

RESOLVE AND DEDICATION  
PAVE THE WAY FOR CONSISTENT

**GROWTH**



**ANNUAL  
REPORT**  
2015-16

# WHAT WE HOPE TO ACHIEVE

## VISION

*“To be the most preferred global brand offering value added BOPP 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 Employees:**

*To nurture a working environment that fosters personal and professional growth.*

### **For Shareholders:**

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

### **For Vendors:**

*To create symbiotic relationships that drives mutual growth.*

### **For Community:**

*Contribute to community growth through education, skills development and sustainable green practices.*

# WHAT DRIVES US CORE VALUES OF COSMO

## Customer Orientation

We always remember that customers have choices, and we will do whatever it takes to develop long term relations with them. Our customers always come first, and we strive to exceed their expectations from the point of quality and service.

## People

Our people are our most important asset. We treat all equally and with respect.

## Innovation

We encourage innovation in every facet of our business activity and are not afraid of taking manageable risks. We take pride in developing cost effective innovative packaging and laminating solutions for our customers.

## Fair Business Practices

We act fairly and ethically with all the stakeholders. We promote transparency, and adhere to the best corporate governance practices.

# 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

**Mr. Rajeev Gupta**  
Independent Director

**Mrs. Alpana Parida**  
Non-Independent Director

**Mr. Ashish Guha**  
Independent Director

**Mr. Pratip Chaudhuri**  
Independent Director

**Mr. H. N. Sinor**  
Independent Director

## CHIEF EXECUTIVE OFFICER

Mr. Pankaj Poddar

## CHIEF FINANCIAL OFFICER

Mr. Neeraj Jain

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jyoti Dixit

## AUDITORS

M/s. Walker Chandiook & Co. LLP  
Chartered Accountants

## BANKERS

Development Bank of Singapore  
(DBS Limited)  
Export Import Bank of India  
ICICI Bank Limited  
IDBI Bank Limited  
International Finance Corporation  
Landesbank Baden – Wurttemberg  
State Bank of India  
Union Bank of India  
Yes Bank Limited

## TRANSFER AGENTS

M/s. Alankit Assignments Ltd.  
1E/13, Alankit Heights,  
Jhandewalan Extension,  
New Delhi – 110055



## DIRECTORS' PROFILE



**Mr. Ashok Jaipuria**

*Chairman & Managing Director*

A first generation entrepreneur with over forty years of experience in the corporate world, Mr. Ashok Jaipuria is the Founder Chairman and Managing Director of Cosmo Films Limited. He is a member of the Board of Governors (BoG) of the Indian Institute of Technology (IIT), Indore and an independent Director on the Board of Hindustan Sanitaryware. He has also been an Executive Committee member of the Federation of Indian Chamber of Commerce and Industry (FICCI) and a member of the BoG of IIT Patna and the Institute of Liver and Biliary Sciences. He holds a degree in Associate of Arts in Business Administration and Diploma in Marketing Science.



**Mr. Anil Kumar Jain**

*Director of Corporate Affairs*

Mr. Jain has over four decades of experience in Finance, Accounts and General Management functions, having worked with Mawana Sugars, A.F Ferguson & Co and National Mineral Development Corporation in the past. Currently, he is the Director of Corporate Affairs of Cosmo Films. Mr. Jain holds a Commerce degree from Meerut University and an AICWA from ICWAI. He is also a Certified Information System Auditor from Information System Audit and Control Association, USA.



**Mr. H. K. Agrawal**

*Independent Director*

Mr. Agrawal has been in fields of Strategic Management, Organization Structure, Finance and Training for over four decades. He is an independent management consultant and has consulted several multinationals, large Indian corporate, small entrepreneurial organizations and developmental institutions. He has previously worked in large industrial organizations, both in public and private sectors in India, for a duration of thirteen years. Mr. H.K. Agrawal is a Mechanical Engineer from University of Jodhpur and has obtained his MBA from Indian Institute of Management, Ahmedabad.



**Mr. Rajeev Gupta**

*Independent Director*

Mr. Rajeev Gupta is known for his pioneering leadership style in concluding landmark mergers and acquisition deals across Indian industries and multinationals. Until recently he was the Managing Director of Carlyle Asia Partners and the Head of the Carlyle India Buyout team. Previously he was a Board member and Head of Investment Banking of DSP Merrill Lynch Limited. Mr. Gupta earned his B.Tech from IIT-Banaras Hindu University and an M.B.A. from the Indian Institute of Management, Ahmedabad.



### **Mrs. Alpana Parida**

#### ***Non-Independent Director***

Mrs. Alpana Parida has more than two decades of experience in retail and marketing communications in the US and in India. Currently she is the President of DY Works, India's oldest and largest branding firm. Prior to that she was Head of Marketing with Tanishq, a prominent jewellery brand in India. She conducts branding workshops for large corporates. Mrs. Alpana Parida graduated from IIM-Ahmedabad in 1985 and has a degree in Economics from St. Stephens, Delhi University.



### **Mr. Ashish Guha**

#### ***Independent Director***

Mr. Ashish Guha has served as CEO & Managing Director at Heidelberg Cement India Limited along with serving as a Director of BSNL, Ballarpur Industries limited and Ambit Finance Corporation. Mr. Guha has been part of the Investment Banking sector for more than two decades at Ambit Corporate Finance as Deputy CEO and Senior Partner and as CEO at Lazard India. He has been a member of Indian Business delegation to the United States and many other nations. He is an Honours Graduate in Economics and an Alumnus of London Business School (Management Development Programme).



### **Mr. Pratip Chaudhuri**

#### ***Independent Director***

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



### **Mr. H. N. Sinor**

#### ***Independent Director***

Mr. H. N. Sinor has been a veteran banker, having spent over four decades in public as well as private sector banks like Union Bank of India, Central Bank of India and ICICI Bank. He was MD and CEO of ICICI Bank and after ICICI's merger with ICICI Bank, became Joint MD until his superannuation. He, thereafter, joined Indian Banks' Association as Chief Executive. Mr. Sinor later joined Association of Mutual Funds in India in a similar capacity. Being a veteran banker, Mr. Sinor has worked on a number of Committees at a policy level during his long career.

Mr. Sinor holds Board position as an Independent Director on a few reputed companies. He is also associated with various charitable and other trusts engaged in social activities.



# CHAIRMAN'S MESSAGE



Packaging, around the world, has evolved multi-fold over the last couple of decades. The industry has transformed to embrace a myriad of different forms of packaging of which flexible packaging has been the most popular. Cosmo Films has grown leaps and bounds since it was established in 1981. Today, we are one of the world's large manufacturers of Biaxially Oriented Polypropylene (BOPP) Films, a widely accepted raw material used by the flexible packaging industry globally. We are not only the leading BOPP films exporter from India but also the world's largest manufacturer of thermal lamination films. In India, we have a reasonable market share in the BOPP industry and lead the industry for value added speciality films.

Financial Year 2016 has been one of the best years in the history of Cosmo Films. Consolidated sales stood at Rs. 1,616 Cr representing an 8% growth in sales. Furthermore, EBITDA rose approximately 80% to Rs. 197 Cr. During the year, we not only remained focussed on driving cost efficiencies across our global operations but also implemented a number of marketing initiatives to increase the sales of higher margin products in specialty films. As a result of these relentless efforts, consolidated profit after tax expanded more than three times to Rs. 96 Cr. Our U.S. operations have also improved from last year as a result of several strategic initiatives taken.

Strategic focus area for the company remains value added speciality films and we look forward to increase its share in future

Continued strong global demand for BOPP films is anticipated in the coming years and as a result have initiated a capacity expansion program to support it. A new BOPP film line will be installed increasing BOPP production capacity by approximately 40% from 136K MT to about 200K MT by the end of FY2017.

This next level of growth and leadership will not be possible without continued support from a strong R&D function. The team has taken several strides in product development over the years and won awards such as Indiarstar, IFCA STAR and PFFCA STAR. We are now focussed on taking Cosmo's specialty films portfolio to the next level. Other focus areas include identifying opportunities in down gauging products and in reducing the carbon footprint. To fully leverage the R&D team's capability, we are in the process of hiring more R&D heads and strengthen each vertical as also setting up a state of art R&D to complement their efforts.

As Cosmo Films become larger, its social and environmental footprint expand as well, a reminder of our responsibility & commitment towards the society we operate in. Corporate Social Responsibility (CSR) is the heart of our strategy. Cosmo Foundation has partnered with several Government Primary and Grant-in-aid Schools, Gram Panchayats, Block and District Panchayats and non-profit groups to teach Basic Computers skills, Arithmetic, English communication and general life skills to marginalized children and youth around the facilities of Cosmo Films in Karjan, Vadodara. Other initiatives such as hygiene, etiquettes, basic qualities ensure over all personality development. 3100 students were benefitted through these programs last year and since its inception we had a total of 15040 beneficiaries. Cosmo Foundation is also an active member of the District CSR Cell, Vadodara. It is heartening that we were conferred the "National Award for Excellence in CSR and Sustainability – Best Education Improvement Award 2015".

Our CSR initiatives are complemented by our efforts towards green environment and waste management. During the financial year, we not only fully replaced solvent based coatings with water based coatings, but also planted more than 300 trees across our three EMS complaint manufacturing plants. As a part of the 3R Philosophy (Reduce, Recycle and Reuse), wastage was reduced to a large extent. More than 90% of this waste is converted into granules to be reused as raw material in our manufacturing processes. In addition, we reduced consumption of paper core primarily by increasing the consumption of plastic core for in house purposes. We take pride in our contribution towards conserving energy & natural resources, and enabling reduction in greenhouse emissions.

In conclusion, I would like to reinforce that Cosmo Films' management team stays committed to the highest standards of corporate governance, operational excellence and financial discipline for long term shareholder value creation. I look forward to the many milestones that Cosmo Films aims to conquer in pursuit of its corporate mission.

