	Capital reserve	General reserve	Capital redemption reserve	Currency translation reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
Balance as at 1 April 2021	**592.34**	**4.30**	**4.35**	**4.10**	**218.89**	**1.27**	**12.67**	**0.69**	**2.55**	**4.59**	**(10.06)**	**835.69**
Profit for the year	396.61	-	-	-	-	-	-	-	-	-	-	**396.61**
Other comprehensive income/(expense)	0.06	-	-	-	-	-	2.63	5.02	**(2.55)**	(1.65)	-	**3.51**
Total comprehensive income for the year	**396.67**	**-**	**-**	**-**	**-**	**-**	**2.63**	**5.02**	**(2.55)**	**(1.65)**	**-**	**400.12**
Transaction with owners												
Buyback of equity share capital including expenses thereto	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from general reserve on account of buyback of equity share capital	-	-	-	-	-	-	-	-	-	-	-	-
Equity dividend	(62.70)	-	-	-	-	-	-	-	-	-	-	**(62.70)**
Employee share-based compensation	-	-	4.75	-	-	-	-	-	-	-	-	4.75
Transfer from share options outstanding on exercise and lapse	-	2.50	(2.50)	-	-	-	-	-	-	-	-	-
Movement during the year	0.02	-	-	-	-	-	-	-	-	-	-	0.02
Sale of treasury shares	-	0.62	-	-	-	-	-	-	-	-	(5.94)	(5.31)
Balance as at 31 March 2022	**926.33**	**7.42**	**6.60**	**4.10**	**218.89**	**1.27**	**15.30**	**5.71**	**-**	**2.94**	**(16.00)**	**1,172.56**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and surplus						Items of other comprehensive income				Treasury Shares	Total
	Retained earnings	Securities premium	Share options outstanding account	Capital reserve	General reserve	Capital redemption reserve	Currency translation reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
Balance as at 1 April 2022	**926.33**	**7.42**	**6.60**	**4.10**	**218.89**	**1.27**	**15.30**	**5.71**	**-**	**2.94**	**(16.00)**	**1,172.56**
Profit for the year	243.99	-	-	-	-	-	-	-	-	-	-	**243.99**
Other comprehensive (expense)/income	0.48	-	-	-	-	-	19.48	(14.77)	-	(3.42)	-	**1.77**
Total comprehensive income for the year	**244.47**	**-**	**-**	**-**	**-**	**-**	**19.48**	**(14.77)**	**-**	**(3.42)**	**-**	**245.76**
Transaction with owners												
Buyback of equity share capital including expenses thereto	-	-	-	-	(132.77)	-	-	-	-	-	-	**(132.77)**
Transfer from general reserve on account of buyback of equity share capital	-	-	-	-	(1.01)	1.01	-	-	-	-	-	**-**
Issue of bonus shares		**(4.50)**		**(3.32)**		**(1.27)**	**-**	**-**	**-**	**-**	**-**	**(9.09)**
Employee share-based compensation	**-**	**-**	**6.45**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.45**
Transfer from share options outstanding on exercise and lapse	**-**	**0.54**	**(0.54)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Movement during the year	(0.01)	-	-	-	-	-	-	-	-	-	-	(0.01)
Purchase of treasury shares	-	(2.61)	-	-	-	-	-	-	-	-	(8.43)	(11.04)
Balance as at 31 March 2023	**1,170.78**	**0.85**	**12.51**	**0.78**	**85.11**	**1.01**	**34.78**	**(9.06)**	**-**	**(0.48)**	**(24.43)**	**1,271.86**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated Statement of Changes in Equity referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

STATEMENT OF CASH FLOWS for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A.	**Cash flow from operating activities**		
	Profit before tax	303.89	516.62
	Adjustment for		
	Depreciation and amortisation expenses	74.96	63.30
	Finance costs	55.45	39.81
	Interest on financial assets carried at amortised cost	(0.32)	-
	Gain on investments carried at fair value through profit and loss	(12.14)	(24.63)
	Loss/(gain) on investments carried at fair value through other comprehensive income	0.97	(0.33)
	Decrease/(increase) in allowance for expected credit losses	(1.00)	0.80
	Dividend income	(0.55)	(0.33)
	Interest income	(17.53)	(16.46)
	Gain on derivatives classified under other comprehensive income	(3.93)	6.75
	Grant income on export promotion capital goods	(3.27)	(2.90)
	Liabilities no longer required written back	(6.36)	(0.72)
	Loss on sale of property, plant and equipment	0.52	0.18
	Profit on disposal of non current assets held for sale	-	(2.36)
	Employee share based compensation	6.45	4.75
	Unrealised gain on exchange fluctuation	(2.87)	(2.03)
	Unrealised claims recoverable	(5.93)	-
	Unrealised sales tax incentives	(6.27)	(5.63)
	Operating profit before working capital changes	**382.07**	**576.82**
	Adjustment for		
	Inventories	19.90	(178.51)
	Trade receivables	23.44	(30.14)
	Loans	0.97	1.51
	Other financial assets	(3.28)	14.60
	Other assets	(25.63)	(8.99)
	Trade payables	174.49	162.17
	Other financial liabilities	(18.42)	(2.14)
	Other liabilities and provisions	(15.27)	20.66
	Cash flow from operating activities post working capital changes	**538.27**	**555.98**
	Income tax paid (net)	(73.11)	(74.77)
	Net cash flow from operating activities (A)	**465.16**	**481.21**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets and capital work in progress (including capital advances)	(380.40)	(282.97)
	Sale of property, plant and equipment	0.56	0.45
	Proceeds from disposal of non current assets held for sale	-	0.18
	Sale/(purchase) of investments (net)	34.96	(179.07)
	Interest received	17.89	17.07
	Dividend received	0.55	0.33
	Investments in / (redemption of) fixed deposits (net)	1.85	(3.35)
	Net cash flow used in investing activities (B)	**(324.59)**	**(447.36)**
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	203.42	289.37
	Repayment of long term borrowings	(139.46)	(144.29)
	Repayment of short term borrowings (net)	(16.08)	(88.76)
	Sale/ (acquisition) of treasury shares	(11.06)	(5.30)
	Interest paid	(54.25)	(39.36)
	Dividend and tax thereon paid	-	(62.70)
	Buyback of equity shares including expenses and taxes	(133.78)	-
	Payment of lease liabilities	(2.07)	(0.62)
	Net cash flow used in financing activities (C)	**(153.28)**	**(51.66)**
	Increase/ (decrease) in net cash and cash equivalents (A+B+C)	**(12.71)**	**(17.81)**
	Cash and cash equivalents at the beginning of the year (refer note 13)	45.65	63.46
	Cash and cash equivalents at the end of the year (refer note 13)	**32.94**	**45.65**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the Statement of Cash Flows referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

I) CORPORATE INFORMATION, BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Corporate information

Cosmo First Limited (formerly Cosmo Films Limited) (the 'Company'), manufacturers of Bi-axially Oriented Polypropylene Films (BOPP) was incorporated in India in 1981, under the Companies Act, 1956. The Holding Company is engaged in the production of flexible packaging films. Company's products majorly comprise of BOPP Films, Thermal Films and Coated Films. In India, the Holding Company is currently having manufacturing facilities at Aurangabad and Shendra in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries operating in different countries. During the previous financial year, the Company had made a foray into the Pet Care business with the launch of its platform ZIGLY which will offer pet parents the widest range of pet care products and services to give them an opportunity to choose from an amazing array of pet care options, ranging from pet food and treats to grooming supplies, health care products and much more.

ii) Basis of Preparation

These consolidated financial statements ('financial statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The consolidated financial statements for the year ended 31 March 2023 were authorized and approved by the Board of Directors on 29 May 2023.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

iii) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Holding Company can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Holding Company. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent Company for its separate financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Company and its subsidiaries (jointly referred to as the 'Group' herein under) are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

iv) Significant Accounting Policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Group:

Tangible Assets	Useful Life
Building – Factory	30 Years
Building – other than factory	60 Years
Continuous process plant and Machinery	25 Years
Plant and Machinery used in generation, transmission and distribution of power	40 years
Other plant and equipment	15 years
Furniture and fittings	10 Years
Vehicles	6-8 Years
Office equipment	3-5 Years

Cost of the leasehold land and leasehold improvement are amortized over the period of the lease.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

c) Investment property

Recognition and initial measurement

Investment properties are measured initially at cost, including transaction costs and where applicable, borrowing costs. Following initial recognition, investment properties are stated at cost less accumulated depreciation

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and accumulated impairment loss, if any. The Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Subsequent measurement (depreciation and useful lives)

Subsequent to initial recognition, an expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated over the useful economic life and assessed for impairment whenever there is an indication that the investment properties may be impaired.

De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	Amortised over a period of 6 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to

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exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

f) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) **Inventory**

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined on the basis of weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of finished goods, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

h) **Foreign currency translation**

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR or ₹) and are rounded to two decimal places of crores, which is also the Holding Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency by applying the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

As per the generally accepted accounting principles followed by the Group till 31 March 2017, exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. Exchange differences arising on other long-term foreign currency monetary items existing as on 31 March 2017 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. The Group has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2017 as allowed under Ind AS 101.

For this purpose, , the Group treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date and the

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equity is translated at historical rate. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the statement of profit or loss and are recognized as part of the gain or loss on disposal.

i) Leases

Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The Group as a lessee

The Group's leased asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

Leases for which the Group is a lessor is are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising

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from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

j) **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k) **Revenue recognition – Sale of products and services**

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax.

Income in respect of service contracts, which are generally in the nature of providing job work services, are recognised in statement of profit and loss on completion of performance obligation.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the

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Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

l) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

ii. Investments in equity instruments of subsidiaries - Investments in equity instruments of subsidiaries existing as at 1 April 2016, the date of transition to Ind AS, are accounted for at fair value at such date, as per the exemptions

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available in Ind AS 101. Other investments in equity instruments of subsidiaries are accounted for at their cost.

iii. Financial assets at fair value

- Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

- Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit or loss (FVTPL).

- Bonds - All bonds are in scope of Ind-AS 109 and measured at fair value. Bonds which are held for the purpose of both collecting contractual cash flows and selling financial assets are classified as at fair value through other comprehensive income (FVOCI). Bonds which are held for the purpose of trading are classified as at fair value through profit and loss (FVTPL).

- Derivative assets - All derivative assets are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

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All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

m) Hedge accounting

The Group enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates which are designated as cash flow hedges. Further, the Group has designated certain non-derivative financial instruments in cash flow hedging relationship to manage its exposure to risk arising from changes in foreign exchange rates.

At the inception of a hedge relationship, the Group documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the period under audit, the Group has designated certain forward currency contracts, cross currency swaps and foreign currency risk component of borrowings in foreign currencies as hedging instruments in cash flow hedge relationships. The forward currency contracts and cross currency swaps have been entered into to mitigate foreign currency exchange risk arising from financial liabilities denominated in foreign currencies. Further, foreign currency risk component of borrowings in foreign currencies are designated to hedge the foreign currency risk in certain highly probable sales transactions denominated in foreign currency.

Cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

(i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) the cumulative change in fair value (present value) of the hedged item (ie the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive

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income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the cash flow hedge reserve until the forecast transaction occurs.

n) Impairment of financial assets

All financial assets except for those at FVTPL and investments in equity instruments measured at FVOCI are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

i. For debtors that are not past due – The Group applies approach permitted by Ind AS 109 'Financial Instruments', which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

   Life time expected credit losses are assessed and accounted based on Group's historical counter party default rates and forecast of macro-economic factors, by dividing receivables that are not considered to be individually significant by reference to the business segment of the counter party and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counter party default rates. The Group defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

ii. For debtors considered past due – any enhancement in the accrual done for expected credit loss on individually significant receivables is made to recognise any additional expected credit loss on amount recoverable. The Group writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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o) Post-employment and other employee benefits

Defined Contribution plan

Provident fund

The Group makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Superannuation fund

Superannuation is a post-employment benefit defined contribution plan under which the Group pays specified contributions to the insurer. The Group makes specified quarterly contributions to the superannuation fund. The contribution paid or payable is recognized as an expense in the period in which the services are rendered by the employee.

