

To,

The Board of Directors
Cosmo First Limited
(Formerly known as Cosmo Films Limited)
1008, DLF Tower -A, Jasola District Centre
New Delhi- 110025

Dear Sirs,

Statutory Auditor's Report in respect of proposed buyback of equity shares by Cosmo First Limited (Formerly known as Cosmo Films Limited) (the "Company") pursuant to the requirements of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ('Buyback Regulations')

1. This Report is issued in accordance with the terms of our engagement letter dated November 28, 2022.
2. The Board of Directors of **Cosmo First Limited (Formerly known as Cosmo Films Limited)** (the "**Company**") have approved a proposal for buy-back of equity shares by the Company at its meeting held on December 01, 2022, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 as amended (the "**Companies Act**") and the Buyback Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying Statement of Permissible Capital Payment (including securities premium) ('**Annexure**') as at March 31, 2022 (the '**Statement**') prepared by the Management of the Company, which we have initialled for identification purposes only.

Board of Directors Responsibility for the Statement

4. The preparation of the Statement in accordance with the provisions of the Companies Act and the compliance with the Buyback Regulations, is the responsibility of the Board of Directors of the Company, including the computation of the amount of the permissible capital payment (including securities premium), the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Board of Directors are responsible for the following:
 - a) Appropriate determination of the capital payment of the buyback.
 - b) To make a full inquiry into the affairs and prospects of the Company and to form an opinion, as specified in clause (x) of Schedule I of Buyback Regulations, on reasonable grounds that the Company will be able to pay its debts from the date of board meeting approving the buyback of its equity shares and will not be rendered insolvent within a period of one year from the said date and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016.
 - c) A declaration is signed by two directors of the Company to confirm the details stated in paragraph (b) above and in this respect in accordance with the requirements of the Section 68(6) of the Companies Act and the Buyback Regulations.

Auditors Responsibility

6. Pursuant to the requirements of the Companies Act and clause (xi) of Schedule I of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:



- i. Whether we have inquired into the state of affairs of the Company in relation to its latest Audited Standalone Financial Statements and the Consolidated Financial Statements as at and for the year ended March 31, 2022 (the '**Audited Financial Statements**');
 - ii. Whether the amount of permissible capital payment (including securities premium) as stated in Annexure for the proposed buyback of equity shares has been properly determined considering the Audited Financial Statements and is within the permissible limit and computed in accordance with the provisions of Section 68(2) of the Companies Act; and Regulation 4(i) of the Buyback Regulations read with the proviso to Regulation 5(i)(b) of Buyback Regulations; and
 - iii. Whether the Board of Directors of the Company, in their meeting held on December 01, 2022, have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations on reasonable grounds that the Company will be able to pay its debts from the above-mentioned date and will not, having regard to its state of affairs be rendered insolvent within a period of one year from the date of board meeting approving the buy-back i.e. December 01, 2022.
7. The Financial Statements referred to in paragraph 6 above, have been audited by us, on which we have issued an unmodified audit opinion vide our report dated May 09, 2022 respectively. Our audit of these Financial Statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free of misstatement.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the ICAI (the 'Guidance Note') and Standards on Auditing specified under Section 143(10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.
10. We have also obtained appropriate representations from the Company's management.

Opinion

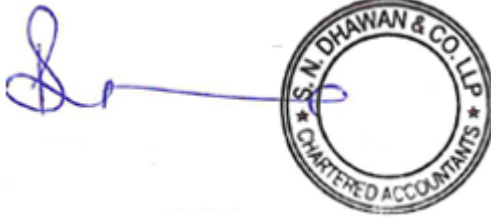
11. Based on enquiries conducted and our examination as above, and the information and explanations given to us, we report that:
- i. We have inquired into the state of affairs of the Company in relation to its Audited Financial Statements which has been approved by the Board of Directors of the Company on May 09, 2022.
 - ii. The amount of permissible capital payment (including securities premium) towards the proposed buy back of equity shares as computed in the Statement, in our view has been properly determined in accordance with Section 68(2) of the Companies Act and Regulation 4(i) of the Buyback Regulations read with the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations. The amounts of paid-up share capital and free reserves, as given in the Annexure have been extracted from the Audited Financial Statements.
 - iii. The Board of Directors of the Company, in their meeting held on December 01, 2022 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting approving the buyback of its equity shares and will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the Board Resolution dated December 01, 2022.



Restriction on Use

12. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) may be submitted to the manager for the said buyback i.e. Anand Rathi Advisors Limited, each for the purpose of extinguishment of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act and the Buyback Regulations. Therefore, this report is not intended to be and should not be used by anyone other than the above-mentioned purpose without our prior consent in writing. Further, we assume no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 00050N/N500045



Rajeev Kumar Saxena
Partner
Membership No. 077974
UDIN: 22077974BEPWSU4807

Place: Gurugram
Date: December 01, 2022

Annexure

Statement of permissible capital payment as at March 31, 2022

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with the requirements of Section 68(2) of the Companies Act, 2013 and Regulation 4(i) and proviso to Regulation 5(i)(b) of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 as amended ("**Buyback Regulations**") based on annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022.

(INR in Crores)		
Particulars	Amount – Standalone	Amount-Consolidated
Paid up Equity Share Capital (X)	18.17	18.17
Free Reserves*		
- General Reserve	230.86	218.89
- Securities Premium	7.42	7.42
- Retained earnings	829.18	926.33
Total Free Reserves (Y)	1,067.46	1,152.64
Total of Paid up Equity Share Capital and Free Reserves (X+Y)	1,085.63	1,170.81
Permissible capital payment towards buy back of equity shares in accordance with Section 68(2) of the Companies Act and Regulation 4(i) of the Buyback Regulations read with the proviso to Regulation 5(i)(b) of the Buyback Regulations (10% of the paid-up equity capital and free reserves)	108.56	117.08
Amount approved by Board at its meeting held on December 01, 2022, approving the buy back, based on the audited financial statements for the year ended March 31, 2022.	108.00	108.00
Buyback offer size as a percentage of total paid up capital and free reserves	9.95%	9.22%

*Free reserves as defined in Section 2(43) of the Companies Act read along with Explanation II provided in Section 68 of the Companies Act.

Yours faithfully,

For **Cosmo First Limited (Formerly known as Cosmo Films Limited)**


Authorised Signatory

Place: New Delhi
Date: December 01, 2022