**Ashok Jaipuria**  
Chairman and Managing Director

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# CORPORATE INFORMATION

## REGISTERED OFFICE

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Delhi – 110025  
Tel: +91 11 49 49 49 49  
Fax: +91 11 49 49 49 50  
Website: www.cosmofilms.com

## PLANTS

### MAHARASHTRA

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

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

Plant III  
AL-24/1, MIDC-SEZ  
Shendra Industrial Area  
Aurangabad 431 201  
Tel: +91 240 2622205, 2622301

### GUJARAT

Vermardi Road  
Village Navi Jithardi  
Near Inox  
Off: N H Road, Taluka Karjan  
Distt: Vadodara 391 240  
Tel: +91 2666 232960, 320707  
Fax: + 91 2666 232961

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

## USA

560, Maryland, Parkway, Hagerstown  
Maryland, USA 21740  
Tel: +1 302 328 7780  
Fax: +1 302 295 9945

## KOREA

811, Sineon-RI, Dogo-Myeon, Asan-SI,  
Choongnam, 336-914 South Korea  
Tel: +82-41-531-1830  
Fax: +82-41-531-1831

# SUBSIDIARIES

## ASIA PACIFIC

### Singapore

Cosmo Films Singapore Pte. Ltd  
10, Jalan Besar #10-12,  
Sim Lim Tower, Singapore 208787  
Tel: 65-6293 8089

### Korea

Cosmo Films Korea Limited  
811, Sineon-Ri, Dogo-Myeon, Asan-Si,  
Choongnam, 336-914 South Korea  
Tel: +82-41-531-1830  
Fax: 82-41-531-1831

### Japan

Cosmo Films Japan, GK  
Yamatane-Nai Tokyo-Danchisoko  
6-2-11, Iriya Adachi, Ku,  
Tokyo, 121-0836, Japan  
Tel: +81-3-5837-1805  
Fax: +81-3-5837-1807

### Mauritius

CF Global Holdings Limited,  
Regd. Office: 3rd Floor, DHL Building,  
Sir Virgil Naz Street, Port Louis, Mauritius

### Thailand

CF Investment Holding Private (Thailand)  
Company Limited  
100/208 Moo 3, Kamala  
Sub District, Kathu District,  
Phuket, Thailand

## EUROPE

### Netherlands

Cosmo Films (Netherlands)  
Cooperatief U.A.  
Regd. Office: Weena 327,3013AL  
Rotterdam, Netherlands  
Tel: +311 02064600  
Fax: +311 02064601

CF (Netherlands) Holding Ltd B.V.  
Regd. Office: Weena 327,3013AL  
Rotterdam, Netherlands  
Tel: +311 02064600  
Fax: +311 02064601

### USA

Cosmo Films Inc.  
775 Belden, Suite D  
Addison Illinois 60101  
Tel: +1 302 238 7780  
Fax: +1 302 295 9945

# SALES OFFICE

## INDIA

### Hyderabad

1405-B, 14<sup>th</sup> Floor, Babu Khan Estate,  
Basheerbagh, Hyderabad - 500001 India  
Phone: +91 40 23297620 / +91 40 23297621

### Mumbai

303, 3<sup>rd</sup> Floor, Gokul Arcade, A Wing,  
Nr. Garware House, Subhash Road,  
Vile Parle(E), Mumbai - 400 057 India  
Phone: +91 22 28261195 / +91 22 28261197 / +91  
22 28266395

### Chennai

Flat No.102, Block - A First Floor  
Door No.127, Panjali Amman Koil St.,  
Arumbakkam  
Chennai - 600 106 India  
Phone: +91 44 23637165

### Kolkata

7 C, Middleton Street  
2<sup>nd</sup> Floor, Kolkata - 700071 India  
Phone: +91 8100372785

### New Delhi

1008, DLF Tower -A, Jasola District Centre,  
New Delhi - 110 025 India  
Phone: + 91-11-49 49 49 49

## USA

### Illinois

Cosmo Films, Inc.  
775 West Belden Avenue, Suite D  
Addison - IL 60101  
Phone: +1 800 422 7655

## APAC

### China

Jim Chan  
Chaoan County, Chaozhou City,  
Guangdong Province, China  
Phone: +86-15218536185



# MANUFACTURING PLANT



Waluj, Maharashtra, India



Shendra, Maharashtra, India



Karjan, Gujarat, India



Asan, Korea



Hagerstown, USA

## AWARDS WINNING PICTURES



➤ National Award for Excellence in CSR & Sustainability -2015 in the category 'Education Improvement'



➤ Indiastar Award 2015 awarded by Indian Institute of Packaging for Direct Thermal Printable Film



## DIRECTORS' REPORT

Your Directors are pleased to present their 39<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2016.

### 1. Summary Financial Results

The Financial Results of the Company for the year ended March 31, 2016, were as follows:

(₹ in Cr)

Particulars	Standalone		Consolidated	
	Year Ended 31st March 2016	Year Ended 31st March 2015	Year Ended 31st March 2016	Year Ended 31st March 2015
<b>Net Sales</b>	<b>1,434.44</b>	<b>1,472.59</b>	<b>1,615.58</b>	<b>1,640.56</b>
Other Income	10.22	9.86	10.58	11.17
<b>Profit before Interest, Depreciation and Tax</b>	<b>201.46</b>	<b>126.13</b>	<b>196.84</b>	<b>109.31</b>
Finance Cost (including interest)	28.78	38.25	30.18	39.88
Depreciation	31.17	30.05	35.68	34.54
Exceptional Item	(6.36)	(9.20)	(6.94)	3.33
<b>Profit before Tax</b>	<b>135.15</b>	<b>48.63</b>	<b>124.04</b>	<b>38.22</b>
<b>Provision for Taxation</b>				
- Current Tax	4.84	(0.32)	4.85	3.90
- Deferred Tax	22.04	8.54	22.95	6.66
<b>Profit After Tax</b>	<b>108.27</b>	<b>40.41</b>	<b>96.24</b>	<b>27.66</b>
Extraordinary Item	-	-	-	-
Profit after Tax Including Extraordinary Item	108.27	40.41	96.24	27.66
Minority Interest	-	-	-	-
<b>Appropriations:</b>				
Dividend-Equity Shares	19.44	6.80	19.44	6.80
Dividend Tax	3.96	1.39	3.96	1.39
General Reserve	-	4.04	-	4.04

Note: Previous year figures have been restated wherever necessary

### 2. Overview of Performance

Total income from operations on a consolidated basis is Rs. 1,615.58 Cr as against Rs. 1,640.56 Cr in F.Y. 2015. Even though sales volumes (particularly overall specialty sales) grew, revenues declined as benefits from lower raw material prices were passed on to consumers. EBITDA on a consolidated basis is Rs. 196.84 Cr as against Rs. 110.31 Cr in F.Y. 2015, an increase of 78.4%. This includes benefits from a reduction in variable costs through several engineering initiatives. In particular, power cost and freight costs were optimised. Net Profit before Tax on a consolidated basis is Rs. 124.04 Cr as against Rs. 38.22 Cr in F.Y. 2015. Net Profit after Tax on a consolidated basis is Rs. 96.24 Cr as against Rs. 27.66 Cr in F.Y. 2015.

### 3. Exports

The Company continues to strengthen its exports through brand visibility initiatives taken during the year. Exports during the year were Rs. 612 Cr.

### 4. Share Capital

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2016, it stood at Rs. 19.44 Cr divided into 1,94,40,076 equity shares of Rs. 10/- each.

### 5. General Reserve

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

### 6. Dividend

During the year, the Board of Directors declared an Interim Dividend of Rs. 10/- per Equity share of Rs. 10/- each (100%) on March 14, 2016 which has been paid.

No final Dividend was recommended by the Board and the Interim Dividend declared be the Dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2016.

Therefore the Equity Dividend of Rs. 10/- per share



(Previous Year Rs. 3.50/- per share) has been paid as the Dividend for the Year.

## 7. Details of Subsidiaries

With effect from March 18, 2016, CF (Mauritius) Holding Ltd, Mauritius, a step down wholly owned subsidiary of CF Global Holdings Ltd, Mauritius (the wholly owned subsidiary of Cosmo Films Limited) has been amalgamated with its immediate holding Company. The amalgamation has no effect on shareholding pattern of Cosmo Films Limited.

Post the development, the Company has 8 wholly owned subsidiary companies. Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard-21 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, is enclosed as **Annexure - A** to this Annual Report.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Companies on its website at [www.cosmofilms.com](http://www.cosmofilms.com).

The subsidiaries of Cosmo Films Limited as on March 31, 2016 are listed hereunder:

- CF Global Holdings Limited
- Cosmo Films (Netherlands) Cooperatief U.A
- 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

## 8. Research and Development (R&D)

Your Company's best investment for future growth has been and remains in research and development. Over the years, a relentless focus on R&D has enabled Cosmo to design and market newer products and in doing so, to offer more value to customers.

### Expenditure on Research & Development

Particulars	31st March, 2016	31st March, 2015
A. Capital	0.31	0.47
B. Recurring	3.73	2.47
Total	4.04	2.94

The Company is focussing on specialty labels and high barrier films. Other focus area include:

- The identification of technical (product/applications) growth areas through customer activities, exhibitions, publications and technical interactions;
- Increasing the occupancy of value adds in the product baskets;
- Efforts towards down gauging in products;
- Reducing consumption of raw materials & fuel thereby reducing the carbon footprint.

## 9. Capital Expenditure

During the year under review, your Company incurred capital expenditure of Rs. 83.83 Cr as compared to Rs. 19.64 Cr for F.Y. 2015.

## 10. Corporate Governance

Cosmo is committed to maintaining the 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is included in the Annual Report in **Annexure - B**.

## 11. Internal Controls Systems and Their Adequacy

The Company has in place a strong system of internal controls, commensurate with the nature of its business and the size and complexity of its operations. These systems ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported quickly. The systems are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, plant facilities and key areas of business. Independence of the internal audit and compliance is ensured by direct reporting to the Audit Committee of the Board. This process is standardized and generate alerts for proper and timely compliance.

A CEO and CFO Certificate, forming part of the Corporate Governance Report, further confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## 12. 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 Risk Management Committee has been entrusted with the responsibility to assist the Board members about the risk assessment and its minimization procedures, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

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. 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.

Cosmo's Risk Policy has been uploaded on Company's website at [www.cosmofilms.com](http://www.cosmofilms.com).

## 13. 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.

## 14. 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.

## 15. Directors

### • Chairman

Mr. Ashok Jaipuria, is the Chairman & Managing Director of the Company.

### • Reappointment

Ms. Alpana Parida is Non-Independent and Non-Executive Director of the Company retires by rotation and being eligible offer herself for reappointment at the ensuing Annual General Meeting.

### • Status of Directors

Mr. Anil Kumar Jain is the Whole Time Director of the Company. Mr. Rajeev Gupta, Mr. H.K. Agrawal, Mr. Ashish Guha, Mr. Pratip Chaudhuri and Mr. H. N. Sinor are the Independent Directors of the Company.