Defined benefit plans

The Holding Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

p) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted

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for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognized to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of profit and loss and presented as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Group will pay normal income tax during the specified period.

s) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

t) Non-current assets held for sale

An entity shall classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortization

u) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the Board of Directors which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

w) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

x) Employee Share based payment

The Group has granted stock options / restricted stock units under Cosmo Films Employees Stock Option Plan 2015 / Share Based Employee Benefit Scheme, 2021 to the employees of the Group and its subsidiaries. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in share options outstanding account. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share options outstanding account. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Group's accounting policies and that may have the significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Useful lives of depreciable/ amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Contingent liabilities – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

vi) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Description	Own assets						Leasehold land	Leasehold improvements	Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment			
Gross carrying value									
As at 1 April 2021	32.44	201.20	1,249.88	11.23	15.25	25.43	101.00	-	1,636.43
Additions	-	5.05	26.32	0.73	2.75	1.68	-	1.80	38.33
Disposals	-	-	(0.14)	(0.47)	(0.88)	(3.51)	-	-	(5.00)
Foreign exchange fluctuations	(0.42)	(0.49)	(0.70)	-	(0.02)	(0.01)	-	-	(1.64)
As at 31 March 2022	**32.02**	**205.76**	**1,275.36**	**11.49**	**17.10**	**23.59**	**101.00**	**1.80**	**1,668.12**
Additions	0.33	55.10	377.63	1.94	4.54	2.35	4.76	5.52	452.17
Disposals/adjustments	-	-	(0.72)	(0.18)	(1.49)	(1.52)	-	-	(3.91)
Foreign exchange fluctuations	0.17	0.19	5.99	0.01	0.01	0.03	-	-	6.40
As at 31 March 2023	**32.52**	**261.05**	**1,658.26**	**13.26**	**20.16**	**24.45**	**105.76**	**7.32**	**2,122.78**
Accumulated depreciation									
As at 1 April 2021	**-**	**55.92**	**536.06**	**8.57**	**7.08**	**19.76**	**6.51**	**-**	**633.90**
Charge for the year	-	5.29	47.85	0.69	1.94	2.51	1.63	0.17	60.08
Disposals	-	-	(0.14)	(0.45)	(0.36)	(3.45)	-	-	(4.40)
Foreign exchange fluctuations	-	(0.14)	(0.38)	0.01	(0.01)	(0.01)	-	-	(0.53)
As at 31 March 2022	**-**	**61.07**	**583.39**	**8.82**	**8.65**	**18.81**	**8.14**	**0.17**	**689.05**
Charge for the year	-	6.23	55.04	0.50	2.17	1.79	1.54	0.69	67.96
Disposals/adjustments	-	-	(0.20)	(0.01)	(0.91)	(1.41)	-	-	(2.53)
Foreign exchange fluctuations	-	0.07	0.89	0.02	0.01	0.03	-	-	1.02
As at 31 March 2023	**-**	**67.37**	**639.12**	**9.33**	**9.92**	**19.22**	**9.68**	**0.86**	**755.50**
Net carrying amount as at 31 March 2022	**32.02**	**144.69**	**691.97**	**2.67**	**8.45**	**4.78**	**92.86**	**1.63**	**979.07**
Net carrying amount as at 31 March 2023	**32.52**	**193.68**	**1,019.14**	**3.93**	**10.24**	**5.23**	**96.08**	**6.46**	**1,367.28**

Note:

a) Additions include ₹ 0.56 crores (31 March 2022: ₹ 1.63 crores) towards assets located at research and development facilities.

b) Contractual obligation

Refer note 39 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Property, plant and equipment pledged as security

Refer note 20 and 24 for information on property, plant and equipment pledged as security by the Group.

d) Depreciation for the year has been included in "depreciation, amortisation and impairment expense" line item in statement of profit and loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

Description	Amount
As at 1 April 2021	**20.23**
Add: Additions during the year	288.39
Less: Capitalisation during the year	(38.33)
As at 31 March 2022	**270.29**
Add: Additions during the year	362.27
Less: Capitalisation during the year	(447.08)
As at 31 March 2023	**185.48**

(a) Ageing schedule of Capital-work-in progress

As at 31 March 2023	Amount in Capital-work-in progress for a period of				
	<1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) Project in progress	182.70	2.78	-	-	**185.48**
ii) Projects temporarily suspended	-	-	-	-	**-**

As at 31 March 2022	Amount in Capital-work-in progress for a period of				
	<1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) Project in progress	258.50	4.03	1.80	5.96	**270.29**
ii) Projects temporarily suspended	-	-	-	-	**-**

4 INVESTMENT PROPERTY

Description	Building	Total
Gross carrying value		
As at 1 April 2021	34.46	**34.46**
Foreign exchange fluctuations	(0.40)	**(0.40)**
As at 31 March 2022	**34.06**	**34.06**
Foreign exchange fluctuations	2.48	**2.48**
As at 31 March 2023	**36.54**	**36.54**
Accumulated depreciation and impairment		
As at 1 April 2021	19.02	**19.02**
Charge for the year	0.63	**0.63**
Impairment losses	0.89	**0.89**
As at 31 March 2022	**20.54**	**20.54**
Charge for the year	0.59	**0.59**
Impairment losses	0.96	**0.96**
Foreign exchange fluctuations	1.75	**1.75**
As at 31 March 2023	**23.84**	**23.84**
Net carrying amount as at 31 March 2022	**13.52**	**13.52**
Net carrying amount as at 31 March 2023	**12.70**	**12.70**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(i) Amount recognised in Statement of Profit and loss for investment properties

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rental income	-	-
Impairment losses	(0.96)	(0.89)
Profit from investment properties before depreciation	-	-
Depreciation	(0.59)	(0.63)
Loss from investment property	**(1.55)**	**(1.52)**

The Group's investment property consists real estate property in Thailand. The Group is holding the property for the purpose of capital appreciation.

* During the prior years, there were certain amendments to existing local laws and regulations governing real estate properties in Thailand which imposed certain restrictions on usage of such properties resulting in a decline in fair value of investment properties.

The management of the Group compared the carrying amount of ₹ 13.66 crores (31 March 2022: ₹ 14.41 crores) of investment property with the recoverable amount of ₹ 12.70 crore (31 March 2022: ₹ 13.52 crore) (i.e. the fair value less cost of disposal) and accordingly, recorded an impairment loss of ₹ 0.96 crores (31 March 2022: ₹ 0.89 crores) on account of permanent diminution in the value of investment property.

Impairment loss has been included under 'depreciation, amortisation and impairment expense' under Statement of Profit and Loss.

(ii) Fair value

Particulars	As at 31 March 2023	As at 31 March 2022
Investment property	12.70	13.52

The fair value of investment property has been determined by an accredited independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. They are also a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation approach used by the independent valuer is market approach. The best evidence for fair value is current prices in an active market for similar properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group obtains independent valuations for its investment property and fair value measurement in its entirety has been categorised as Level 3 of the fair value hierarchy.

(iii) Description of key inputs to valuation on investment properties

The main inputs used for determination of fair valuation of investment properties are mentioned below.

Particulars	31 March 2023	31 March 2022
Average comparable prices of the properties (refer note a)	THB 93,288 per sq. mt.	THB 105,412 per sq. mt.
Discounts rates based on comparable transactions	**40%**	**40%**

Note (a): comparable prices of the properties represents price adjusted pre adjustment of discount rate.

Under market approach, fair value is estimated based on the comparable prices after applying appropriate discounts rates based on comparable transactions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

5 INTANGIBLE ASSETS

Description	Software	Total
Gross carrying value		
As at 1 April 2021	11.99	**11.99**
Additions	0.78	**0.78**
Disposals/adjustment	-	**-**
As at 31 March 2022	**12.77**	**12.77**
Additions	4.91	**4.91**
Disposals/adjustment	-	**-**
As at 31 March 2023	**17.68**	**17.68**
Accumulated amortisation		
As at 1 April 2021	9.52	**9.52**
Charge for the year	0.63	**0.63**
Disposals/adjustment	-	**-**
As at 31 March 2022	**10.15**	**10.15**
Charge for the year	1.15	**1.15**
Disposals/adjustment	-	**-**
As at 31 March 2023	**11.30**	**11.30**
Net carrying amount as at 31 March 2022	**2.62**	**2.62**
Net carrying amount as at 31 March 2023	**6.38**	**6.38**

5A RIGHT OF USE ASSETS- LAND AND BUILDING

Description	Total
Gross carrying value	
As at 1 April 2021	**-**
Add: Addition during the year	**8.73**
As at 31 March 2022	**8.73**
Add: Addition during the year	**37.17**
As at 31 March 2023	**45.90**
Accumulated depreciation	
As at 1 April 2021	**-**
Add: Charge for the year	**1.07**
As at 31 March 2022	**1.07**
Add: Charge for the year	**4.29**
As at 31 March 2023	**5.36**
Net carrying amount as at 31 March 2022	**7.66**
Net carrying amount as at 31 March 2023	**40.54**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

6 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Carried at fair value through profit and loss		
Investments in equity instruments		
Others (unquoted):		
2,615,000 (31 March 2022: 2,615,000) equity shares of ₹ 0.19 each fully paid up in OPGS Power Gujarat Private Limited	0.05	0.05
757,000 (31 March 2022: 757,000) equity shares of ₹ 0.19 each fully paid up in Bhadreshwar Vidyut Private Limited	0.01	0.01
6,445 (31 March 2022: 6,445) equity shares of THB 100 each fully paid up in Naithon Beach Limited	0.15	0.15
6,225,333 (31 March 2022: Nil) equity shares of ₹ 10 each fully paid up in Renew Green (GJS One) Private Limited	7.49	-
	7.70	**0.21**
Aggregate amount of unquoted investments	7.70	0.21

7 NON- CURRENT LOANS

Particulars	As at 31 March 2023	As at 31 March 2022
Loans considered good - secured*		
- Loans to officer	4.56	5.36
Loans considered good - unsecured		
- Loans to employees	1.03	0.68
	5.59	**6.04**

* Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

8 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit with banks (with remaining maturity more than 12 months)	0.05	-
Security deposits	3.65	3.19
Derivative assets	-	0.77
	3.70	**3.96**

Note:
The carrying amounts of these financial instruments are reasonable approximation of their fair values.

9 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	75.36	45.33
Recoverable from statutory authorities	39.32	39.32
Prepaid expenses	1.72	2.21
	116.40	**86.86**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

10 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw material (refer note a below)	207.84	210.50
Finished goods (refer note b below)	294.00	318.42
Stock in trade	4.21	0.96
Stores and spares (refer note c below)	28.88	24.20
	534.93	**554.08**

Note:

a) including goods in transit ₹ 32.52 crores (31 March 2022: ₹ 16.24 crores)

b) including goods in transit ₹ 52.30 crores (31 March 2022: ₹ 144.25 crores)

c) including goods in transit ₹ 1.59 crores (31 March 2022: ₹ 0.03 crores)

d) refer note 20 and 24 for inventories pledged as security for liabilities

e) During the year ended 31 March 2023, ₹ 1.13 crores (31 March 2022 : ₹ (0.86) crores) was charged/(released) to statement of profit and loss for slow moving and obsolete inventories.

11 CURRENT INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit and loss		
Investments in debt mutual funds (quoted)	5.01	-
Investments in equity instruments (quoted)	1.08	20.15
Investments in infrastructure investment trust (quoted)	9.16	13.49
Investment in alternative investment funds (unquoted)	17.05	24.71
Investments in market linked debentures (quoted)	187.22	159.73
Investments in PMS funds (quoted)	-	9.04
Investments in equity instruments (unquoted)	13.41	16.58
Investments in preference shares (unquoted)	5.67	5.13
Investment carried at fair value through other comprehensive income		
Investments in perpetual bonds of banks and corporate bonds (quoted)	171.43	197.12
	410.03	**445.95**
a) Aggregate book value of quoted investments	370.81	380.47
Aggregate market value of quoted investments	373.90	399.53
Aggregate book value of unquoted investments	30.19	39.52
Aggergate amount of impairment in value of investments	-	-

12 TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good- unsecured	199.56	219.97
Trade receivables- credit impaired	3.87	7.52
	203.43	**227.49**
Less: Allowance for expected credit losses	(3.87)	(7.52)
	199.56	**219.97**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Note:

a) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

b) Refer note 20 and 24 for trade receivables pledged as security for liabilities

c) Ageing schedule of trade receivables:

As at 31 March 2023	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	<6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed trade receivables- considered good	-	125.07	68.11	1.29	4.40	0.09	0.60	**199.56**
ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
iii) Undisputed trade receivables- Credit impaired	-	-	0.30	-	-	-	-	**0.30**
iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-	**-**
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
vi) Disputed trade receivables- Credit impaired	-	-	0.06	0.49	0.27	0.27	2.48	**3.57**

As at 31 March 2022	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	<6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
i) Undisputed trade receivables- considered good	-	147.17	72.80	-	-	-	-	**219.97**
ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
iii) Undisputed trade receivables- Credit impaired	-	-	1.36	-	-	-	-	**1.36**
iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-	**-**
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
vi) Disputed trade receivables- Credit impaired	-	-	-	2.78	0.20	0.58	2.60	**6.16**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	32.88	30.59
- in deposits with original maturity upto 3 months	-	15.00
Cheques in hand	0.01	-
Cash on hand	0.05	0.06
	32.94	**45.65**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

14 OTHER BANK BALANCES

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks in current accounts		
- Unclaimed dividend account	1.88	2.02
Pledged bank deposits (refer note a and b below)	11.24	11.09
Deposit with banks (with original maturity more than 3 months but remaining maturity less than 12 months)	-	2.00
	13.12	**15.11**

Note:

a) Pledged deposits include deposits amounting to ₹ 6.24 crores (31 March 2022: ₹ 4.81 crores) pledged as margin money for issue of letter of credit and bank guarantees.

b) The deposit of ₹ 5.00 crores (31 March 2022: ₹ 6.28 crores) are pledged against borrowing facility.

c) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

15 CURRENT LOANS

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to officer considered good- secured*	0.96	0.96
Loans considered good- unsecured		
- Loans to employees	0.51	0.56
- Others	1.04	1.17
	2.51	**2.69**

* Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

16 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Discount recoverable	12.56	3.28
Export benefit recoverable	9.34	15.27
Derivative assets	8.29	4.35
Others	2.66	1.69
	32.85	**24.59**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

17 OTHER CURRENT ASSETS

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	11.83	19.60
Balances with statutory authorities	71.87	27.47
Prepaid expenses	9.59	13.49
Others	10.10	4.03
	103.39	**64.59**

18 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
60,000,000 equity shares of ₹ 10 each (31 March 2022 : 25,000,000 equity shares of ₹ 10 each)	60.00	25.00
Issued, subscribed and fully paid up		
26,249,727 equity shares of ₹ 10 each (31 March 2022 : 18,172,715 equity shares of ₹ 10 each)"	26.25	18.17
	26.25	**18.17**

(a) Reconciliation of number of shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	1,81,72,715	18.17	1,81,72,715	18.17
Issue of bonus shares	90,86,357	9.09	-	-
Buyback of shares	(10,09,345)	(1.01)	-	-
Equity shares at the end of the year	**2,62,49,727**	**26.25**	**1,81,72,715**	**18.17**

(i) Of the above 242,051 shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation in the financial year 2002-03. No shares have been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(ii) a) Of the above 8,486,705 shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account in the financial year 2002-03.

b) The Company has also allotted 90,86,357 bonus equity shares of ₹ 10.00 each in ratio of 1 (one) Equity share for 2 (two) equity share held to the equity shareholder(s) whose name appeared in the register of members on 17 June 2022 i.e. the "Record Date" by capitalisation of capital reserve, share premium account and capital redemption reserves.

(iii) The Board of Directors of the Company at their meeting held on 01 December 2022 had approved Buyback of 1,009,345 equity shares (3.70% of equity capital) of the Company, through the "Tender Offer" route for an aggregate amount of upto ₹ 108.00 crores at a price of ₹ 1070 per equity share. The said equity shares bought back were extinguished on 22 February 2022. An amount of ₹ 138.55 crores (including income tax and direct buyback costs) had been utilized from the other equity for the aforesaid buyback including creation of capital redemption reserve account of ₹ 1.01 crores (representing the nominal value of the equity shares bought back).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(iv) During the year, the Board of Directors has recommended final dividend of ₹ 5 per equity share (31 March 2022: ₹ Nil per equity shares) subject to approval of shareholders in annual general meeting. During the year, the Board of Directors declared an interim dividend of ₹ Nil per equity share (31 March 2022: ₹ 35 per equity shares)."

During the year ended 31 March 2023 the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil per share (31 March 2022: ₹ 35 per share).

(v) Terms and rights attached to equity shares:

The Company has only one class of equity shares having the par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors, if any, is subject to approval of shareholders in Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Mr. Ashok Jaipuria*	1,06,29,304	40.50%	73,05,016	40.20%

* it includes shares of 10,186,050 (31 March 2022: 7,032,332) registered under name of Mr. Ashok Jaipuria where beneficial owner is Gayatri and Annapurna (partnership firm).

(vii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2023			As at 31 March 2022	
	No of shares	% holding	%age change	No of shares	% holding
Ashok Jaipuria	4,43,254	1.69%	0.19%	2,72,684	1.50%
Aanchal Jaipuria Bhandari	1,24,433	0.47%	-	85,907	0.47%
Ambrish Jaipuria	4,78,628	1.82%	-	3,30,439	1.82%
Abha Jaipuria	32,832	0.13%	0.01%	22,667	0.12%
Yamini Kumar	1,05,402	0.40%	-	72,768	0.40%
Pravasi Enterprises Ltd	6,866	0.03%	-	4,740	0.03%
Andheri Properties and Developers Pvt Ltd	933	0.00%	-	622	0.00%
Mr. Ashok Jaipuria -Registered Owner C/o Gayatri & Annapurana - Beneficial Owner	1,01,86,050	38.81%	0.11%	70,32,332	38.70%
Fawkes Management Pvt Ltd - Registered Owner C/o Ashok Jaipuria Private Trust - Beneficial Owner	150	0.00%	-	100	0.00%
Fawkes Management Pvt Ltd.-Registered Owner C/o Ashok Jaipuria Family Trust -Beneficial Owner	2,75,900	1.05%	-	1,90,478	1.05%
	1,16,54,448	**44.40%**		**80,12,737**	**44.09%**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023
(All amounts in ₹ crores, unless otherwise stated)

(viii) Shares reserved for issue under options

Particulars	As at 31 March 2023	As at 31 March 2022
	No. of shares	No. of shares
Under the Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015), equity share of ₹ 10 each, at an exercise price as decided by management on case to case basis	3,72,822	1,88,897

These shares are held as treasury shares under other equity (refer note 19)

For terms and details refer note 41

19 OTHER EQUITY

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings	1,170.78	926.33
General reserve	85.11	218.89
Capital reserve	0.78	4.10
Securities premium	0.85	7.42
Effective portion of cash flow hedges	(9.06)	5.71
Currency translation reserve	34.78	15.30
Shares options outstanding account	12.51	6.60
Treasury shares	(24.43)	(16.00)
Debt instruments through other comprehensive income	(0.48)	2.94
Capital redemption reserve	1.01	1.27
Total other equity	**1,271.86**	**1,172.56**

Nature and purpose of reserves

(i) Capital reserve

Capital reserve was created under financial statements prepared in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP') out of the profit earned from a specific transaction of capital nature.

(ii) Securities premium account

Securities premium account represents premium received on issue of shares. The account is utilised in accordance with the provisions of the Companies Act 2013.

(iii) General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iv) Share options outstanding account

The account is used to recognize the grant date fair value of the options issued to employees under Company's Employee stock option plan.

(v) Treasury shares

Treasury shares represent Company's own equity shares held by the Cosmo Films ESOP 2015 Trust which is created under the Employee Stock Option Plan.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(vi) Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(vii) Debt instruments through other comprehensive income

The Company has classified investments in perpetual bonds as at fair value through other comprehensive income (FVOCI) since:

(a) perpetual bonds are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those bonds; and

(b) the contractual terms of perpetual bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This reserve represents changes in fair value of perpetual bonds from the date of such classification to the reporting date. When the perpetual bonds are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(viii) Capital redemption reserve

This reserve represents a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

(ix) Currency translation reserve

The Group recognised exchange differences on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

20 NON-CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2023	As at 31 March 2022
Foreign currency term loans (refer note A below)*		
- from banks	338.88	375.85
- from others	50.29	64.93
Rupee term loans (refer note B below)		
- from banks	301.97	147.92
- from others	2.67	10.65
Vehicle loans (refer note C below)	6.79	5.45
	700.60	**604.80**
Less:- Current maturities disclosed under current borrowings (refer note 25)	154.02	125.15
	546.58	**479.65**

*include hedged foreign currency borrowings of ₹ 324.53 crores (31 March 2022: ₹ 197.38 crores)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Notes:

Particulars		As at 31 March 2023	As at 31 March 2022
(A)	**Foreign currency term loans comprises of :**		
(i)	Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13, 2013-14 and 2014-15 and carries interest based upon Euribor plus 105 bps per annum. The loan is repayable in 17 equal semi-annual instalments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.	-	10.25
(ii)	Loan of USD 3,581,148 (₹ 25 crores) taken from ICICI Bank Limited during the financial year 2019-20 and carries interest rate based upon 3 month USD libor plus 3.31% per annum. The loan is repayable in 12 quarterly instalments starting at the end of first fiscal quarter from the first drawdown date. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	-	3.40
(iii)	Loan of USD 9,729,936 taken from Export-Import Bank (EXIM) of India during the financial year 2015-16 , 2016-17 and 2017-18 and carries interest rate based upon SOFR plus 275 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	16.79	27.71
(iv)	Loan of EUR 14,614,201 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16, 2016-17 and 2017-18 and carries interest rate based upon Euribor plus 60 bps per annum. The loan is repayable in 20 equal semi-annual instalments from the date of 28 February 2018 . **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.	58.96	67.57

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(v)	Loan of EURO 4,586,555 (₹35 crores) taken from Yes Bank Limited during the financial year 2017-18 and carries interest rate based on 6 months Euribor plus 280 bps per annum. During the financial year 2018-19 this loan has been converted into hedged FCNR loan. The tenure of the facility remain in-line with the original sanction. The loan is repayable in 10 equal half yearly instalments starting from December 2017. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	-	3.86
(vi)	Loan of EURO 4,700,510 (₹35 crores) taken from Infrastructure Development Finance Company (IDFC) during the financial year 2017-18 and carries interest rate Euribor plus 245 bps. The loan is repayable in 8 equal semi annual instalments after moratorium of 18 months from the date of disbursement. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	-	9.88
(vii)	Loan of ₹27.76 crores taken from IDBI Bank Limited (IDBI) during the financial year 2014-15 and 2015-16 and carries interest based upon base rate plus 2.5% per annum. The loan is repayable in 10 structured half yearly instalments starting from 31 March 2018. During the financial year 2019-20 and 2020-21, this loan has been converted into fully hedged FCNR loan. The tenure of facilities remain in-line with the original sanction. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) Demand Promissory Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (iii) Second pari passu charge on current assets of the company both present and future.	-	2.90
(viii)	Loan of EUR 4,752,270 (₹40 crores) taken from Yes Bank Limited during the financial year 2018-19 and carries interest rate based on 6 months Euribor plus 310 bps per annum. The loan is repayable in 9 equal half yearly instalments after moratorium of 6 months from the first date of disbursement. The loan is fully repaid during the financial year ended 31 March 2023. **Security** The above loan is secured against (i) first paripassu charge by way of hypothecation on movable and by way of equitable mortgage over all immovable fixed assets (both present and future) except those are exclusively charged to other lenders (ii) second pari-passu charge by way of hypothecation on current assets of the borrower (both present and future).	-	13.32

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(ix)	Loan of USD 6,768,043(₹50 crores) taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	-	31.90
(x)	Loan of USD 4,900,000 (₹ 40 crores)taken from Export-Import Bank (EXIM) of India during the financial year and carries interest rate based upon USD 6 month SOFR plus 325 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 24 months from the date of first disbursement. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	33.70	37.22
(xi)	Loan of EUR 19,371,000 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2021-22 and 2022-23 and carries interest rate fixed at 44 bps per annum. The loan is repayable in 20 equal semi-annual instalments starting from November 2023. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Waluj, Aurangabad.	173.65	139.59
(xii)	Loan of EURO 12,144,766 (₹ 100 crores) taken from Bank of Baroda during the financial year 2021-22and carries interest rate based upon 6 month EURIBOR plus 2.25% per annum. The loan is repayable in 3 half yearly instalments starting from April 2023. Security The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	108.87	94.10
B	**Rupee term loans comprises of :**		
(i)	Loan of ₹ 50 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2020-21 and carries interest rate PLR less 5 bps per annum. The loan is repayable in 84 months inclusive of 24 months moratorium period. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	42.49	50.00

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(ii)	Loan of ₹40 crores taken from Bajaj Finance Limited during the financial year 2017-18 and carries interest rate linked to SBI's one year MCLR to be reset quarterly . The loan is repayable in 60 equal monthly instalments after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	2.67	10.67
(iii)	Loan of ₹60 crores taken from IndusInd Bank during the financial year 2018-19 and carries interest rate based upon Mibor plus 250 bps per annum.The loan is repayable in 22 equal quarterly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	21.82	32.73
(iv)	Loan of ₹100 crores taken from State Bank of India during the financial year 2020-21, 2021-22 & 2022-23 and carries interest rate based on 6 months MCLR plus 100 bps per annum. The loan is repayable in 14 half yearly installment after a moratorium of one year from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	85.53	65.60
(v)	Loan of ₹ 65 crores taken from ICICI Bank Limited during the financial year 2022-23 and carries interest rate based on 12 months MCLR per annum plus applicable spread, if any. The loan is repayable in 12 quarterly structured installment after a moratorium of three financial quarters from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	65.00	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
(vi)	Loan of ₹ 75 crores taken from IndusInd Bank Limited during the financial year 2022-23 and carries interest rate based on 91 days T-bill plus 155 bps per annum. The loan is repayable in 28 quarterly installment after a moratorium of one year from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	75.00	-
(vii)	Loan of ₹50 crores taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	12.34	-
C	**Vehicle loans taken from Union Bank of India carries interest @ 8% - 9% per annum. This loan is repayable in 3 years** **Security** Vehicle loans from Union Bank of India are secured against hypothecation of respective vehicles.	6.79	5.45
	Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(3.01)	(1.36)
		700.60	604.80

Note:

Refer note 25 - current maturities of long term borrowings are disclosed under the head other current financial liabilities.