### • 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## 16. Key Managerial Personnel

During the year under review, there was no change in KMP of the Company. The following personnel have been designated 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 of Corporate Affairs
3. Mr. Pankaj Poddar, Chief Executive Officer
4. Mr. Neeraj Jain, Chief Financial Officer
5. Ms. Jyoti Dixit, Company Secretary

## 17. 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, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him 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 [www.cosmofilms.com](http://www.cosmofilms.com).

## 18. 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 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 [www.cosmofilms.com](http://www.cosmofilms.com).

Disclosure of details of payment of remuneration to Managerial Personnel under Schedule V Part II, Section II (A) of Companies Act, 2013, forms part of this Corporate Governance Report

## 19. Performance Evaluation of the Board

In terms of the provisions of Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors on recommendation of the HR, Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the year.

## 20. Board Meetings

The Company prepares a calendar and circulates to all the directors in advance. During F.Y. 2016, Seven (7) 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.

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.

## 21. Auditors

### Statutory Auditors

M/s. Walker, Chandiook & Co. LLP Chartered Accountants were appointed as Statutory Auditors of the Company in the 38th AGM (held on 6th August, 2015) to hold office for a period of 5 years until the conclusion of the 43rd Annual General Meeting, subject to ratification by members at every AGM.

The Statutory Auditors seek ratification of their appointment for the Financial Year 2016-17 at the ensuing Annual General Meeting.

The Company has received a letter from Walker, Chandiook & Co. LLP, Chartered Accountants, expressing their willingness for their appointment to be ratified as statutory auditors of the Company and further confirmed that their ratification, if made, will be in compliance with provisions of Section 141(3)(g) of the Companies Act, 2013. The Audit Committee of at its Meeting has recommended their ratification for the F.Y. 2016-17.

### Cost Auditors

Messrs Jayant B. Galande, Cost Accountants were appointed as Cost Auditors of the Company for the Financial Year F.Y. 2016. 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.

### Secretarial Auditor

The Company has appointed M/s. DMK Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2016. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of the applicable corporate laws. The Secretarial Audit Report, annexed as **Annexure - C** to this report, does not contain any qualifications, reservation or adverse remarks.

## 22. 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 Act, 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-18 are set out in Note 29 to the standalone financial statements forming part of this Annual Report.

No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

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 foreseen 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 ([www.cosmofilms.com](http://www.cosmofilms.com)).

### **23. 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.

### **24. 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.

### **25. 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.

### **26. 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.

### **27. 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.

### **28. Change in Nature of Business, if any**

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

### **29. Material Changes and Commitments, if any, Affecting Financial Position of the Company**

There were no material changes / commitments affecting the financial position of the Company or that may require disclosure, between March 31, 2016 and the date of Board's Report.

### **30. Listing with Stock Exchanges**

The Company confirms that it has paid the Annual Listing Fees for the year F.Y. 2017 to the NSE and the BSE where the Company's equity shares are listed.

### **31. Extract of the 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, an extract of annual return in form MGT 9 is enclosed as **Annexure -E** to this Annual Report.

### **32. Corporate Social Responsibility**

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 - F** to this Report.

### **33. Promotion of Women's Well Being at Work Place**

Cosmo Films 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. There have been no complaints of sexual harassment received during the year.

### **34. 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) Amendment Rules, 2016 is also enclosed as **Annexure - G (i)** to this Report.

Particulars of the Employees pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is enclosed as **Annexure - G** (ii) to this Report.

### 35. Employee Stock Options

The Shareholders approved the issuance of Employee Stock Options to the Employees of the Company and its Subsidiaries under the "Cosmo Films Employee Stock Option Plan, 2015" in the previously concluded Postal Ballot on 11th January, 2016.

The 2015 Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations 2014 and shall be 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.

The purpose of 2015 Plan is:

- (a) To factor in employee's performance's annual performance; and
- (b) To encourage employee's retention for longer period.

The details of the Employee Stock Options Plan form part of the Notes to accounts of the Financial Statements in this Annual Report and also available on our website i.e. [www.cosmofilms.com](http://www.cosmofilms.com)

### 36. 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<sup>st</sup> March, 2016 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.

### 37. Awards & Recognition

During the year, the Company received Indiastar Award 2015 awarded by Indian Institute of Packaging for Direct Thermal Printable Film.

### 38. 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**

**Ashok Jaipuria**  
Chairman

**Date : July 13, 2016**  
**Place: New Delhi**

**Annexure A**

The Financial Performance of each of the Subsidiary Companies included in the Consolidated Financial Statements are detailed below:  
 (₹ in Crores)

Sl. No.	Name of the Subsidiary	Turnover			Profit /Loss Before Tax			Profit /Loss After Tax		
		Current Period	Previous Period	Growth (%)	Current Period	Previous Period	Growth (%)	Current Period	Previous Period	Growth (%)
	<b>Foreign Subsidiaries</b>									
1	CF Global Holding Limited	-	-	-	(0.11)	(0.21)	48%	(0.11)	(0.21)	48%
2	CF (Mauritius) Holding Ltd.	-	-	-	-	(0.02)	100%	-	(0.02)	100%
3	Cosmo Films (Netherlands) Cooperatief U.A	-	-	-	(0.25)	-	-	(0.25)	-	-
4	CF (Netherlands) Holding Limited B.V.	-	-	-	(0.13)	13.96	101%	(0.13)	13.96	101%
5	Cosmo Films Inc.	165.87	168.21	(1)%	(17.10)	(31.33)	45%	(17.10)	(31.33)	45%
6	Cosmo Films Korea Limited	46.91	89.03	(47)%	(4.14)	8.32	(150)%	(3.98)	7.60	(152)%
7	Cosmo Films Singapore PTE Ltd.	-	-	-	(0.04)	(0.08)	(50)%	(0.04)	(0.08)	(50)%
8	Cosmo Films Japan, GK	47.16	57.55	(18)%	2.50	4.30	(42)%	1.42	2.68	(47)%
9	CF Investment Holding Private (Thailand) Company Limited	-	-	-	(0.00)	(0.02)	(94)%	(0.00)	(0.02)	(100)%



**Annexure B**

**Compliance Certificate**

To  
The Members  
M/s Cosmo Films Limited  
Corporate Identity No.: L92114DL1976PLC008355  
1008, DLF Tower-A,  
Jasola District Centre,  
Delhi-110025

We have examined the compliance of conditions of Corporate Governance by **Cosmo Films Limited**, for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1 April, 2015 to 30 November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December, 2015 to 31 March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

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

**For VS ASSOCIATES  
(Company Secretary)**

**Date: 25-06-2016  
Place: Delhi**

**Vijay Kumar Sharma**  
Membership No. FCS 6379  
CP No. 6959

**Annexure C**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2016**

*[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,

**M/s COSMO FILMS LIMITED  
CIN: L92114DL1976PLC008355  
1008, DLF Tower-A  
Jasola District Centre  
New Delhi 110025**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **COSMO FILMS Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us 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 March 31, 2016 (Audit Period) 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 along with Annexure 1 attached to this report:-

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 March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (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 thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings (ECB); **(No FDI and ODI was taken by the company during the Audit Period)**
- (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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - 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)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

**(vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT**

- i. The Factories Act, 1948 and rules made thereunder,
- ii. The Payment of Wages Act, 1936 and rules made thereunder,
- iii. Minimum Wages Act, 1948 and the rules made thereunder,
- iv. Employees' State Insurance Act, 1948 and rules made thereunder,
- v. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,
- vi. Payment of Bonus Act, 1965 and rules made thereunder,
- vii. The Payment of Gratuity Act, 1972 and rules made thereunder,
- viii. The Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder,
- ix. The Apprentice Act, 1961
- x. The Industrial Dispute Act, 1947 and rules made thereunder,
- xi. The Equal Remuneration Act, 1976 and rules made thereunder,
- xii. Trade Union Act, 1926 and rules made thereunder,
- xiii. The Employees Compensation Act, 1923 and rules made thereunder,
- xiv. Maternity Benefit Act, 1961 and rules made thereunder,
- xv. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,
- xvi. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
- xvii. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003,
- xviii. Environment Protection Act, 1986
- xix. Legal Metrology Act, 2009,
- xx. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder,
- xxi. Personal Injuries (Compensation Insurance) Act,
- xxii. Fatal Accident Act, 1855
- xxiii. Custom Act, 1962
- xxiv. Petroleum Act, 1934 & rules framed thereunder,
- xxv. Industrial Employment (Standing Orders) 1946,
- xxvi. Maharashtra Mathadi Hammad & other Manual Workers (Regulation of employment & welfare) Act 1969.
- xxvii. Maharashtra Industrial Establishment (National, Festival, Casual and Sick Leave) Rules, 1968,
- xxviii. Maharashtra Recognition of Trade Union & Prevention of Unfair Labour Practice Act, 1971,
- xxix. The Maharashtra Labour Welfare Fund, 1953 and rules,
- xxx. Income Tax Act, 1961 and Indirect Tax Laws,

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited & BSE Limited
- (iii) Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. as mentioned above:

Based on the information received and records maintained, we further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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. During the audit period, one Board Meeting was held at shorter notice in compliance with the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by Mr. Pankaj Poddar, CEO and Mr. Neeraj Jain, CFO of the Company and taken on record by the Board of Directors at their meeting (s), we further report that;

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 the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

**For DMK ASSOCIATES  
COMPANY SECRETARIES**

**(MONIKA KOHLI)  
FCS, LL.B.  
PARTNER**

FCS 5480  
C P 4936

Date :13.07.2016  
Place: New Delhi

To,

The Members,  
**M/s COSMO FILMS LIMITED**  
**CIN: L92114DL1976PLC008355**  
**1008, DLF Tower-A**  
**Jasola District Centre**  
**New Delhi 110025**

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2016 of even date is to be read with along with this letter**

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.
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. We believe that the processes and practices, we followed provide a reasonable basis 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 is the responsibility of the management. Our examination was limited to the verification of the 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.

**For DMK ASSOCIATES**  
**COMPANY SECRETARIES**

**(MONIKA KOHLI)**  
**FCS, LL.B.**  
**PARTNER**

FCS 5480  
C P 4936

Date : 13.07.2016  
Place: New Delhi

## 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 (ACCOUNT) 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) Complete centralization of chilling system with state of the art technology chilling system.
- ii) Waste heat recovery from process exhaust.
- iii) Energy efficient illumination and use of natural light.
- iv) Installation of centralized heating system with coal as a fuel.
- v) Installed APFC to improve power factor
- vi) Installed FCUs in place of conventional air conditioning system.
- vii) Automated load management system to improve power factor with reduced contract demand

##### (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) Capital investment on energy conservation equipments during the year: Rs. 120 Lakhs

#### 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.

##### (ii) The benefits derived like product improvement, cost reduction, product development, import substitution 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

Rs. Crores.(approx)

(a) Capital	0.31
(b) Recurring	3.73
(c) Total	4.04
(d) Total R & D expenditure as percentage of net sales	0.28

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were Rs. 612 Crores (Previous Year Rs.693 Crores).The total foreign exchange utilized during the year amounted to Rs. 249.21 Crores (Previous Year Rs. 266.93 Crores). Details of foreign Exchange earned and utilized during the year are given in Notes to Accounts.

**Annexure - E**

**FORM NO. MGT.9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2016**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

CIN	<b>L92114DL1976PLC008355</b>
Registration Date	<b>07/10/1976</b>
Name of the Company	<b>Cosmo Films Limited</b>
Category / Sub-Category of the Company	<b>Company having Share Capital</b>
Address of the Registered office and contact details	<b>1008, DLF Tower A, Jasola Distt. Centre, New Delhi-110025, Ph: 011- 49494949</b>
Whether listed company	<b>Yes</b>
Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Alankit Assignments Limited, 1E/13, Alankit Heights Jhandewalan Extn. New Delhi- 110055 Ph: 011- 42541953</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Semi Finished Products of Plastics (i.e. Films)	3131	100

**III. PARTICULARS OF SUBSIDIARY COMPANIES-**

S. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Cosmo Films Singapore Pte Ltd 10, Jalan Besar # 10-12, Sim Lim Tower, Singapore 208787 Tel: 65-6293 8089	200910018H	Subsidiary Company	100%	2(87)
2.	Cosmo Films Korea Limited 811, Sineon-Ri, Dogo-Myeon, Asan-Si, Choongnam, 336-914 South Korea	164811- 0056354	Subsidiary Company	100%	2(87)
3.	Cosmo Films Japan, GK Yamatane -Nai, Tokyo-Danchisoko, 6-2-11 , Iriya Adachi,-Ku, Tokyo, 121-0836, Japan	0100-03-015252	Subsidiary Company	100%	2(87)



S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4.	CF Global Holdings Limited, Regd. Office : 3rd floor, DHL Building, Sir Virgil Naz Street , Port Louis, Mauritius	C209015076	Subsidiary Company	100%	2(87)
5.	Cosmo Films (Netherlands) Cooperatief U.A Regd. Office: Kabelweg 37, 1014BA, Amsterdam, Netherlands	34337870	Subsidiary Company	100%	2(87)
6.	CF (Netherlands) Holdings Limited B.V. Regd. Office: Kabelweg 37,1014BA, Amsterdam, Netherlands	34341583	Subsidiary Company	100%	2(87)
7.	Cosmo Films Inc. 560, Maryland, Parkway, Hagerstown Maryland, USA 21740	26-1520669	Subsidiary Company	100%	2(87)
8.	CF Investment Holding Private (Thailand) Company Limited 100/208 Moo 3, Kamala Sub District, Kathu District, Phuket, Thailand	0835556006647	Subsidiary Company	100%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
Individuals/ Hindu Undivided Family	1138881	0	1138881	5.86	1138881	0	1138881	5.86	0.00
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Bodies Corporate	7189558	NIL	7189558	36.98	7319558	NIL	7319558	37.65	0.67
Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
<b>Sub Total(A)(1)</b>	<b>8328439</b>	<b>NIL</b>	<b>8328439</b>	<b>42.84</b>	<b>8458439</b>	<b>NIL</b>	<b>8458439</b>	<b>43.51</b>	<b>0.67</b>
<b>2) Foreign</b>									
Individuals (Non-Residents Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
<b>Sub Total(A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>8328439</b>	<b>NIL</b>	<b>8328439</b>	<b>42.84</b>	<b>8458439</b>	<b>NIL</b>	<b>8458439</b>	<b>43.51</b>	<b>0.67</b>
<b>B. Public shareholding</b>									

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>1) Institutions</b>									
Mutual Funds/ UTI	164481	725	165206	0.85	1655	725	2380	0.01	(0.84)
Financial Institutions / Banks	17925	4200	22125	0.11	10749	4340	15089	0.08	(0.03)
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Institutional Investors	0	4200	4200	0.02	394671	4200	398871	2.05	2.03
Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
<b>Sub-Total (B)(1)</b>	<b>182406</b>	<b>9125</b>	<b>191531</b>	<b>0.99</b>	<b>407075</b>	<b>9265</b>	<b>416340</b>	<b>2.14</b>	<b>1.15</b>
<b>2) Non-institutions</b>									
Bodies Corporate	1325523	14561	1340084	6.89	1681620	14421	1696041	8.72	1.83
Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5326418	608211	5934629	30.53	4945913	590157	5536070	28.48	(2.05)
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2328909	-	2328909	11.98	2940244	0	2940244	15.12	3.14
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0
Any Other (NBFCs )	NIL	NIL	NIL	NIL	29700	0	29700	0.15	0.15
Non Resident Indian	1285219	25040	1310259	6.74	329207	24410	353617	1.82	(4.92)
Trust	6225	0	6225	0.03	9625	0	9625	0.05	0.02
<b>Sub-Total (B)(2)</b>	<b>10272294</b>	<b>647812</b>	<b>10920106</b>	<b>56.17</b>	<b>9936309</b>	<b>628988</b>	<b>10565297</b>	<b>54.35</b>	<b>(1.82)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>10454700</b>	<b>656937</b>	<b>11111637</b>	<b>57.16</b>	<b>10343384</b>	<b>638253</b>	<b>10981637</b>	<b>56.49</b>	<b>(0.68)</b>
<b>TOTAL (A)+(B)</b>	<b>18783139</b>	<b>656937</b>	<b>19440076</b>	<b>100</b>	<b>18801823</b>	<b>638253</b>	<b>19440076</b>	<b>100</b>	<b>0.00</b>
<b>C. Shares held by Custodians and against which Depository Receipts have been issued</b>									
Promoter and Promoter Group	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
<b>Sub-Total (C )</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>18783139</b>	<b>656937</b>	<b>19440076</b>	<b>100.00</b>	<b>18801823</b>	<b>638253</b>	<b>19440076</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Aanchal Jaipuria	91720	0.47	NIL	91720	0.47	NIL	NIL
2	Abha Jaipuria	24200	0.12	NIL	24200	0.12	NIL	NIL
3	Ambrish Jaipuria	552800	2.84	NIL	552800	2.84	NIL	NIL
4	Ashok Jaipuria	470161	2.42	NIL	470161	2.42	NIL	NIL
5	Andheri Properties . & Finance Ltd	622	0.00	NIL	622	0.00	NIL	NIL
6	Hanuman Textile MFG & Inv. Company Ltd.	336280	1.73	NIL	1280	0.01	NIL	(1.72)
7	Parvasi Enterprises Ltd. (C/o Gayatri & Annapurna)	2024004	10.41	NIL	2919004	15.02	NIL	4.61
8	Parvasi Enterprises Ltd.	871100	4.48	NIL	131100	0.67	NIL	(3.81)
9	Sunrise Manufacturing Company Ltd. (C/o Gayatri & Annapurna)	3394872	17.46	NIL	4264872	21.94	NIL	4.48
10	Sunrise Manufacturing Company Ltd.	562680	2.90	NIL	2680	0.01	NIL	(2.89)

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.	Name of Share holder shares of the Company	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares the Company	% of total shares of
1	Hanuman Textile MFG & Inv. Company Ltd.	336280	1.73	01/04/2015 22/04/2015 31/03/2016	(335000)	Sale	336280 1280 1280	1.73 0.01 0.01
2	Pravasi Enterprises Ltd. (C/o Gayatri & Annapurna)	2024004	10.41	01/04/2015 22/04/2015 30/04/2015 31/03/2016	335000 560000	Purchase Purchase	2024004 2359004 2919004 2919004	10.41 12.13 15.02 15.02
3	Sunrise Manufacturing Company Ltd. (C/o Gayatri & Annapurna)	3394872	17.46	01/04/2015 11/05/2015 31/03/2016	870000	Purchase	3394872 4264872 4264872	17.46 21.94 21.94
4	Sunrise Manufacturing Company Ltd.	562680	2.90	01/04/2015 30/04/2015 31/03/2016	(560000)	Sale	562680 2680 2680	2.90 0.01 0.01
5	Pravasi Enterprises Ltd.	871100	4.48	01/04/2015 11/05/2015 19/08/2015 20/08/2015 21/08/2015 24/08/2015 01/09/2015 31/03/2016	(870000) 20000 20000 20000 33981 36019	Sale Purchase Purchase Purchase Purchase Purchase	871100 1100 21100 41100 61100 95081 131100 131100	4.48 0.01 0.11 0.21 0.31 0.49 0.67 0.67