Refer note 46 and 47 for disclosure of fair values in respect financial liabilities measured at amortised cost and analysis of maturity profile.

Refer note 52 for reconciliation of liabilities arising from financing activities.

21 PROVISIONS

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for retirement benefits	6.76	5.79
Provision for gratuity (refer note 42)	18.12	16.89
	24.88	**22.68**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

22 DEFERRED TAX LIABILITIES (NET)#

Particulars	As at 31 March 2023	As at 31 March 2022
On temporary difference between the book base & tax base		
Deferred tax liabilities		
Property, plant and equipment and other intangible assets -depreciation and amortisation	202.05	157.38
Cash flow hedge reserve	-	3.12
Gross deferred tax liabilities	**202.05**	**160.50**
Deferred tax assets		
Cash flow hedge reserve	4.82	-
Unabsorbed business losses	25.57	4.75
Expenses deductible in future years under Income tax Act, 1961	1.02	13.46
Minimum alternative tax credit entitlement	28.50	5.89
Gross deferred tax assets	**59.91**	**24.10**
Deferred tax liabilities (net)	**142.14**	**136.40**

Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise. Accordingly the net deferred tax (assets) / liability has been disclosed in the Balance Sheet as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	17.77	6.80
Deferred tax liabilities	159.91	143.20
Deferred tax liabilities (net)	**142.14**	**136.40**

#Refer note 37 for movement in deferred tax balances

23 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred income on export promotion capital goods	57.58	58.11
	57.58	**58.11**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

24 CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash credit and other working capital facilities	189.25	205.25
Current maturities of long term borrowings (refer note 20)	154.02	125.15
	343.27	**330.40**

Notes:

(a) Cash credits and other working capital facilities are secured by first pari passu charge on entire current assets of the company and second pari passu charge on entire fixed assets secured to financial institutions except assets exclusively carved out.

25 TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
- total outstanding dues to micro and small enterprises	7.40	11.00
- total outstanding dues to creditors other than micro and small enterprises	194.84	191.52
Acceptances	326.23	162.18
Total	**528.47**	**364.70**

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

	Particulars	31 March 2023	31 March 2022
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	7.40	11.00
ii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	1.31	5.54
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.03	0.05
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.41	0.36

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

Ageing schedule of trade payables:

As at 31 March 2023	Outstanding for following periods from due date of payment					
	Not due	<1 year	1 year-2 Years	2 year-3 Years	More than 3 Years	Total
i) MSME	4.65	-	-			**4.65**
ii) Others	467.34	51.35	-	-	-	**518.69**
iii) Disputed dues- MSME	-	2.74	0.01	-	-	**2.75**
iv) Disputed dues- Others	-	-	0.73	0.33	1.32	**2.38**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
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As at 31 March 2022		Outstanding for following periods from due date of payment					
		Not due	<1 year	1 year-2 Years	2 year-3 Years	More than 3 Years	Total
i)	MSME	10.21	-	-	-	-	**10.21**
ii)	Others	255.63	90.67	1.97	0.89	0.83	**349.99**
iii)	Disputed dues- MSME	-	0.43	0.36	-	-	**0.79**
iv)	Disputed dues- Others	-	0.49	0.19	0.80	2.23	**3.71**

26 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	31 March 2023	31 March 2022
Interest accrued and but not due on borrowings	1.72	0.88
Security deposits	0.34	0.74
Unpaid dividend	1.88	2.03
Payable for capital goods	20.02	-
Employee related payables	26.96	45.49
Other accrued liabilities	37.49	44.18
Derivative liabilities	0.32	7.04
	88.73	**100.36**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

27 OTHER CURRENT LIABILITIES

Particulars	31 March 2023	31 March 2022
Statutory dues	4.99	12.49
Advance received from customers	14.03	29.82
Deferred income on export promotion capital goods scheme	3.58	2.91
	22.60	**45.22**

28 PROVISIONS

Particulars	31 March 2023	31 March 2022
Provision for gratuity (refer note 42)	3.91	3.22
Provision for compensated absences	10.02	9.18
	13.93	**12.41**

29 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Operating revenue (refer note a below)		
Sale of products-domestic	1,561.13	1,577.18
Sale of products-export	1,464.10	1,419.20
	3,025.23	**2,996.38**
Other operating revenue		
Export benefit income	25.80	29.57
Sales tax incentive	6.27	5.63
Job work charges	0.07	0.54
Scrap sales	7.64	5.16
Others	0.28	1.11
Revenue from operations	**3,065.29**	**3,038.39**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Note:

a) Company applies Indian Accounting Standard 115 ‘Revenue from Contracts with Customers’ (“Ind AS 115”). Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(i) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Year ended 31 March 2023

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,561.13	7.99	**1,569.12**
Export	1,464.10	-	**1,464.10**
Total	**3,025.23**	**7.99**	**3,033.22**
Revenue by time			
Revenue recognised at point in time			**3,033.22**
Revenue recognised over time			**-**
Total			**3,033.22**

* excludes export benefit income of ₹ 25.80 crores and sales tax incentive of ₹ 6.27 crores

Year ended 31 March 2022

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,577.18	6.81	**1,583.99**
Export	1,419.20	-	**1,419.20**
Total	**2,996.38**	**6.81**	**3,003.19**
Revenue by time			
Revenue recognised at point in time			**3,003.19**
Revenue recognised over time			**-**
Total			**3,003.19**

* excludes export benefit income of ₹ 29.57 crores and sales tax incentive of ₹ 5.63 crores

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(ii) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	26.88	12.83
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(iii) Assets and liabilities related to contracts with customers

Description	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities related to sale of goods		
Advance from customers	14.03	29.82

(iv) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	3,101.72	3,093.06
Less: Discount, rebates, credits etc.	68.50	89.87
Revenue from operations as per Statement of Profit and Loss*	**3,033.22**	**3,003.19**

* excludes export benefit income of ₹ 25.80 crores (31 March 2022: ₹ 29.57 crores) and sales tax incentive of ₹ 6.27 crores (31 March 2022: ₹ 5.63 crores)

b) Details of products sold

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Manufactured goods		
- Packaging films	2,972.33	2,967.03
- Others	52.90	29.35
Total	**3,025.23**	**2,996.38**

30 OTHER INCOME

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest Income from:		
- Fixed deposit with banks	0.70	0.52
- Other financial assets carried at amortised cost	0.32	0.26
- Investments in perpetual bonds carried at fair value through other comprehensive income	15.61	14.17
- Others	1.35	1.68
Gain on Investments carried at fair value through profit & loss	12.14	24.35
Gain on investments carried at fair value through other comprehensive income	(0.97)	0.33
Insurance and other claims	2.02	0.64
Grant income on export promotion capital goods	3.27	2.90
Liabilities no longer required written back	6.36	0.72

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
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Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit on disposal of non current assets held for sale	-	2.36
Foreign exchange gain (net)	10.27	-
Dividend income	0.55	0.33
Miscellaneous income	0.32	0.06
	51.95	**48.32**

31 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	318.42	197.13
Stock in trade	0.96	-
	319.38	**197.13**
Closing inventories		
Finished goods	294.01	318.42
Stock in trade	4.21	0.96
	298.22	**319.38**
Decrease/(increase) in inventories of finished goods and stock in trade	**21.16**	**(122.25)**

32 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages, allowances and bonus	193.02	199.98
Employee stock option expense	6.45	4.75
Contribution to provident and other funds (refer note 42)	12.14	10.21
Staff welfare expenses	5.48	4.67
	217.09	**219.61**

33 FINANCE COSTS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest:		
- Term loans	11.52	14.98
- Cash credit and short term loans	24.87	13.59
- Others	0.71	0.92
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	11.19	4.26
Interest on lease liabilities	2.21	0.51
Other borrowings costs	4.95	5.55
	55.45	**39.81**

The finance costs shown above is net of borrowing costs capitalised during the year ended 31 March 2023 of ₹ 11.68 crores at 6.59% (31 March 2022: ₹ 2.90 crores at 6.50%).

34 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment and investment property	68.56	60.71
Amortisation of intangible assets	1.15	0.63
Depreciation on right-of-use assets	4.29	1.07
Impairment loss on investment property	0.96	0.89
	74.96	**63.30**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

35 OTHER EXPENSES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent	15.68	13.13
Rates and taxes	1.96	2.49
Stores, spare parts and packing materials consumed	112.06	115.89
Insurance	7.29	6.72
Repairs and maintenance		
Building	1.68	1.46
Machinery	19.23	18.58
Others	5.48	4.61
Power and fuel	173.29	144.99
Other manufacturing expenses	0.55	2.64
Printing and stationery	1.20	0.80
Training and recruitment expenses	2.48	1.30
Travelling and conveyance	12.16	6.81
Vehicle running and maintenance	9.47	8.98
Communication expenses	1.74	0.50
Legal and professional charges	18.09	16.09
Foreign exchange fluctuation loss (net)	-	6.03
Corporate social responsibility (CSR) expenditure (refer note b below)	5.95	3.55
Freight and forwarding	3.61	3.65
Other selling expenses	11.51	6.86
Payment to auditors (refer note a below)	0.96	0.80
Loss on sale of property, plant and equipment	0.52	0.18
Miscellaneous expenses	7.87	7.43
	412.77	**373.49**

Note: Other expenses includes research and development expenses (refer note 40)

a) Payment to auditors (exclusive of goods and services tax)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Payment to auditors (exclusive of goods and service tax)		
As auditor		
- Audit fee	0.90	0.74
- Tax audit fee	0.04	0.03
In other capacity		
- Certification and other matters	0.01	0.02
- Reimbursement of out of pocket expenses	0.01	0.01
Total	**0.96**	**0.80**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
b) Details of corporate social responsibility expenditure		
(a) Gross amount required to be spent by the company during the year	5.95	3.55
(b) Amount of expenditure incurred during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purposes other than (i) above	5.25	2.80
(c) Shortfall at the end of the year out of the amount required to be spent by the Company during the year*;	0.70	0.75
(d) Total of previous years shortfall	0.33	-
(e) Reason for shortfall	Due to ongoing projects to be completed in 3 years	Due to ongoing projects to be completed in 3 years
(f) Nature of CSR activities	Promoting Education, Disaster relief COVID-19, Preventive Healthcare and Environment Sustainability	
(g) Details of related party transactions:		
Contribution to Cosmo Foundation	3.75	2.80
Contribution to Sitaram Jaipuria Foundation	1.50	-

*Deposited in CSR unspent account on 19 April 2023 (31 March 2022: 27 April 2022)

36 INCOME TAX

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The income tax expense consists of the following :		
Current tax expense	57.25	79.53
Deferred tax expense/(credit)	9.01	40.48
Tax adjustment for earlier years:		
- Current tax	(11.93)	-
- Deferred tax	5.57	-
Total income tax	**59.90**	**120.01**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Profit before tax	303.89	516.62
At India's statutory income tax rate of 34.94 % (31 March 2022: 34.94%,)	106.19	180.53
Adjustments in respect of current income tax		
Income exempted from Income taxes	(25.93)	(30.49)
Tax adjustment for earlier years	(6.36)	(1.74)
Effect of different tax rate	(11.69)	(2.79)
Utilisation of unabsorbed business losses	-	(25.17)
Others adjustments	(2.31)	(0.33)
Total income tax expense	**59.90**	**120.01**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Movement of net deferred tax assets and liabilities for the year ended 31 March 2023 is as follows:

Deferred tax liabilities (net)	Opening balance	Recognised/ Reversed through Profit and Loss	Recognised/ Reversed through Other Comprehensive Income	Closing balance
Deferred tax assets arising on account of :				
Cash flow hedge reserve	-	-	4.82	**4.82**
Expenses deductible under Income tax Act	13.46	(13.03)	0.59	**1.02**
Minimum alternative tax credit entitlement	5.89	22.61	-	**28.50**
Unabsorbed business losses	4.75	20.82	-	**25.57**
	24.10	**30.40**	**5.41**	**59.91**
Deferred tax liabilities in relation to :				
Property, plant and equipment and other intangible assets -depreciation and amortisation	157.38	44.67	-	**202.05**
Cash flow hedge reserve	3.12	-	(3.12)	**-**
Adjustment due to foreign exchange fluctuation	-	0.31	-	**-**
	160.50	**44.98**	**(3.12)**	**202.05**
Net deferred tax liabilities	**136.40**	**14.58**	**(8.53)**	**142.14**

Movement of net deferred tax assets and liabilities for the year ended 31 March 2022 is as follows:

Deferred tax liabilities (net)	Opening balance	Recognised/ Reversed through Profit and Loss	Recognised/ Reversed through Other Comprehensive Income	Closing balance
Deferred tax assets arising on account of :				
Expenses deductible under Income tax Act	12.57	0.30	0.59	**13.46**
Minimum alternative tax credit entitlement	48.07	(42.18)	-	**5.89**
Unabsorbed business losses	2.59	2.16	-	**4.75**
	63.23	**(39.72)**	**0.59**	**24.10**
Deferred tax liabilities in relation to :				
Property, plant and equipment and other intangible assets -depreciation and amortisation	156.26	1.12	-	**157.38**
Cash flow hedge reserve	0.44	(0.36)	3.04	**3.12**
	156.70	**0.76**	**3.04**	**160.50**
Net deferred tax liabilities	**93.47**	**40.48**	**2.45**	**136.40**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Tax losses

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities

Loss pertains to the year	Expiry year	Unused tax losses for which no deferred tax has been recognised	Potential tax benefit
31 March 2019	31 March 2029	1.75	0.39
31 March 2020	31 March 2030	1.46	0.32

Deferred tax assets in the Group have been recognised to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse.