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of Share holder of the Company	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year					
		No. of shares	% of total shares of the Company				No. of shares the Company	% of total shares of				
1	Anil Kumar Goel	608000	3.13	01/04/2015	0		608000	3.13				
				15/05/2015	2000	Purchase	610000	3.14				
				05/06/2015	23000	Purchase	633000	3.26				
				17/07/2015	(197000)	Sale	436000	2.24				
				07/08/2015	189000	Purchase	625000	3.22				
				28/08/2015	10000	Purchase	635000	3.27				
				09/10/2015	12304	Purchase	647304	3.33				
				31/12/2015	(2304)	Sale	645000	3.32				
				19/02/2016	9000	Purchase	654000	3.36				
				04/03/2016	2000	Purchase	656000	3.37				
				18/03/2016	1000	Purchase	657000	3.38				
				25/03/2016	8000	Purchase	665000	3.42				
				31/03/2016	0		665000	3.42				
				2	Sohan Lal Bagree			01/04/2015				0.00
								05/02/2016		Purchase	112160	0.58
12/02/2016	80840	Purchase	193000					0.99				
31/03/2016			193000					0.99				
3	Keswani Haresh	664341	3.42	01/04/2015			664341	3.42				
				21/08/2015	(14839)	Sale	649502	3.34				
				23/10/2015	(8000)	Sale	641502	3.30				
				30/10/2015	(10000)	Sale	631502	3.25				
				06/11/2015	(27283)	Sale	604219	3.11				
				13/11/2015	(66453)	Sale	537766	2.77				
				20/11/2015	(27000)	Sale	510766	2.63				
				27/11/2015	(4500)	Sale	506266	2.60				
				08/01/2016	(43000)	Sale	463266	2.38				
				15/01/2016	(57769)	Sale	405497	2.09				
				11/03/2016	(53328)	Sale	352169	1.81				
				18/03/2016	(170169)	Sale	182000	0.94				
				31/03/2016	(8136)	Sale	173864	0.89				
4	Goldman Sachs (Singapore) Pte			01/04/2015				0.00				
				26/12/2015		Purchase	68448	0.35				
				04/03/2016	23607	Purchase	92055	0.47				
				11/3/2016	12502	Purchase	104557	0.54				
				18/03/2016	45420	Purchase	149977	0.77				
31/03/2016			149977	0.77								
5	Dolly Khanna		0.00	01/04/2015				0.00				
				20/11/2015		Purchase	82402	0.42				
				27/11/2015	11250	Purchase	93652	0.48				
				04/12/2016	2000	Purchase	95652	0.49				
				11/12/2015	1150	Purchase	96802	0.50				
				18/12/2015	16299	Purchase	113101	0.58				
				25/12/2015	1	Purchase	113102	0.58				
				08/01/2016	1000	Purchase	114102	0.59				
				15/01/2016	2000	Purchase	116102	0.60				
				22/01/2016	3050	Purchase	119152	0.61				
				29/01/2016	5048	Purchase	124200	0.64				
				05/02/2016	14925	Purchase	139125	0.72				
				19/02/2016	1000	Purchase	140125	0.72				
				26/02/2016	2000	Purchase	142125	0.73				
				18/03/2016	1000	Purchase	143125	0.74				
				22/03/2016	2068	Purchase	145193	0.75				
				31/03/2016	0		145193	0.75				
				6	Mentor Capital Limited			01/04/2015				0.00
31/12/2015		Purchase	119250					0.61				



Sl. No.	Name of Share holder shares of the Company	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares the Company	% of total shares of
				08/01/2016	(10000)	Sale	109250	0.56
				15/01/2016	13000	Purchase	122250	0.63
				29/01/2016	(7950)	Sale	114300	0.59
				31/03/2016	0		114300	0.59
7	Angel Fincap Private Limited			01/04/2015				0.00
				15/01/2016		Purchase	75501	0.39
				22/01/2016	27670	Purchase	103171	0.53
				29/01/2016	(7150)	Sale	96021	0.49
				05/02/2016	1690	Purchase	97711	0.50
				12/02/2016	12827	Purchase	110538	0.57
				19/02/2016	(24437)	Sale	86101	0.44
				26/02/2016	24379	Purchase	110480	0.57
				04/03/2016	(408)	Sale	110072	0.57
				11/03/2016	1842	Purchase	111914	0.58
				18/03/2016	(644)	Sale	111270	0.57
				25/03/2016	(370)	Sale	110900	0.57
				31/03/2016	(99)	Sale	110801	0.57
8	Seema Goel	120000	0.62	01/04/2015			120000	0.62
				08/01/2016	(10000)	Sale	110000	0.57
				15/01/2016	(11085)	Sale	98915	0.51
				05/02/2016	(4915)	Sale	94000	0.48
9	Tiff Investment Program Tiff Multi Asset Fund	NIL	NIL	01/04/2015				NIL
				11/03/2016		Purchase	58190	0.30
				18/03/2016	31747	Purchase	89937	0.46
				31/03/2016	0		89937	0.46
10	Narippen Obhrai	84423	0.43	01/04/2015			84423	0.43
				31/03/2016			84423	0.43

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	<b>Mr. Ashok Jaipuria</b>							
	At the beginning of the year	470161	2.42				470161	2.42
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	470161	2.42	-	-	-	470161	2.42

SI No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2	<b>Mr. Anil Kumar Jain</b> At the beginning of the year	20	0.00	25.02.2016 26-02-2016	5000	Purchase	20	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year	5020	0.02				5020	0.02
3	<b>Mr. H. K. Agrawal</b> At the beginning of the year	1000	0.00				1000	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year	-	-				-	-
4	<b>Mr. Rajeev Gupta</b> At the beginning of the year	10100	0.05				10100	0.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year	-	-				-	-
5	<b>Mr. H. N. Sinor</b> At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year	-	-				-	-
6	<b>Ms. Alpana Parida</b> At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year	-	-				-	-

SI No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7	<b>Mr. Ashish Guha</b>							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	25.08.2015	10000	Purchase	10000	0.05
	At the End of the year	10000	0.05	-	-	-	10000	0.05
8	<b>Mr. Pratip Chaudhuri</b>							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
9	<b>Mr. Pankaj Poddar</b>							
	At the beginning of the year	1	0.00				1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	26.10.2015 27.10.2015 30.03.2016	4648 100	Purchase Gift	4648 100	0.02 0.00
	At the End of the year	4749	0.02				4749	0.020
10	<b>Mr. Neeraj Jain</b>							
	At the beginning of the year	1	0.00				1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1	0.00	-	-	-	1	0.00
11	<b>Ms. Jyoti Dixit</b>							
	At the beginning of the year	1	0.00				1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1	0.00	-	-	-	1	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Cr.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	467.47	-	-	467.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.57	-	-	4.57
<b>Total (i+ii+iii)</b>	<b>472.04</b>	<b>-</b>	<b>-</b>	<b>472.04</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	55.72	-	-	55.72
• Reduction	(132.79)	-	-	(132.79)
<b>Net Change</b>	<b>(77.07)</b>	<b>-</b>	<b>-</b>	<b>(77.07)</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	398.25	-	-	398.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.64	-	-	2.64
<b>Total (i+ii+iii)</b>	<b>400.89</b>	<b>-</b>	<b>-</b>	<b>400.89</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Cr.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		CMD	WTD	
		Mr. Ashok Jaipuria	Mr. Anil Kumar Jain	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.74	0.89	1.5463
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.34	0.05	0.39
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-			
	- as % of profit	5.36	-	5.36
	- others, specify...	-	-	-
5.	Others, please specify	0.75	0.06	0.81
	<b>Total (A)</b>	<b>7.19</b>	<b>1.00</b>	<b>8.20</b>
	<b>Ceiling as per the Act</b>	Rs. 14.21 Cr. (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		



**B. Remuneration to other directors:**
**(1) Independent Directors**

(Rs. in lakhs)

Name of Director	Fee for attending Board / Committee meetings	Commission	Others	Total
Mr. H. K. Agrawal	4.75	-	-	4.75
Mr. Suresh Rajpal	1.00	-	-	1.00
Mr. Pratip Chaudhuri	6.50	-	-	6.50
Mr. Ashish Guha	6.50	-	-	6.50
Mr. H. N. Sinor	3.25	-	-	3.25
Mr. Rajeev Gupta	3.75	-	-	3.75
<b>Total (1)</b>				<b>25.75</b>
<b>(2) Non Executive Directors</b>				
Ms. Alpana Parida	2.25	-	-	2.25
<b>Total (2)</b>				<b>2.25</b>
<b>Total (B)= (1) + (2)</b>				<b>28.00</b>
<b>Ceiling as per the Act</b>	Rs. 142 Lacs being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.			

\*The above mentioned Directors only receive Sitting Fees and have no other pecuniary relationship with the Company.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CFO	CS
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	196.86	58.28	10.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961(c)	0.40	0.59	0.68
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	8.09	3.85	1.16
	<b>Total*</b>	<b>205.35</b>	<b>62.72</b>	<b>12.54</b>

\*Figures have been rounded off.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under Companies Act, 2013)**

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

### Annexure - F

#### 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. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

Weblink for CSR Policy: [http://www.cosmofilms.com/sites/default/files/policy/CSR\\_Policy.pdf](http://www.cosmofilms.com/sites/default/files/policy/CSR_Policy.pdf)

**2. The Composition of the CSR Committee:**

Mr. Ashok Jaipuria	Chairman
Mr. H.N. Sinor	Member
Ms. Alpana Parida	Member

**3. Average net profit of the company for last three financial years: INR 25.43 Cr.**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) INR 0.51 Cr.**

**5. Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year – INR 0.55 Cr.

(b) Amount unspent, if any : Nil

**(c) Manner in which the amount spent during the Financial Year is detailed below.**

(Rs. in crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>S. No.</b>	<b>CSR project or activity identified</b>	<b>Sector in which the Project is covered</b>	<b>Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken</b>	<b>Amount outlay (budget) project or program wise</b>	<b>Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads</b>	<b>Cumulative expenditure upto to the reporting period</b>	<b>Amount spent : Direct or through implementing agency*</b>
1.	Promoting Education through basic Computer Literacy, Cosmo Gyan Vihar Kendra (a program to improve reading, writing arithmetic skills among Primary School Students) and basic English Learning.	Education	Karjan district, Gujarat	0.53	0.51	0.51	Through implementing Agency
2.	Promoting and disseminating Urdu literature, especially Urdu Poetry	Art and Culture	Delhi	0.02	0.02	0.02	Direct
<b>TOTAL</b>				<b>0.55</b>	<b>0.53</b>	<b>0.53</b>	

\* Name of implementing agency is **Cosmo Foundation** which is a registered trust under section 12AA of Income Tax Act, 1961.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

**Not Applicable**

**7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

Sd/-  
(Chairman & Managing Director )

Sd/-  
Chairman  
(CSR Committee)

**Annexure - G(i)**

**(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) AMMENDMENT 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.**

<b>Name of the Director</b>	<b>Ratio</b>
1. Mr. Ashok Jaipuria	<b>146.70</b>
2. Mr. Anil Kumar Jain	<b>20.50</b>
Note: For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	

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

<b>Name</b>	<b>Designation</b>	<b>% increase</b>
Mr. Ashok Jaipuria	Chairman & Managing Director	155%*
Mr. Anil Kumar Jain	Whole Time Director	Nil
Mr. Pankaj Poddar	Chief Executive Officer	114%
Mr. Neeraj Jain	Chief Financial Officer	13%
Ms. Jyoti Dixit	Company Secretary	48%

3. **Percentage increase in the median remuneration of all employees in the Financial Year 2015-16: 9.4%.**
4. **Number of Permanent employees on the rolls of Company as on 31st March, 2016: 725**
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 and for Managerial Personnel is 9% and 110% respectively. The increase in remuneration of managerial personnel is due to increase in profit linked variable component.

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 Personnels and Senior Management is as per the Remuneration Policy of the Company

**General Note :**

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

**Annexure- G (ii)**

**Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:**

**Names of the top ten employees of the Company in terms of remuneration drawn and the name of employees who were employed throughout the Financial Year 2015-16 and were paid remuneration not less than 1 Crore 2 lakhs Rupees per annum/8 lakhs 50 thousand per month:**

Sl. No.	Employee Name	Age	Qualification	Designation/ Nature of Duties	Date of Employment	Remuneration Received	Experience (in years)	Last Employment	Designation
1.	Mr. Ashok Jaipuria	62	Degree in Associate of Arts in Business Admin & Diploma in Marketing Science	Chairman & Managing Director	02.04.1980	7,19,30,638	46	-	-
2.	Mr. Pankaj Poddar	38	B.Com, CA, PGDBM	Chief Executive Officer	02.07.2011	2,05,35,384	19	Avon Beauty Products	Director Finance
3.	Mr. Anil Kumar Jain	65	B. Com (Hons.) AICWA, CISA	Director - Corporate Affairs	01.09.2008	1,00,40,052	46	Mawana Sugar Mills	Senior- VP
4.	Mr. Satish Subramanian	45	BCS (Computer Science) & MBA	Vice President	24.11.2014	78,39,528	21	Avery Dennison	Country General Manager
5.	Mr. Sanjay Chincholikar	50	B.Com, Diploma in Mechanical Engineering, MBA in Marketing	Vice President	10.05.1987	67,96,790	32	Lupin Laboratories Ltd	Mechanical Engineer
6.	Mr. Neeraj Jain	39	B.Com, CA, CISA	Chief Financial Officer	19.03.2013	62,72,471	17	Havells India Ltd	Deputy Vice President Finance
7.	Mr. Kapil Anand	45	B.E in Chemical Engineering, MBA in Marketing Management	General Manager	10.01.2015	60,07,512	19	Ester Industries	Head of Sales and Marketing
8.	Mr. Shailesh Verma	50	BSc, PGDP International Trade	General Manager	16.03.2010	55,41,888	32	Jindal Polyfilms	Associate Vice President
9.	Mr. Rajesh Kumar Gupta	53	B.Com, FCA	General Manager	01.03.1995	54,099,83	34	Auto Knight Pvt. Ltd.	Deputy General Manager
10.	Mr. Awadhesh Pathak	55	B.Sc, B. Tech Chemical	Vice President	13.07.1996	45,95,623	34	Filaments India Ltd	Works Manager



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. About Us

Cosmo Films Limited ('Cosmo' or the 'Company') was incorporated in 1981 and is one of the largest manufacturers of Biaxially Oriented Polypropylene (BOPP) Films in the world. The Company is the leading BOPP films exporter from India and the world's largest manufacturer of thermal lamination films.

Cosmo has the widest product portfolio under one roof which comprises of the following:

❖ <b>Packaging Films</b>	<ol style="list-style-type: none"> <li>1. Print &amp; Pouching Films</li> <li>2. Barrier Films</li> <li>3. Overwrap Films</li> </ol>
❖ <b>Lamination Films</b>	<ol style="list-style-type: none"> <li>1. Dry (Thermal) Lamination Films</li> <li>2. Wet (Print) Lamination Films</li> </ol>
❖ <b>Label Films</b>	<ol style="list-style-type: none"> <li>1. Pressure Sensitive Label Stock Films</li> <li>2. Direct Thermal Printable Films</li> <li>3. In-mould Films</li> <li>4. Wrap around Label Films</li> </ol>
❖ <b>Industrial Films</b>	<ol style="list-style-type: none"> <li>1. Synthetic Paper</li> <li>2. Tape &amp; Textile Films</li> </ol>

Cosmo Packaging Films are engineered to enhance print quality and shelf life of the products; Lamination Films are engineered to enhance longevity and aesthetics of printed materials and Label films enhance the information legibility and brand presentation.

Cosmo has five state-of-the-art manufacturing facilities spread across India (3), US (1) and Korea (1). Cosmo has a manufacturing capacity of 136,000 MT per annum of BOPP films, 40,000 MT per annum of Thermal Lamination Films, 15,000 MT per annum of Metalized Films and 10,000 MT per annum of Coated Films.

Cosmo had announced plans to set up a new 10.4 meters wide BOPP line. The new line is the most advanced line in the market in terms of width, production volume, power consumption, efficiency and automation. The new will be commissioned in early 2017 and will increase Cosmo's BOPP film capacity to about 200,000 MT per annum. Cosmo will also be investing in a new Metalizer which will enhance the Metalized Films capacity to 22,000 MT per annum.

Cosmo has a wide distribution network both in India and overseas. Cosmo's international network includes two distribution subsidiaries in USA and Japan and global channel partners in more than fifty countries.

Cosmo has large market share in the Indian market and is the largest exporter of BOPP films from India. Cosmo exports to more than 80 countries worldwide. The Company's customer base includes leading global flexible packaging and label face stock manufacturers.

Governance, values and ethics are tested at every stage at Cosmo with customer centricity and employee growth are its focus areas. Cosmo strives to meet and exceed the expectations of its stakeholders and values the relationship with them the most.

Cosmo is conscious of its social responsibility and endeavors to be a responsible corporate citizen on a sustained basis.

### 2. Industry Scenario

2015 was yet another strong year for the global packaging industry across the food, drink, beauty and home care industries. The food industry remains the largest end-user for packaging and a key driving force behind total packaging growth. The highest growth rates were recorded in China, India, Indonesia and the US.

The Indian packaging industry has grown at a CAGR of approximately 16% in the last five years. A number of factors have contributed to the growth of the Indian packaging industry such as growth of Retail Industry; growth of Pharmaceuticals and growing demand for Smaller Pack Sizes etc. The per capita packaging consumption in India is low at 4.3 kgs, compared to 42 kgs in developed economies. Thus there is a huge potential for the industry to grow in India.

In the coming years, the Indian packaging industry is expected to grow at 18% per annum. The growth will primarily be driven by end-user segments such as food products, personal care, pharmaceuticals etc. An increasing shift towards flexible packaging is expected whereby the flexible packaging will grow at 25% per annum and rigid packaging will grow at 15% per annum.

In terms of material used for packaging, polymers are expected to account for majority of the share in packaging. Among the various polymers based packaging alternatives, BOPP has been growing the fastest by virtue of the excellent combination of optical, physical, mechanical, thermal and chemical properties of BOPP films. They are also better suited for food

packaging, a major driver of growth of packaging, where moisture, oxygen and odor barrier is essential.

Currently, production of BOPP films in India is estimated at approximately 500K MT per annum, close to 80% of which is consumed in the country. The industry has been growing at close to double the growth rate of India's GDP in the recent years.

### 3. Operational and Financial Performance

In FY 15-16, sales volume increased but the sales revenue had a marginal decline as the selling prices declined in line with the decrease in raw material prices.

In FY 15-16, EBIDTA recorded an increase of 78.4% over the previous and was the highest in the Company's history since inception. This was made possible owing to the strategic initiatives in the past and during the year, all round improvement in plant efficiencies, energy conservation including use of alternate fuel, alternate sourcing of energy introduction of new products, higher sales volume with higher proportion of higher value add products and substantial improvement in the subsidiary operation in the U.S. The Company expects the improvement in EBIDTA levels to be sustainable.

In FY 15-16, the Company launched new products in every segment of its product portfolio. All of the new products in the Specialty Films category are expected to contribute towards improved sales volumes, improved product mix and improved margin in the coming years.

### 4. Opportunities and Risks

#### Opportunities

- 1) **Continued Growth in Demand for BOPP Films:** The Indian BOPP market is growing at a robust pace and there is also a shift towards plastic from glass, aluminium, PET etc. Growth in packaged foods markets around the world will continue to be a key driver for future demand underpinned by population growth, urbanisation and rising incomes in developing markets.
- 2) **Specialty Films:** Specialty BOPP films which are niche in nature and address specific functional needs of the industry like packaging, label or lamination are gaining importance in every market whether matured or developing. Owing to a host of requirements including enhanced shelf life for food packaging, light weight packaging to reduce cost and waste and shift from wet lamination to thermal lamination,

these films are rapidly emerging as the preferred choice. Cosmo holds substantial market share in this segment in India.

- 3) **Fast Growing Asian Market:** Asia is the fastest growing market for the global packaging industry. The Company by virtue of its subsidiaries in Japan and Korea is well placed to tap the growing potential of these markets.

#### Risks

- 1) **Volatility in Raw Material Prices:** Polypropylene is the key raw material of the Company. Changes in the cost of raw materials such as these are generally a pass through. Time lag, if any, in doing so may impact the margins of the Company.
- 2) **Fluctuations in Foreign Currency Rates:** The Company, as a result of operating in several countries, is faced with foreign currency risk. Foreign currency loans also expose Cosmo to further risk from changes in the foreign currency rates. The Company has a foreign exchange risk management policy and implements hedges in accordance with the policy to mitigate the risk.
- 3) **Emergence of Competition in Specialty Films:** The Company is a leading manufacturer of Specialty Films in India. Emergence of competition in this segment may impact the growth plan of such films in the medium to long term.

The Risk Management Committee of Board meets regularly to evaluate the effectiveness of risk mitigation measures and suggests course correction wherever required.

### 5. Internal Control Systems

The Company has an Internal Audit System commensurate with its size and nature of business operations. The Internal Auditors covers all the key areas of the Company's business and reports to the Audit Committee of the Board. Cosmo has also implemented adequate internal controls towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with the applicable laws, rules and regulations.

### 6. Human Capital and Industrial Relations

Cosmo regards its human resources as the most valuable asset of the Company and the foundation of its success. Therefore, at Cosmo, people are always encouraged to do their best in an employee centric,

collaborative and empowering work environment.

Cosmo's work culture helps employees hone their skills and enables them to deliver superior performance. Individuals are selected and treated on the basis of their merits and abilities and are given equal opportunities within the organization.

To ensure that the organization work climate is engaging and motivating, Cosmo has institutionalized a rewards and recognition programme to honour employees at all levels for their outstanding achievements. Through this programme, we motivate our employees to innovate and improve their performance by providing immediate recognition to their efforts beyond normal monetary rewards. This is a part of the HR function and is a critical pillar to support the growth and its sustainability in the long run.

In FY 15-16, industrial relations across the Company were cordial with no labor unrests or strikes during the year.