37 EARNINGS PER SHARE

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit for the year (₹ in crores)	243.99	396.61
Weighted average number of equity shares outstanding for the purpose of basic earnings per share	2,68,50,902	2,68,51,816
Effect of potential ordinary shares on share options outstanding	4,22,963	5,64,470
Weighted average number of equity shares outstanding for the purpose of diluted earnings per share	2,72,73,865	2,74,16,286
Earnings per equity share (face value ₹ 10.00 per share)		
Basic (₹)	90.86	147.70
Diluted (₹)	89.45	144.66

Note :

The Company has allotted 9,086,357 bonus equity shares during the current year. In accordance with IND-AS 33 (Earnings per share), the calculation of basic and diluted earnings per share for current and previous year has been accordingly adjusted and restated.

38 CONTINGENCIES AND COMMITMENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
(A)	**Contingent liabilities**		
I	Claims against the Company not acknowledged as debt	2.14	0.26
II	Disputed demand for Income tax (refer note (a) below)	8.23	8.18
III	Pending duty obligation under Export Promotion Capital Goods licenses	16.25	13.33
IV	Disputed demand for Excise duty and Service tax	17.05	17.05
V	Disputed demands for labour/employee dispute	0.48	0.48
VI	Bank guarantees issued in favour of third parties	27.15	33.25

Notes:

a) Disputed demand for income tax includes a dispute of ₹ 4.71 crores (31 March 2022: ₹ 4.71 crores) between the Company and income tax department over computation of deduction under section 80HHC of the Income Tax Act, 1961. The Company has filed a special leave petition against the order of Hon'ble Delhi High Court which has been accepted by Hon'ble Supreme Court and is pending. Based on the legal opinion taken from an independent expert, the management is of the view that it is more likely than not that matter will be decided in favour of the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(B) Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	350.69	420.82
b) Others		
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	61.52	101.60
Uncalled funding commitment pertaining to investments	20.47	10.42

40 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditures incurred by the Company during the financial year are mentioned below:

Particulars	For the year ended	
	31 March 2023	31 March 2022
Research and development capital expenditure (gross)	0.56	1.63
Research and development revenue expenditure		
Material and consumables	7.42	5.91
Employee benefits expense	4.81	5.14
Other expenses	0.23	1.62
	13.02	**14.30**
Sales for the year	**3,025.23**	**2,996.38**
Total research and development expenditure/sales	0.43%	0.48%

Assets purchased/capitalised for research and development centres

Description	Amount
Gross carrying value	
As at 31 March 2021	**9.46**
Additions	1.63
As at 31 March 2022	**11.09**
Additions	0.56
As at 31 March 2023	**11.65**
Accumulated depreciation	
As at 31 March 2021	**3.51**
Depreciation for the year	0.82
As at 31 March 2022	**4.33**
Depreciation for the year	0.90
As at 31 March 2023	**5.23**
Net carrying amount as at 31 March 2022	**6.76**
Net carrying amount as at 31 March 2023	**6.42**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

41 1. EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the shareholders, the Company has introduced Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) which supersedes earlier Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015) to provide share based incentive to the eligible employees of the Company and its subsidiaries. However, Options already granted under CF ESOP 2015 will continue to be governed in accordance with the said Plan. The plan is implemented via trust route which will acquire the equity shares of the Company by secondary market acquisition, however, in case of any shortfall the Company will issue new shares as required. When exercisable, each option is convertible into one equity share.

A) Details of options granted under the CF ESOP 2015 are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise period	Exercise price per share	Exercise price per share post bonus issue
CF Employees Stock Option Scheme 2015:						
Option I	13-Jan-16	1,93,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 300.05	₹ 200.03
Option II	13-Jul-16	2,50,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 351.40	₹ 234.27
Option III	07-Jul-17	2,00,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 433.20	₹ 288.80
Option IV	02-Jun-18	2,25,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 237.70	₹ 158.47

B) Movement of options granted

Particulars	Year ended 31 March 2023	Weighted average exercise price	Year ended 31 March 2022	Weighted average exercise price
Options outstanding at the beginning of the year	**1,80,915**	363.64	**4,80,000**	318.80
Increase on account of bonus issue	82,007	246.95	-	-
Options exercised during the year	(67,922)	222.77	(2,99,085)	292.12
Options cancelled during the year	-	-	-	-
Options outstanding at the end of the year	**1,95,000**	**251.18**	**1,80,915**	**363.64**

The weighted average remaining contractual life outstanding as at 31 March 2023 was 7.02 years (31 March 2022: 7.86 years). The weighted average exercise price of options outstanding as at 31 March 2023 was ₹ 251.18 (31 March 2022: ₹ 363.64).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

C) The fair value of options used to compute proforma net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

	Option-I	Option-II	Option-III	Option-IV
Grant Date	13-Jan-16	13-Jul-16	7-Jul-17	2-Jun-18
Market Price (₹)	300.05	351.40	433.20	237.70
Exercise Price (₹)	300.05	351.40	433.20	237.70
Expected Volatility (%) $	57.70	39.55	27.70	31.91
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil
Expected life (years)*	3	3	3	3
Dividend yield (%)	1.17	2.85	2.31	2.52
Risk free interest rate (%)	7.59	7.50	6.54	7.83
Fair value on grant date (₹)	128.25	103.45	98.60	62.46

$ The expected volatility was determined based on historical volatility data.

*Options life is considered on the basis of earliest possible exercise after vesting

2. RESTRICTED STOCK UNITS (RSUS):

A) Details of options granted under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Number of options post bonus	Vesting condition	Exercise period	Exercise price per share
Cosmo Films Share Based Employee Benefit Scheme 2021:						
RSU I	09-Mar-21	25,000	37,500	On completion of 3 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU II	09-Mar-21	1,05,000	1,57,500	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU III	09-Mar-21	25,000	37,500	On completion of 5 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU IV	09-Mar-21	1,05,000	1,57,500	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU V	27-May-21	25,000	37,500	On completion of 5.25 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VI	16-Sep-21	50,000	75,000	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VII	16-Sep-21	50,000	75,000	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU VIII	27-Jan-22	7,500	11,250	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00
RSU IX	27-Jan-22	7,500	11,250	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

B) Movement of RSU granted

Particulars	Year ended 31 March 2023	Weighted average exercise price	Year ended 31 March 2022	Weighted average exercise price
Outstanding at the beginning of the year	4,00,000	10.00	2,60,000	10.00
Granted during the year	-	-	1,40,000	10.00
Increase on account of bonus issue	2,00,000	10.00	-	-
Outstanding at the end of the year	**6,00,000**	**10.00**	**4,00,000**	**10.00**

The weighted average remaining contractual life outstanding as of 31 March 2023 was 4.41 years (31 March 2022: 5.41 years). The weighted average exercise price of options outstanding as of 31 March 2023 was ₹ 10.00 (31 March 2022: ₹ 10).

C) The fair value of RSUs used to compute proforma net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

Particulars	RSU-I	RSU-II	RSU-III	RSU-IV	RSU-V	RSU-VI	RSU-VII	RSU-VIII	RSU-IX
Grant Date	9-Mar-21	9-Mar-21	9-Mar-21	9-Mar-21	27-May-21	16-Sep-21	16-Sep-21	27-Jan-22	27-Jan-22
Market Price (₹)	643.25	643.25	643.25	643.25	786.65	1535.85	1535.85	1798.85	1798.85
Exercise Price (₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Expected Volatility (%) $	59.23	59.23	59.23	59.23	59.61	63.43	63.43	61.33	61.33
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected life (years)*	3 years	4 years	5 years	7 years	5.25 years	4 years	7 years	4 years	7 years
Dividend yield (%)	3.89	3.89	3.89	3.89	3.18	1.63	1.63	1.39	1.39
Risk free interest rate (%)	6.22	6.22	6.22	6.22	5.97	6.2	6.2	6.66	6.66
Fair value on grant date (₹)	564.10	542.76	522.24	483.51	658.41	1431.10	1363.78	1693.59	1625.35

$ The expected volatility was determined based on historical volatility data.

*Options life is considered on the basis of earliest possible exercise after vesting

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

3. STOCK APPRECIATION RIGHTS (SARS):

A) Details of SARs under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Number of options post bonus issue	Vesting condition	Exercise period	Exercise price per share	Exercise price per share post bonus issue
Cosmo Films Share Based Employee Benefit Scheme 2021:							
Option I	03-Feb-22	31,650	47,475	On completion of 3 year of service from the date of grant	On completion of 3 year of service from the date of grant	₹ 1,800.00	₹ 1,200.00
Option II	03-Feb-22	31,650	47,475	On completion of 5 year of service from the date of grant	On completion of 5 year of service from the date of grant	₹ 1,800.00	₹ 1,200.00

B) Movement of SARs granted

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Outstanding at the beginning of the year	63,300	-
Granted during the year	-	63,300
Increase on account of bonus issue	31,650	-
Outstanding at the end of the year	**94,950**	**63,300**

The weighted average remaining contractual life outstanding as of 31 March 2023 was 2.84 years (31 March 2022: 3.84 years). The weighted average exercise price of options outstanding as of 31 March 2023 was ₹ 1200.00 (31 March 2022: ₹ 1800.00).

C) Market value of SARs as at the reporting date is used to determine the fair value amortised in the statement of profit and loss.

42 EMPLOYEE BENEFIT OBLIGATIONS

1) GRATUITY

The Group makes contribution towards gratuity to a defined retirement benefits plan for qualifying employees. The Group has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation. The expected contribution to the plan for next annual reporting period amounts to ₹ 3.91 crores (31 March 2022: ₹ 3.22 crores).

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 4 years (31 March 2022: 4 years).

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Present value obligation as at the end of the year	33.62	31.65
Fair value of plan assets as at the end of the year	(11.59)	(11.54)
Net liability /(assets) recognised in Balance Sheet	**22.03**	**20.11**

b. Changes in defined benefit obligation

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Present value obligation as at the start of the year	31.65	30.51
Interest cost	2.28	2.09
Current service cost	1.30	1.25
Past service cost	-	
Benefits paid	(1.07)	(2.21)
Actuarial loss on obligations	(0.54)	0.01
Present value obligation as at the end of the year	**33.62**	**31.65**

c. Table showing changes in the fair value of plan assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at beginning of year	11.54	12.26
Interest income on plan assets	0.83	0.84
Return on plan assets excluding interest income	0.20	0.10
Contributions	0.00	0.55
Benefits paid	(0.98)	(2.21)
Fair value of plan assets at the end of year	**11.59**	**11.54**

d. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	1.30	1.18
Past service cost	-	
Interest cost	1.45	1.25
Expected return on plan asset	-	-
Amount recognised in the Statement of Profit and Loss	**2.75**	**2.43**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

e. Other Comprehensive Income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial loss on arising from change in demographic assumption	0.00	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.28)	(0.36)
Actuarial loss/(gain) on arising from experience adjustment	(0.26)	0.37
Return on plan assets excluding interest income	(0.20)	(0.10)
Unrecognised actuarial loss at the end of the year	**(0.74)**	**(0.09)**

f. Actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	7.23%
Future salary increase	7.00%	7.00%

g. Demographic assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Retirement age (Years)	58	58
Mortality rates inclusive of provision for disability	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

h. Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	33.70	31.53
a) Impact due to increase of 0.50%	(0.51)	(0.45)
b) Impact due to decrease of 0.50%	0.54	0.48
Impact of the change in salary increase		
Present value of obligation at the end of the year	33.70	31.53
a) Impact due to increase of 0.50%	0.54	0.48
b) Impact due to decrease of 0.50%	(0.51)	(0.45)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

i. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
April 2023 to March 2024	19.69	17.27
April 2024 to March 2025	1.72	2.66
April 2025 to March 2026	1.52	2.17
April 2026 to March 2027	2.17	1.35
April 2027 onwards	22.79	20.10

j. Investment details

Particulars	As at 31 March 2023		As at 31 March 2022	
	(₹ in crore)	% invested	(₹ in crore)	% invested
Insurance funds	11.59	100	11.54	100

2) Defined contribution plans

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to Provident Fund	5.94	5.00
Employer's contribution to Superannuation Fund	1.72	1.72
Employer's contribution to labour welfare fund and employee state insurance	0.21	0.23
Employer's contribution to other funds	0.60	0.50

3) The Group has granted non-recurring long term incentives to select employees which is linked with valuations of specified businesses of a future date. In view of the management, projections of future valuations of specified businesses as at the current reporting date is not feasible. Accordingly, the Group has not recognized any expense on this account for the year ended 31 March 2023.