## 7. Future Outlook and Strategy

Continued strong growth of flexible plastic packaging, primarily from the food and beverage industry, is expected to result in encouraging demand growth for BOPP films. This will be supported by an improvement in GDP growth, rise in employment and increase in disposable incomes in the emerging economies, especially in Asia.

Cosmo also remains committed to new innovative products to cater to a growing range of new applications. Cosmo plans to continue to tap opportunities in its segments by launching innovative products and using technology to generate efficiencies across its business.

The vision of Cosmo Films is to be the most preferred global brand offering value added BOPP films for Packaging, Labels, and Lamination and Industrial applications. Its mission is:

### a) For Customers:

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

processes

### b) For Employees:

To nurture a working environment that fosters personal and professional growth

### c) For Shareholders:

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

### d) For Vendors:

To create symbiotic relationships that drives mutual growth

### e) For Community:

Contribute to community growth through education, skills development and sustainable green practices

## 8. Cautionary Statement

This report may contain "Forward Looking Statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Cosmo Films' future business developments and economic performance. While these Forward Looking Statements indicate the Company's assessment and future expectations concerning the development of the Company's business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from the expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with the Company, legislative developments, and other key factors that could affect the Company's business and financial performance. Cosmo Films undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

## REPORT ON CORPORATE GOVERNANCE (Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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** is as follows:

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

Name of the Director	Category	Designation	No. of other Directorships Held	Total No. of Chairmanships / Memberships of Board Level Committees			Shareholding (as on 31st March 2015)
				Chairmanship	Membership	Total	
Mr. Ashok Jaipuria (DIN 00214707)	Promoter Director	Chairman & Managing Director	2	Nil	2	2	470161
Mr. A. K. Jain (DIN 00027911)	Executive Director	Whole Time Director	2	1	2	3	5020
Ms. Alpana Parida (DIN 06796621)	Non-Independent Non-Executive Director	Director	2	Nil	3	3	Nil
Mr. Rajeev Gupta (DIN 00241501)	Non-Independent Non-Executive Director	Director	6	Nil	5	5	10100
Mr. H. K. Agrawal (DIN 00260592)	Independent Non-Executive Director	Director	Nil	Nil	2	2	1000
Mr. Ashish Guha (DIN 00004364)	Non-Independent Non-Executive Director	Director	1	Nil	2	2	10000
Mr. H. N. Sinor (DIN 00074905)	Independent Non-Executive Director	Director	6	4	3	7	Nil
Mr. Pratip Chaudhuri (DIN 00915201)	Independent Non-Executive Director	Director	8	2	Nil	2	Nil

#### Notes:

- I. The Directorships held by Directors as mentioned above, do not include Alternative Directorship, Directorships in Foreign Companies, Companies registered under Section 8 of Companies Act, 2013 and Private Limited Companies.
- II. Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited (including Cosmo Films Ltd.) 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 serve 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.

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 present strength of Board of Directors is eight (8), out of which two (2) are Executive Directors, one (1) is Non-Independent Non-Executive Director and five (5) 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.

The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015. The structure of the Board and record of other Directorships, Committee memberships & Chairmanships and shareholding in the Company as on March 31, 2016 is as under:



## 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 Films Board met Seven times on 22<sup>nd</sup> May, 2015 7<sup>th</sup> July 2015, 13<sup>th</sup> August, 2015, 21<sup>st</sup> October, 2015, 04<sup>th</sup> December, 2015, 25<sup>th</sup> January, 2016 and 14<sup>th</sup> March, 2016 during the Financial Year ended 31<sup>st</sup> March, 2016. 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 Meeting held during tenure of Directors and attended by them		Attendance at last AGM held on 6th August 2015
	Held	Attended	
Mr. Ashok Jaipuria	7	6	No
Mr. A.K. Jain	7	6	Yes
Mr. H. K. Agrawal	7	4	No
Mr. Rajeev Gupta	7	5	No
Mr. Ashish Guha	7	7	No
Ms Alpana Parida	7	3	No
Mr. H. N Sinor*	7	5	No
Mr. Suresh Rajpal**	1	1	No
Mr. Pratip Chaudhuri	7	7	Yes

\* Appointed as an Independent Director w.e.f. 22 May, 2015.

\*\* Ceased to be a Director w.e.f. 22.05.2015.

### 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him 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 ([www.cosmofilms.com](http://www.cosmofilms.com)).

## D. BOARD LEVEL COMMITTEES

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the following Committees were in operation:

1. Audit Committee
2. Stakeholders Relationship Committee
3. HR, Nomination and Remuneration Committee.

### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

➤ **Composition of Audit Committee**

The Audit Committee, as on March 31, 2016 consisted of the following four Directors who are eminent professionals and possess sound knowledge in finance:

**Chairman** : **Mr. Pratip Chaudhuri**  
**Members** : Mr. Rajeev Gupta  
 Mr. H.K. Agrawal  
 Mr. Ashish Guha

➤ **Meetings and attendance during the year**

The Audit Committee met four times during the financial year from April 1, 2015 to March 31, 2016:

1. May 22, 2015	3. October 21, 2015
2. August 13, 2015	4. January 25, 2016

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

Names of the Audit Committee members	Number of Audit Committee Meetings	
	Held during the tenure of Directors	Attended
Mr. Pratip Chaudhuri	4	4
Mr. Rajeev Gupta	4	4
Mr. H. K. Agrawal	4	3
Mr. Suresh Rajpal	1	1
Mr. Ashish Guha	4	4

**2. STAKEHOLDERS RELATIONSHIP COMMITTEE**

➤ **Terms of reference**

Terms of reference of the Stake Holders Relationship Committee are as per the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 which inter-alia include looking into the investors 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.

➤ **Composition of Stakeholders Relationship Committee**

The Stake Holders Relationship Committee is headed by an Independent Director and presently consisted of the following members as on March 31, 2016:

**Chairman** : **Mr. H. N. Sinor**  
**Members** : Mr. A. K. Jain  
 Ms. Alpana Parida  
 Mr. H. K. Agarwal

➤ **Meetings and attendance during the year**

The Stakeholders Relationship Committee met four times during the financial year from April 1, 2015 to March 31, 2016:

1 May 22, 2015	3 October 21, 2015
2 August 13, 2015	4 January 25, 2016

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

Names of the Stakeholders Relationship Committee members	Number of SRC Meetings	
	Held during the tenure of Directors	Attended
Mr. H. K. Agrawal	4	3
Mr. Rajeev Gupta	1	1
Mr. A. K. Jain	4	3
Ms. Alpana Parida	4	2
Mr. H. N. Sinor	3	2

➤ **Compliance Officer**

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

➤ **Shareholders' Complaints etc. received during the FY- 2015-16**

During the year from April 1, 2015 to March 31, 2016 the Company received 34 complaints from various Investors / Shareholders' relating to non-receipt of Dividend / Bonus Shares / Transfer of Shares / Dematerialization of Shares / Annual Report etc. The same were attended to the satisfaction of the Investors. At the end of March 31, 2016, no complaint was pending for redressal and there were no pending share transfers as on March 31, 2016.

**3. 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, independent 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as well as section 178 of the Companies Act, 2013.

➤ **Composition of Remuneration Committee**

In compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a HR, Nomination and Remuneration Committee which is headed by an Independent Director and consists of the following members as on March 31,2016:

**Chairman** : **Mr. H.K. Agrawal**  
**Members** : Mr. Ashish Guha  
 Mr. Ashok Jaipuria  
 Mr. Pratip Chaudhuri

Names of the HR, Nomination & Remuneration committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Suresh Rajpal	1	1
Mr. Ashish Guha	5	5
Mr. A.K. Jain	4	3
Mr. H. K. Agrawal	5	5
Mr. Pradip Chaudhuri	4	4

➤ **Compliance officer**

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

➤ **REMUNERATION POLICY**

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

The Non-Executive Directors are paid remuneration by way of 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 Financial Year 2015-16 was Rs. 28.00 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 caliber talent.

➤ **Remuneration Paid to Directors**

Following tables give the details of remuneration paid to directors, during the year from April 1, 2015 to March 31, 2016:

➤ **Remuneration to Non-Executive Directors**

S. No.	Name of the Director	Sitting Fees
1	Mr. H.K. Agrawal	4,75,000
2	Mr. Rajeev Gupta	3,75,000
3	Mr. Ashish Guha	6,50,000
4	Mr. Pratip Chaudhuri	6,50,000
5	Mr. Suresh Chandra Rajpal	1,00,000
6	Ms. Alpana Parida	2,25,000
7	Mr. H.N Sinor	3,25,000

➤ **Remuneration to Executive Directors**

Sl. No	Particulars	Designation	Salary (Rs. in Crores)	Commission (Rs. in Crores)	Contribution to provident & Superannuation Funds (Rs.in Crores)	Benefit (Rs. in Crores)	Total Amount (Rs. in Crores)
1.	Mr. Ashok Jaipuria	Chairman & Managing Director	0.66	5.36	0.18	0.99	7.19
2.	Mr. A. K. Jain	Whole Time Director	0.89	-	0.11	-	1.00

**E. INDEPENDENT DIRECTORS:**

The Company has complied with the definition of Independence as per SEBI (LODR)Regulations,2015 and according to the Provisions of section 149(6) Companies Act, 2013. 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 [www.cosmofilms.com](http://www.cosmofilms.com) under **investor relations/ shareholders information/Notices/Notices link.**

The appointment letters of Independent Directors has been placed on the Company's website at [www.cosmofilms.com](http://www.cosmofilms.com) under **investor relations/ shareholders information / Notification / Notices link.**

**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 4 December, 2015 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 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) Assessed 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.

**F. GENERAL BODY MEETINGS:**

**Date / Venue / Time of previous three Annual General Meetings:**

Year	Place	Date	Time	Special Resolution Passed
2012-13	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	25/09/2013	10:30 A.M.	No Special Resolution was Passed
2013-14	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	25/09/2014	04:00 P.M.	Special Resolutions were Passed
2014-15	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	06/08/2015	02:00 P.M.	No Special Resolution were Passed

**DETAILS OF SPECIAL RESOLUTION VIA POSTAL BALLOT**

The Company has passed Special Resolutions through Postal Ballot during the Financial Year 2015-16. Mr. Sanjiv Aggarwal, Practicing Chartered Accountant was appointed as scrutinizer to conduct the Postal Ballot and 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 notices were issued along with Postal Ballot form and postage prepaid business reply envelope to the members whose name appeared on the Register of Members /List of Beneficiaries as on Record Date fixed for the purpose.