43 LEASES

A The Group has taken residential/commercial premises on lease. There are no restrictions placed upon the Group by entering into these leases and there are no subleases. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group also has certain leases of various assets with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

B Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	38.00	6.39
Current	4.16	1.72
Total	**42.16**	**8.11**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

C Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short-term leases	15.68	13.13
Leases of low value assets	-	-
Total	**15.68**	**13.13**

D The maturity analysis of lease liabilities are disclosed in Note no. 47

E Total cash outflow for leases for the year ended 31 March 2023 was ₹ 19.97 crores (31 March 2022: ₹ 14.26 crores).

44 RELATED PARTY DISCLOSURES

In accordance with the required Indian Accounting Standard (IndAS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties and relationships:

A. Step-down subsidiary companies

a) Mr. Ashok Jaipuria, Chairman and Managing Director of Company
b) Mr. Anil Kumar Jain, Director of corporate affairs
c) Mr. H. K. Agrawal, Independent Director
d) Mrs Alpana Parida, Independent Director
e) Mr. Rakesh Nangia, Independent Director
f) Mr. Pratip Chaudhuri, Non-Independent Director
g) Mr. H. N. Sinor, Independent Director
h) Mr. Anil Wadhwa, Independent Director
i) Mr. Arjun Singh, Independent Director (joined w.e.f. 27 October 2021)
j) Mr. Pankaj Poddar, Chief Executive Officer
k) Mr. Neeraj Jain, Chief Financial Officer
l) Mrs. Jyoti Dixit, Company Secretary

B. Enterprises over which Key managerial personnel of the Company and their relatives have significant influence:

a) Sunrise Manufacturing Company Limited
b) Pravasi Enterprises Limited
c) Cosmo Foundation
d) Gayatri & Annapurana (Partnership firm)
e) Nangia & Company LLP
f) Fawkes Management Private Ltd
g) Cosmo Ferrites Limited
h) Nangia Andersen LLP
i) Petsfamilia Foundation
j) Sitaram Jaipuria Foundation

E. Relative of Key managerial personnel of the Company

a) Mrs. Yamini Kumar
b) Mrs. Aanchal Jaipuria Bhandari
c) Mr. Ambrish Jaipuria
d) Mrs. Devyani Jaipuria
e) Ms. Rachna Morarka
f) Ms. Ruchir Jain

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Key management personnel and their relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Transactions with related Parties						
1 Sales						
Sales from pet care vertical	0.05	0.02	-	-	**0.05**	**0.02**
2 Rent received						
Pravasi Enterprises Limited	-	-	0.02	0.02	**0.02**	**0.02**
3 Professional fees paid/(received)						
Mrs. Yamini Kumar	2.04	1.71	-	-	**2.04**	**1.71**
Nangia & Company LLP	-	-	0.07	0.07	**0.07**	**0.07**
Nangia Andersen LLP	-	-	0.03	0.27	**0.03**	**0.27**
Cosmo Ferrites Limited	-	-	(0.45)	(0.08)	**(0.45)**	**(0.08)**
4 Short term employee benefits	41.86	67.61	-	-	**41.86**	**67.61**
5 Post employment benefits*	2.29	1.20	-	-	**2.29**	**1.20**
6 Share based payments	5.29	4.01	-	-	**5.29**	**4.01**
7 Buyback of shares						
Mr. Ashok Jaipuria	1.69	-	-	-	**1.69**	**-**
Mr. Anil Kumar Jain	0.13	-	-	-	**0.13**	**-**
Mr. Rakesh Nangia	0.12	-	-	-	**0.12**	**-**
Mr. Pankaj Poddar	1.06	-	-	-	**1.06**	**-**
Mr. Ambrish Jaipuria	1.82	-	-	-	**1.82**	**-**
Mrs. Aanchal Jaipuria Bhandari	0.47	-	-	-	**0.47**	**-**
Mrs. Yamini Kumar	0.40	-	-	-	**0.40**	**-**
Mrs Abha Jaipuria	0.12	-	-	-	**0.12**	**-**
Gayatri & Annapurana	-	-	38.78	-	**38.78**	**-**
Fawkes Management Private Ltd	-	-	1.05	-	**1.05**	**-**
Pravasi Enterprises Limited	-	-	0.03	-	**0.03**	**-**
Mr. Neeraj Jain	0.20	-	-	-	**0.20**	**-**
Mrs. Jyoti Dixit	0.00	-	-	-	**0.00**	**-**
8 Sitting fee/commission paid						
Mr. H. K. Agrawal	0.34	0.36	-	-	**0.34**	**0.36**
Mrs. Alpana Parida	0.33	0.35	-	-	**0.33**	**0.35**
Mr. Pratip Chaudhuri	0.35	0.37	-	-	**0.35**	**0.37**
Mr. H. N. Sinor	0.34	0.36	-	-	**0.34**	**0.36**
Mr. Anil Wadhwa	0.34	0.35	-	-	**0.34**	**0.35**
Mr. Rakesh Nangia	0.34	0.35	-	-	**0.34**	**0.35**
Mr. Arjun Singh	0.16	0.14	-	-	**0.16**	**0.14**
9 Loan given						
Mr. Anil Kumar Jain	-	2.40	-	-	**-**	**2.40**
10 Loan (repayment) received						
Mr. Pankaj Poddar	(1.38)	(0.37)	-	-	**(1.38)**	**(0.37)**
Mr. Anil Kumar Jain	-	(2.40)	-	-	**-**	**(2.40)**
11 Interest income on loan given						
Mr. Pankaj Poddar	0.25	0.29	-	-	**0.25**	**0.29**
Mr. Anil Kumar Jain	-	0.02	-	-	**-**	**0.02**
12 Corporate social responsibility expenditure						
Contribution to Cosmo Foundation	-	-	4.44	2.80	**4.44**	**2.80**
Contribution to Petsfamilia Foundation	-	-	0.20	0.01	**0.20**	**0.01**
Contribution to Sitaram Jaipuria Foundation	-	-	1.50	-	**1.50**	**-**

* Does not include the provision made for gratuity and compensated absences, as they are determined on an actuarial basis for all the employees together.

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for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key management personnel and their relatives		Total	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Outstanding balances						
1 Remuneration/commission payable	-	-	20.82	35.16	**20.82**	**35.16**
2 Loan outstanding						
Mr. Pankaj Poddar	-	-	5.86	7.24	**5.86**	**7.24**
3 Interest receivable						
Mr. Pankaj Poddar	**-**	**-**	**-**	**0.01**	**-**	**0.01**

45 SEGMENT REPORTING

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one reportable business segment of packaging films. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below:

In addition, one minor operating segments is shown under other segments. The main sources of revenue for this segment is the sale of equipments, related parts and services and revenue from pet care business.

Business segment

Year ended 31 March 2023

Particulars	Packaging Films	Others	Total
Revenue			
Segment revenue	3,012.39	169.28	3,181.67
Less: Inter segment revenue	-	-	(116.38)
Revenue from external customers	**3,012.39**	**169.28**	**3,065.29**
Results			
Segment result	429.75	(19.49)	410.26
Unallocated corporate expenses	-	-	(50.92)
Operating profit	**429.75**	**(19.49)**	**359.34**
Finance costs	-	-	55.45
Profit before tax	**429.75**	**(19.49)**	**303.89**
Income taxes	-	-	(59.90)
Profit for the year	**429.75**	**(19.49)**	**243.99**
Other information			
Segment assets	2,459.88	164.21	2,624.09
Unallocated corporate assets	-	-	503.78
Total assets	**2,459.88**	**164.21**	**3,127.87**
Segment liabilities	658.65	97.37	756.02
Unallocated corporate liabilities	-	-	1,073.74
Total liabilities	**658.65**	**97.37**	**1,829.76**
Capital expenditure	361.25	19.15	380.40
Depreciation, amortisation and impairment expense	67.36	7.60	74.96

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(All amounts in ₹ crores, unless otherwise stated)

Business segment

Year ended 31 March 2022

Particulars	Packaging Films	Others	Total
Revenue			
Segment revenue	3,009.04	96.65	3,105.69
Less: Inter segment revenue			(67.30)
Revenue from external customers	**3,009.04**	**96.65**	**3,038.39**
Results			
Segment result	629.83	(8.21)	621.62
Unallocated corporate expenses	-	-	(65.19)
Operating profit	**629.83**	**(8.21)**	**556.43**
Finance costs	-	-	39.81
Profit before tax	**629.83**	**(8.21)**	**516.62**
Income taxes	-	-	(120.01)
Profit for the year	**629.83**	**(8.21)**	**396.61**
Other information			
Segment assets	2,148.04	85.35	2,233.39
Unallocated corporate assets	-	-	526.16
Total assets	**2,148.04**	**85.35**	**2,759.55**
Segment liabilities	540.24	35.92	576.16
Unallocated corporate liabilities	-	-	992.65
Total liabilities	**540.24**	**35.92**	**1,568.81**
Capital expenditure	259.06	23.91	282.97
Depreciation, amortisation and impairment expense	60.63	2.67	63.30

Business segment / geographical segment

Year ended 31 March 2023

Segment assets are allocated based on their physical location. Revenues from external customers have been identified on the basis of the customer's geographical location and are disclosed below.

Particulars	Revenue	Segment assets	Capital expenditure
In India	1,501.03	2,810.74	380.40
Outside India	1,564.26	317.13	-
Total	**3,065.29**	**3,127.87**	**380.40**

Revenue as per Customers (more than 10% of revenue):

There is no single external customer who has contributed of 10% or more to the Group's revenue.

Business segment / geographical segment

Year ended 31 March 2022

Particulars	Revenue	Segment assets	Capital expenditure
In India	1,523.42	2,391.34	282.97
Outside India	1,514.97	368.21	-
Total	**3,038.39**	**2,759.55**	**282.97**

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for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Revenue as per Customers (more than 10% of revenue):

There are no single external customer which has contributed of 10% or more in the Group's revenue.

46 FAIR VALUE MEASUREMENTS

A) Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2023	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	246.30	171.43	-
(ii) Trade receivables	-	-	199.56
(iii) Cash and cash equivalents	-	-	32.94
(iv) Other bank balances	-	-	13.12
(v) Loans	-	-	8.10
(vi) Derivative assets	7.33	0.96	-
(vii) Others financial assets	-	-	28.26
Total	**253.63**	**172.39**	**281.98**
Financial liabilities			
(i) Borrowings	-	-	889.85
(ii) Lease liabilities	-	-	42.16
(iii) Trade payables	-	-	528.47
(iv) Derivative liabilities	0.32	-	-
(v) Other financial liabilities	-	-	88.41
Total	**0.32**	**-**	**1,548.89**

As at 31 March 2022	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	249.04	197.12	-
(ii) Trade receivables	-	-	219.97
(iii) Cash and cash equivalents	-	-	45.65
(iv) Other bank balances	-	-	15.11
(v) Loans	-	-	8.73
(vi) Derivative assets	4.11	1.01	-
(vii) Others financial assets	-	-	23.43
Total	**253.15**	**198.13**	**312.89**
Financial liabilities			
(i) Borrowings	-	-	810.05
(ii) Lease liabilities	-	-	8.11
(iii) Trade payables	-	-	364.70
(iv) Derivative liabilities	5.76	1.28	-
(v) Other financial liabilities	-	-	93.32
Total	**5.76**	**1.28**	**1,276.18**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

B) Fair value hierarchy

The different levels of fair value have been defined below:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.B) (i) Financial assets and liabilities measured at fair value - recurring fair value measurements

B) (i) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2023	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	6 and 11	186.68	204.27	26.78
(ii) Derivative assets	8 and 16	-	8.29	-
Total Financial assets		**186.68**	**212.56**	**26.78**
Financial liabilities				
(i) Derivative liabilities	26	-	0.32	-
Total Financial liabilities		**-**	**0.32**	**-**

As at 31 March 2022	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	6 and 11	239.80	184.44	21.92
(ii) Derivative assets	8 and 16	-	5.12	-
Total financial assets		**239.80**	**189.56**	**21.92**
As at 31 March 2022				
(i) Derivative liabilities	26	-	7.04	-
Total Financial liabilities		**-**	**7.04**	**-**

Valuation process and technique used to determine fair values

(i) All financial instruments are initially recognised at cost and subsequently re-measured at fair value as described below:

a) The fair value of investment in quoted Equity Shares is measured at quoted price as at reporting date.

b) The fair value of investment in quoted Bonds and Debentures is measured based on the last traded price on stock exchange as at the reporting date.

c) The fair value of investments in Alternative Investment Funds and Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these funds in the published statements as at the balance sheet date.

d) The fair value for unquoted instruments where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques used in determining the fair value of various assets is as follows:

i. Asset Approach: Net Assets Value Method

ii. Income Approach:Discounted Cash Flows Method

iii. Market Approach: Comparable Companies Multiples Method

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

(ii) Fair value for derivatives contracts is determined using observable forward and option exchange rates and yield curves as at the balance sheet date.

B) (ii) Fair value of financial assets and liabilities measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

The fair values of loans are not materially different from the amortised cost thereof. Further, the management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other current financial assets (excluding derivative assets), current borrowings, trade payables and other current financial liabilities (excluding derivative liabilities) approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

The fair value measurements disclosed in respect of financial assets and liabilities measured at amortised cost fall within Level 3 of fair value hierarchy.

47 RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis Credit ratings	Diversification of bank deposits, collateral credit limits and letter of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Foreign currency forwards Foreign currency options Cross currency swaps
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in mutual funds and debt securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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(All amounts in ₹ crores, unless otherwise stated)

Credit risk management

Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss on financial assets other than trade receivables based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Life time expected credit loss or fully provided for

As the group's trade receivables do not contain a significant financing component, it measures the loss allowance in respect thereof at an amount equal to lifetime expected credit losses.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within a reasonable time after the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group or debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit risk exposure

Credit rating	Particulars	As at 31 March 2023	As at 31 March 2022
A: Low credit risk	Cash and cash equivalents	32.94	45.65
	Other bank balances	13.12	15.11
	Loans	8.10	8.73
	Other financial assets	36.55	28.56
	Trade receivables	199.56	219.97
	Investments	417.73	446.16
B: Medium credit risk	-	-	-
C: High credit risk	-	-	-

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

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Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due. All debtors are covered under credit insurance policy.

Investments

This risk refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both.

The Company's deployment in debt instruments are primarily in bonds and debentures issued by highly rated banks, financial institutions and public sector undertakings. With respect to the Company's investing activities, counter parties are shortlisted and exposure limits are determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Banks/Financial Institutions /public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

Furthermore, with respect to the company's investments in Equity and Preference instruments, Mutual Funds and AIF's, since these investments are not exposed to counterparty risks, therefore they have been considered under low credit risk instruments.

Derivative instruments

Credit risk related to derivative instruments is managed by the Group by doing transactions with highly rated banks. Further, management has established limits for use of derivative instruments to minimize the concentration of risks and therefore mitigate financial loss through counterparties potential failure to make payments.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Provision for expected credit losses

a) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the group is in possession of the underlying asset. In respect of other financial assets, credit risk is evaluated based on group's knowledge of the credit worthiness of those parties.

The group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

b) Expected credit loss for financial assets under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Customer advances amounting to ₹ 14.03 crores (31 March 2022 : ₹ 29.82 crores) were not considered for the purpose of computation of expected credit losses under simplified approach. Based on such simplified approach, an allowance of ₹ 3.87 crores and ₹ 7.52 crores as at 31 March 2023 and 31 March 2022 respectively has been recognised.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Age of receivables	As at 31 March 2023	As at 31 March 2022
Not Due	125.07	147.17
0-180 days past due	68.47	74.16
181-360 days past due	1.78	2.78
More than 360 days past due	8.11	3.38
Total	**203.43**	**227.49**

Reconciliation of loss provision-lifetime expected credit losses

Reconciliation of loss allowance	Amount
Loss allowance as at 1 April 2021	**6.84**
Expected credit loss recognised during the year	0.80
Amounts written off	(0.12)
Loss allowance as at 31 March 2022	**7.52**
Expected credit loss recognised during the year	(1.00)
Amounts written off	(2.65)
Loss allowance as at 31 March 2023	**3.87**

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of reporting period:

Floating rate	As at 31 March 2023	As at 31 March 2022
Expiring within one year (cash credit and other facilities)	855.61	622.45
Expiring beyond one year (bank loans - floating rate)	-	-
Total	**855.61**	**622.45**

Contractual maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2023	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	343.27	155.32	242.23	149.03	889.85
(ii) Lease liabilities	4.16	4.92	17.23	15.85	42.16
(iii) Trade payables	528.47	-	-	-	528.47
(iv) Other financial liabilities	88.41	-	-	-	88.41
(iv) Derivative liabilities	0.32	-	-	-	0.32
Total	**964.63**	**160.24**	**259.46**	**164.88**	**1,549.21**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

31 March 2022	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	330.40	152.00	227.93	99.72	810.05
(ii) Lease liabilities	1.72	1.74	4.65	-	8.11
(iii) Trade payables	364.70	-	-	-	364.70
(iv) Other financial liabilities	92.44	-	-	-	92.44
(v) Derivative liabilities	7.04	-	-	-	7.04
Total	**796.30**	**153.74**	**232.58**	**99.72**	**1,282.34**

C. Market risk

(i) Interest rate risk

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2022, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

Group's exposure to interest rate risk on borrowings is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate	716.19	643.92
Fixed rate	173.65	166.13
Total	**889.85**	**810.05**

The following table illustrates the sensitivity of profit and equity to a possible change in interest rates of +/- 1% (31 March 2021: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year +1%	Profit for the year-1%
As at 31 March 2023	(4.66)	4.66
As at 31 March 2022	(4.19)	4.19

(ii) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP, Euro and JPY. Fluctuations in foreign currency exchange rates may have an impact on profit or loss and the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Exposures on foreign currency loans are managed through a hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group's policy is to hedge material foreign exchange risk associated with borrowings, highly probable forecast sales and purchases transactions denominated in foreign currencies. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Group uses forward exchange contracts, currency swaps, other derivatives and non-derivative instruments to hedge the effects of movements in exchange rates on foreign currency denominated assets, liabilities and highly probable forecast transactions. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies and as well as financing transactions and loans denominated in foreign currencies. The Group is also exposed to foreign exchange risk on its highly probable forecasted sales and purchases. The policy of the Group is to determine on a regular basis what portion of

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the profit or loss or other comprehensive income. Instruments designated in hedging relationship and hedge accounting disclosures are include in section "Derivative financial instruments and hedge accounting".

Forex exposure	As at 31 March 2023		As at 31 March 2022	
	Foreign Currency	INR (crores)	Foreign Currency	INR (crores)
Financial assets				
USD	10,02,243	8.30	67,71,067	51.43
GBP	4,71,207	4.80	-	-
EUR	22,65,537	20.31	8,82,079	7.42
JPY	5,81,086	3.53	7,75,077	4.71
Financial liabilities				
USD	2,23,40,703	185.07	3,19,29,116	242.50
GBP	7,329	0.07	12,389	0.12
EUR	3,97,48,281	356.34	4,53,27,958	381.07
JPY	41,973	0.26	42,100	0.26
Derivative/non derivative contracts				
USD	(1,49,47,227)	(123.82)	(78,84,168)	(59.88)
EUR	(3,22,46,476)	(289.09)	(1,63,60,963)	(137.54)
Forward contracts for forecasted transactions				
GBP/INR	-	-	15,00,000	14.97

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	As at 31 March 2023	As at 31 March 2022
USD	82.84	75.95
GBP	101.91	99.78
EUR	89.65	84.07
JPY	0.62	0.62
CAD	60.81	60.75

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

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Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and non-derivative financial instruments designated as cash flow hedges.

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD sensitivity				
INR/USD increase by 5.00% (31 March 2022- 5.00%)	(5.75)	(6.10)	-	(0.11)
INR/USD decrease by 5.00% (31 March 2022- 5.00%)	5.75	6.10	-	0.11
GBP sensitivity				
INR/GBP increase by 5.00% (31 March 2022- 5.00%)	0.15	-	-	-
INR/GBP decrease by 5.00% (31 March 2022- 5.00%)	(0.15)	-	-	-
EUR sensitivity				
INR/EUR increase by 5.00% (31 March 2022- 5.00%)	(5.28)	(11.71)	(5.65)	(0.45)
INR/EUR decrease by 5.00% (31 March 2022- 5.00%)	5.28	11.71	5.65	0.45
JPY sensitivity				
INR/CAD increase by 5.00% (31 March 2022- 5.00%)	0.11	0.14	-	-
INR/CAD decrease by 5.00% (31 March 2022- 5.00%)	(0.11)	(0.14)	-	-

Derivative financial instruments and hedge accounting

A) The fair value of the Group's open derivative positions recorded within financial instruments (derivative) is as follows:

	As at 31 March 2023		As at 31 March 2022	
	Liability	Assets	Liability	Assets
Non-current				
Cash flow hedges				
- Forward foreign currency contracts	0.23	0.96	-	2.29
- Options	-	7.33	6.01	2.77
- Interest rate swaps	0.09	-	0.06	0.06
- Currency swaps	-	-	0.97	-
Total	**0.32**	**8.29**	**7.04**	**5.12**

*Refer statement of profit and loss and statements of change in equity for the change in the fair value of cash flow hedges.

The Group uses foreign currency forward contracts, foreign currency options contracts and non-derivative financial instruments (i.e. foreign currency borrowings) to mitigate exchange rate exposure arising from forecast sales and purchase in USD, EUR and GBP. Also, the Group uses foreign currency options contracts, cross currency swap contracts and interest rate swap contracts to mitigate exchange rate exposure and interest rate exposure arising from foreign currency borrowings.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The critical terms of the foreign currency forwards and cross currency swaps entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

In hedges of foreign currency borrowings and forecast transaction, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed.

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All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Other derivatives, which have not been designated in hedging relationship, are considered by management to be part of economic hedge arrangements but have not been formally designated since the relationship between hedged item and hedging instrument is considered to be ineffective.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31 March 2023								
Cash flow hedge								
Foreign currency and interest rate risk								
Derivative instruments								
(i) Foreign exchange forward contracts (including options, currency swaps)	USD 14,947,267	0.21	0.32	April 2023-September 2023	1:1	USD/INR-82.46	(0.11)	0.11
	EUR 12,875,476	7.12	-	April 2023-August 2023	1:1	EUR/INR-82.30	7.12	(7.12)
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 19,371,000	-	173.65	November 2023- May 2033	1:1	-	-	-
As at 31 March 2022								
Cash flow hedge								
Foreign currency and interest rate risk								
Derivative instruments								
(i) Foreign exchange forward contracts (including options, currency swaps)	USD 11,812,998	2.24	0.97	April 2022-January 2023	1:1	USD/INR-74.58	1.28	(1.28)
	EUR 14,727,182	0.34	5.92	April 2022-January 2023	1:1	EUR/INR-87.43	(5.58)	5.58
	GBP 1,500,000	1.28	-	December 2022- April 2023	1:1	-	1.28	(1.28)
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 1,633,782	-	13.74	April 2022-July 2023	1:1	EUR/INR-79.87	0.09	(0.09)
	USD 447,644	-	3.40	April 2022-May 2022	1:1	USD/INR-75.95	-	-

* represents outstanding balance of loans designated under natural hedge.

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Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2023

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	0.67	-	5.93	Finance cost and other expenses/ income
(ii) Foreign currency borrowings	(18.54)	-	(1.09)	Finance cost and other expenses/ income

For the year ended 31 March 2022

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	7.38	-	-	Finance cost and other expenses/ income
(ii) Foreign currency borrowings	(0.47)	-	2.57	Finance cost and other expenses/ income

(iii) Price risk

Exposure

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period.

Impact on profit after tax

Particulars	Impact on profit after tax		Impact on other components of equity	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Investments				
Net asset value - increase by 1%	1.55	1.62	1.12	1.28
Net asset value - decrease by 1%	(1.55)	(1.62)	(1.12)	(1.28)

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48 CAPITAL MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide a an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the group are summarised as follows:

The Group monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, tax, depreciation and amortisation (EBITDA)

Debt equity ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings (including current maturities of long term debt)	889.85	810.05
Less: Investments	(410.03)	(445.95)
Less: Cash and cash equivalents	(32.94)	(45.65)
Less: Pledged bank deposits	(11.24)	(11.09)
Less: Deposits with bank	(0.05)	(2.00)
Net debt	**435.59**	**305.35**
Total equity	1,298.11	1,190.73
Net debt to equity ratio (%)	**33.56%**	**25.64%**

Ratio of net debt to EBIDTA

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before exceptional items and tax*	303.89	516.62
Add: Depreciation and amortisation and impairment expenses	74.96	63.30
Add: Finance costs	55.45	39.81
EBIDTA	**434.30**	**619.73**
Net debt	435.59	305.35
Ratio of net debt to EBIDTA (times)	**1.00**	**0.49**

*includes other income

Gearing ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Net debt	435.59	305.35
Total equity	1,298.11	1,190.73
Equity and net debt	1,733.69	1,496.09
Gearing Ratio (%)	**25.12%**	**20.41%**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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Dividend paid	As at 31 March 2023	As at 31 March 2022
Equity shares		
Interim dividend for the year ended 31 March 2023 of ₹ Nil per share (31 March 2022:₹ 35 per share) (including dividend distribution tax)	-	62.70

49 GROUP INFORMATION

Information about subsidiaries consolidated

The Consolidated Financial statements of the Group include entity listed in the table below:

S.no.	Name of Entity	Country of Incorporation	Proportion (%) of equity interest	
			Year Ended 31 March 2023	Year Ended 31 March 2022
A.	**Subsidiary of Cosmo Films Limited**			
1	Cosmo Films Inc., USA	USA	100%	100%
2	CF (Netherlands) Holdings Limited BV., Netherlands	Netherlands	100%	100%
3	Cosmo Films Japan (GK)	Japan	100%	100%
4	Cosmo Films Korea Limited, Korea	Korea	100%	100%
5	CF Investment Holding Private (Thailand) Co., Ltd	Thailand	100%	100%
6	Cosmo Films Poland S.P. Z.O.O.	Poland	100%	100%
7	Cosmo Films (Singapore) Pte. Limited	Singapore	100%	100%
8	Cosmo Speciality Chemicals Private Limited	India	100%	100%
9	Cosmo Speciality Polymers Private Limited	India	100%	100%
10	Cosmo Global Films Private Limited*	India	100%	NA

B. Associates:**

1	Renew Green (GJS One) Private Limited	India
2	OPGS Power Gujarat Private Limited	India
3	Bhadreshwar Vidyut Private Limited	India

*incorporated on 9 January 2023

** Investment in captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

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50 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013, OF THE ENTERPRISES CONSOLIDATED AS SUBSIDIARIES:

Name of Entity	Net assets (total assets minus total liabilities		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in Rupees)	As % of consolidated profit or loss	Amount (in Rupees)	As % of consolidated other comprehensive income	Amount (in Rupees)	As % of consolidated total comprehensive income	Amount (in Rupees)
Parent								
Cosmo First Limited (formerly Cosmo Films Limited)	88.4%	1,147.30	87.6%	213.64	-896.1%	(15.86)	80.5%	197.78
Indian subsidiaries:								
Cosmo Speciality Chemicals Private Limited	5.5%	71.88	-0.3%	(0.82)	-0.6%	(0.01)	-0.3%	(0.83)
Cosmo Speciality Polymers Private Limited	1.8%	22.84	0.0%	0.05	-	-	0.0%	0.05
Cosmo Global Films Private Limited	0.0%	0.01	-	-	-	-	-	-
Foreign subsidiaries:								
Cosmo Films Inc., USA	16.2%	210.72	9.2%	22.56	820.3%	14.52	15.1%	37.08
CF (Netherlands) Holdings Limited BV., Netherlands	20.6%	267.24	2.2%	5.38	100.6%	1.78	2.9%	7.16
Cosmo Films Japan (GK)	4.5%	58.43	-2.4%	(5.89)	-5.6%	(0.10)	-2.4%	(5.99)
Cosmo Films Korea Limited, Korea	2.1%	27.67	-2.0%	(4.85)	8.5%	0.15	-1.9%	(4.70)
CF Investment Holding Private (Thailand) Co., Ltd	1.4%	18.71	-0.4%	(0.94)	62.1%	1.10	0.1%	0.16
Cosmo Films (Singapore) Pte. Limited	0.0%	0.17	0.0%	(0.08)	0.0%	-	0.0%	(0.08)
Cosmo Films Poland S.P. Z.O.O.	0.0%	0.01	0.0%	(0.11)	0.6%	0.01	0.0%	(0.10)
Adjustment arising out of consolidation	-40.5%	(526.86)	6.1%	15.05	10.2%	0.18	6.2%	15.23
Total	**100.0%**	**1,298.11**	**100.0%**	**243.99**	**100.0%**	**1.77**	**100.0%**	**245.76**

51 KEY FINANCIAL RATIOS:

Ratio	Measurement unit	Numerator	Denominator	31 March 2023	31 March 2022	Changes	Remarks
a) Current Ratio	Times	Current Assets	Current Liabilities	1.33	1.60	-17.06%	Refer note 1 below
b) Total debt to equity ratio	Percentage	Total Debt	Shareholder's Equity	68.55%	68.03%	0.76%	Refer note 1 below
c) Net debt to equity ratio	Percentage	Net Debt	Shareholder's Equity	33.56%	25.64%	30.85%	Primarily increase due to buyback of shares and some increase in net debt due to capex growth
d) Debt service coverage ratio	Times	Earnings available for debt service	Debt Service	1.92	2.71	-29.23%	Refer note 2 below
e) Return on equity ratio	Percentage	Net profit after tax	Shareholder's Equity	18.80%	33.31%	-43.57%	Refer note 2 below

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended 31 March 2023

(All amounts in ₹ crores, unless otherwise stated)

Ratio	Measurement unit	Numerator	Denominator	31 March 2023	31 March 2022	Changes	Remarks
f) Inventory turnover ratio	Times	Purchase of goods	Average Inventory	3.74	4.42	-15.43%	Refer note 1 below
g) Trade receivable turnover ratio	Times	Revenue from operations	Average trade receivable	14.61	14.88	-1.77%	Refer note 1 below
h) Trade payable turnover ratio	Times	Purchase of goods	Average trade payables	4.56	7.22	-36.90%	Primarily improved due to increase in number of payable days outstanding
i) Net working capital turnover ratio	Times	Revenue from operations	Working Capital	9.39	5.91	58.76%	Primarily improved due to decrease in net working capital in business caused by high trade payable
j) Net profit ratio	Percentage	Net profit after tax	Revenue from operations	7.96%	13.05%	-39.02%	Refer note 2 below
k) Return on capital employed	Percentage	Earning before interest and tax (EBIT)	Average capital employed	16.09%	28.94%	-44.42%	Refer note 2 below
l) Return on investment (Equity instruments)	Percentage	Net fair value change (including dividend income)	Weighted average cost of instrument during the year	2.53%	19.32%	-86.89%	Financial year 2022-23 was exceptionally low due to market factors.
l) Return on investment (Debt instruments)	Percentage	Net fair value change (including interest income)	Weighted average cost of instrument during the year	6.64%	8.21%	-19.10%	Refer note 1 below

Notes:

1. Since the change in ratio is less than 25%, no explanation is required to be furnished.
2. Primarily lower due to decrease in operating income due to margin pressure caused by significant capacity addition in the domestic industry during Financial Year 2022-23.

52 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
Debt as at 1 April 2022	**604.80**	**205.26**	**810.06**
Cash flow:			
- Proceeds	203.42	-	**203.42**
- Repayment	(139.46)	(16.08)	**(155.54)**
- Finance cost adjustment for effective interest rate	0.37	-	**0.37**
- Foreign exchange difference	31.47	0.07	**31.54**
Net debt as at 31 March 2023	**700.60**	**189.25**	**889.84**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

Particulars	Long-term borrowings	Short-term borrowings	Total
Debt as at 1 April 2021	**466.57**	**293.72**	**760.29**
Cash flow:			
- Proceeds	289.37	-	**289.37**
- Repayment	(144.29)	(88.76)	**(233.05)**
- Finance cost adjustment for effective interest rate	0.30	-	**0.30**
- Foreign exchange difference	(7.15)	0.30	**(6.85)**
Net debt as at 31 March 2022	**604.80**	**205.26**	**810.05**

53 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Valuation of property, plant and equipment and intangible assets

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(iv) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

(vi) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Registration of charges or satisfaction with registrar of companies

There are no changes or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Fund received / loaned

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
for the year ended 31 March 2023

Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries .

(xi) No funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xii) The Companies included in the Group (which are companies incorporate in India) have been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the respective companies with such banks or financial institutions on aggregate basis, are in agreement with the unaudited books of account of the respective companies, for the respective quarters, except for some differences due to reporting of advances received from customers primarily comprising of subsidiaries.

54 Per transfer pricing legislation under Sections 92-92F of the Income tax Act, 1961, the Holding Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Holding Company's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

55 There has been no subsequent events which require any adjustment for the financial year ending 31 March 2023.

56 Previous year numbers have been regrouped wherever considered necessary to confirm to current year classifications.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of Board of Directors of Cosmo First Limited
(formerly Cosmo Films Limited)

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Rakesh Nangia
Director
DIN: 00147386

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Place : New Delhi
Date : 29 May 2023

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

FORM AOC-I

(Pursuant to First Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement Containing salient features of the financial statements (As per Indian Accounting Standards, referred to in section 133 of the companies act 2013) of Subsidiaries and Associates

Part A: Subsidiaries

(₹ in crores)

Name of the Subsidiary	Reporting Period	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries		Share Capital	Reserve and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (loss) before tax	Provision for Tax	Profit/ (loss) after tax	Proposed Dividend	% of Share Holding
		Currency	Exchange rate as on March 31, 2023											
CF (Netherlands) Holdings Limited B.V	1 April 2022 - 31 March 2023	EURO	89.61	221.54	45.70	268.31	1.07	244.62	103.20	6.76	1.38	5.38	-	100%
Cosmo Films (Japan) GK	1 April 2022 - 31 March 2023	JPY	0.62	44.73	13.70	72.95	14.52	25.09	71.41	(9.11)	(3.22)	(5.89)	-	100%
Cosmo Films (Singapore) Pte Ltd.	1 April 2022 - 31 March 2023	SGD	62.22	0.64	(0.47)	0.25	0.08	-	-	(0.08)	-	(0.08)	-	100%
Cosmo Films Korea Ltd.	1 April 2022 - 31 March 2023	KRW	0.06	9.71	17.96	64.13	36.46	-	109.34	(6.57)	(1.72)	(4.85)	-	100%
Cosmo Films Inc	1 April 2022 - 31 March 2023	USD	82.82	177.54	33.18	249.34	38.62	35.22	469.05	24.69	2.13	22.56	-	100%
CF Investment Holding Private (Thailand) Co. Ltd.	1 April 2022 - 31 March 2023	THB	2.42	27.90	(9.18)	18.74	0.02	0.16	-	(0.94)	-	(0.94)	-	100%
Cosmo Films Poland S.P. Z.O.O	1 April 2022 - 31 March 2023	PLN	19.17	0.47	(0.46)	0.01	-	-	-	(0.11)	-	(0.11)	-	100%
Cosmo Speciality Chemicals Private Limited	1 April 2022 - 31 March 2023	INR	1.00	72.02	(0.14)	104.68	32.80	-	158.94	(0.84)	(0.02)	(0.82)	-	100%
Cosmo Speciality Polymers Private Limited**	1 April 2022 - 31 March 2023	INR	1.00	23.31	(0.47)	45.70	22.86	-	-	0.02	(0.03)	0.05	-	100%
Cosmo Global Films Private Limited*/**	1 April 2022 - 31 March 2023	INR	1.00	0.01	-	0.01	-	-	-	-	-	-	-	100%

*incorporated on 09 January 2023
**yet to commence operations

Notes :

I) Name of Subsidiaries which have been liquidated or sold during the year -Not Applicable

Part B: Associates & Joint Ventures

Name of the Associates*
Renew Green (GJS One) Private Limited
OPGS Power Gujarat Private Limited
Bhadreshwar Vidyut Private Limited

* Investment in captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

Note: there is no Joint Ventures as at 31 March 2023.

For and on behalf of Board of Directors of Cosmo First Limited (formerly Cosmo Films Limited)

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707

Rakesh Nangia
Director
DIN: 00147386

Date: 29 May 2023
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861

Neeraj Jain
Chief Financial Officer
Membership No.: 097576

Jyoti Dixit
Company Secretary
Membership No.: F6229

Cosmo First
Ahead Always

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