The Members were requested to return their duly completed and signed ballot forms along with their assent and dissent within the stipulated time frame. The details of the same are as below:

Date of Postal Ballot Notice	: December 4, 2015
Date of Declaration of Result	: January 11, 2016
Date of Approval	: January 11, 2016

**RESULTS OF THE POSTAL BALLOT (INCLUDING E-VOTING)**

Sr. No	Brief Particulars of the Special Resolutions	Consolidated (Postal Ballot Forms and E-Voting)			
		Total Number of Valid Votes (in no. of shares)	No. of Shares and % of total votes cast in favour	No. of Shares and % of total votes cast against	% of Votes
1.	Consider and Approve Issue of Further Securities	8804705	8799671 99.94	5034 0.06	
2.	Approval of Cosmo Films Employee Stock Option Plan 2015 And Grant of Employee Stock Options to the Employees of the Company thereunder	8804663	8802979 99.98	1684 0.02	

Sr. No	Brief Particulars of the Special Resolutions	Consolidated (Postal Ballot Forms and E-Voting)				
		Total Number of Valid Votes (in no. of shares)	No. of Shares and % of total votes cast in favour		No. of Shares and % of total votes cast against	
			No. of Shares	No. of Shares	No. of Shares	% of Votes
3.	Approval of Extending Benefits of Cosmo Films Employee Stock Option Plan 2015 to the Employees of Subsidiary Company(ies)	8804555	8800347	99.95	4208	0.05
4.	Authorization to Cosmo Films ESOP Trust for Secondary Acquisition of Shares.	8802813	8800249	99.97	2564	0.03
5.	Provision of Money by the Company for Purchase of its own shares by the Trust for the benefit of Employees under Cosmo Films Employee Stock Option Plan 2015	8804555	8802321	99.97	2234	0.03

## G. AFFIRMATIONS AND DISCLOSURES:

### Compliance with Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

The Company has complied with all the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 1. Related Party Transactions:** All transactions entered into with Related Parties as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 thereunder 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 (AS18) 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:

[http://www.cosmofilms.com/sites/default/files/policy/Policy\\_on\\_Related\\_Party\\_Transactions.pdfs](http://www.cosmofilms.com/sites/default/files/policy/Policy_on_Related_Party_Transactions.pdfs)

- 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.
- 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 31st March 2016. 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 A link to such policy is also provided in the website of the company.

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 [www.cosmofilms.com](http://www.cosmofilms.com). Weblink of the same is given below:

[http://www.cosmofilms.com/uploads/policy/Policy\\_For\\_Determining\\_Material\\_Subsidiaries.pdf](http://www.cosmofilms.com/uploads/policy/Policy_For_Determining_Material_Subsidiaries.pdf)

6. During the Financial Year ended 31<sup>st</sup> March, 2016 the company did not engage in commodity hedging activities.
7. The necessary certificate under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.
8. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed to this report.
9. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
10. **Compliance Certificate from Practicing Company Secretary:** Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Regulations Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.
11. Other disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given at relevant places in the Annual Report.
12. **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.**
13. **There has been no instance of non-compliance of any requirement of Corporate Governance Report.**

## H MEANS OF COMMUNICATION / INVESTORS' COMMUNICATION

- The quarterly and half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange 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 [www.cosmofilms.com](http://www.cosmofilms.com).

## I. INFORMATION TO SHAREHOLDERS

### 1. REGISTERED AND CORPORATE OFFICE

1008, DLF Tower-A,  
 Jasola District Centre, Jasola  
 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 April 1, 2016 to March 31, 2017 and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative)
Financial results for the 1 <sup>st</sup> quarter ending June 30, 2016.	August, 2016
Financial results for the 2 <sup>nd</sup> quarter and half year ending September 30, 2016.	November, 2016
Financial results for the 3 <sup>rd</sup> quarter and nine months ending December 31, 2016.	February, 2017
Financial results for the last quarter and financial year ending March 31, 2017.	May, 2017

### 4. WEBSITE

The address of the Company's website is [www.cosmofilms.com](http://www.cosmofilms.com)

## 5. DIVIDEND PAYMENT DATE

The Board has not recommended any Final Dividend for the Financial Year 2015-16. The Interim Dividend @ 100% shall be the Dividend for the Financial Year 2015-16

## 6. LISTING ON STOCK EXCHANGES

The names of the stock exchanges at which Company's shares are listed as on 31<sup>st</sup> March, 2016 and details of "Stock Codes" are as mentioned below:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	508814
National Stock Exchange of India Ltd.	COSMOFILMS

## 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 Films Ltd. is **INE 757A01017**

## 8. ANNUAL LISTING FEE

Annual Listing Fee for the year 2015-16 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 MARCH 31, 2016

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	March 31, 2016		March 31, 2015	
	No. of Shares	% (Holding)	No. of Shares	% (Holding)
Promoters	8458439	43.51	8328439	42.84
Institutional Investors	416340	2.14	191531	0.99
Bodies Corporate	1725741	8.88	1340084	6.89
Others	8839556	45.47	9580022	49.28
<b>Total</b>	<b>19440076</b>	<b>100</b>	<b>19440076</b>	<b>100</b>

### ➤ Distribution of shareholding according to the number of shares:

#### Distribution of the Shareholding according to type of shareholders

No. of Equity Shares	March 31, 2016				March 31, 2015			
	No. of Shareholders	% of	No. of shares	% of share Capital	No. of Shareholders	% of	No. of shares	% of share Capital
1-500	19172	88.747	2327848	11.974	17742	87.378	2354397	12.11
501-1000	1252	5.795	985293	5.068	1329	6.545	1052722	5.41
1001-2000	553	2.56	840113	4.322	604	2.975	913075	4.697
2001-3000	207	0.958	531176	2.732	215	1.059	544066	2.799
3001-4000	85	0.393	301119	1.549	100	0.492	360236	1.853
4001-5000	79	0.366	373412	1.921	93	0.458	439891	2.263
5001-10000	126	0.583	943245	4.852	120	0.591	877281	4.513
10001 and above	129	0.597	13137870	67.581	102	0.502	12898408	66.35
<b>Total</b>	<b>21603</b>	<b>100.00</b>	<b>19440076</b>	<b>100.00</b>	<b>20305</b>	<b>100.00</b>	<b>19440076</b>	<b>100.00</b>

## 10. MARKET PRICE DATA

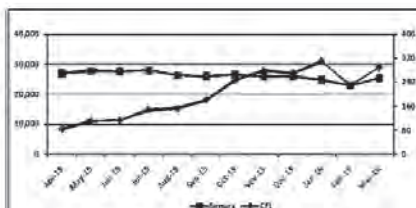
Monthly high and low prices of equity shares of the company traded at The Bombay Stock Exchange Limited and National Stock Exchange of India Limited are given below:

MONTH	BSE		NSE	
	HIGH (RS.)	LOW (RS.)	HIGH (RS.)	LOW (RS.)
Apr-15	97.00	76.00	97.35	76.20
May-15	118.80	81.60	118.80	80.00
Jun-15	117.80	97.30	118.00	96.65
Jul-15	152.40	112.20	152.50	112.55
Aug-15	184.30	139.00	184.70	139.20
Sep-15	189.80	134.10	189.85	133.55
Oct-15	262.20	166.20	261.90	176.85
Nov-15	295.50	238.00	295.35	236.25
Dec-15	286.70	243.70	286.80	243.15
Jan-16	322.00	220.00	321.90	222.05
Feb-16	317.90	212.50	317.95	212.60
Mar-16	296.00	232.00	295.90	227.50

## 11. SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX AND NSE NIFTY

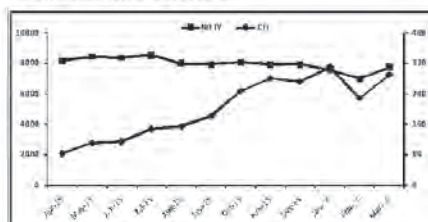
### a. COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX

#### MONTHLY SHARE PRICE - SENSEX Vs. CFL



### b. COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NIFTY

#### MONTHLY SHARE PRICE - NIFTY Vs. CFL



## 12. DEMAT

Your Company's equity shares are compulsorily traded in dematerialisation 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 March 31, 2016, 96.72% (i.e.188,01,823 Equity Shares) of the total Equity Share Capital (i.e. 1,94,40,076 equity shares) were held in demat form.

## 13. 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

1E/13, Alankit Heights,  
Jhandewalan Extension  
New Delhi 110 055  
Ph: +91 11 42541234  
Fax: +91 11 011-42541967  
Contact Person: Mr. R. S. Maurya

## 14. PLANT LOCATIONS

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

## 15. ADDRESS FOR CORRESPONDENCE:

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

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

### OR

To the Registrar and Share Transfer Agent i. e : Alankit Assignments Limited at the address mentioned elsewhere 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 Films Limited  
1008, DLF Tower-A, Jasola District Centre, Jasola  
New Delhi 110 025  
E-mail: neeraj.jain@cosmofilms.com

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**ANNEXURES TO THE CORPORATE GOVERNANCE REPORT****ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CEO**

To  
The Board of Directors  
Cosmo Films Limited  
1008, DLF Tower-A,  
Jasola District Centre, Jasola  
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 2015-16.

**13 July, 2016**  
**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<sup>ST</sup> MARCH, 2016.**

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

We, the undersigned hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year 2015-16 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 2015-16 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.

Neeraj Jain  
Chief Financial Officer

Pankaj Poddar  
Chief Executive Officer



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## **CERTIFICATE FROM THE COMPANY SECRETARY**

I, Jyoti Dixit, Company Secretary of Cosmo Films 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 Companies Act, 2013.
- (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, Central Government and other Authorities 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 the SEBI Listing Regulations, 2015.
- (x) The company has also complied with other statutory requirements under the Companies Act, 2013 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.

13 July, 2016  
New Delhi

Jyoti Dixit  
**Company Secretary**

## CORPORATE SOCIAL RESPONSIBILITY

Cosmo Foundation focuses on nurturing learning and enlivening dreams of children and youth in villages around the manufacturing facilities of Cosmo Films in Vadodara and Aurangabad. The organization aims to enhance quality of education among rural marginalized children and youth. The educational programs of Cosmo Foundation focuses to impart and strengthen Basic reading, writing, arithmetic skills, English communication skills, Life skills and Digital Skills. These interventions are implemented in close partnership with 14 Government primary and grant-in-aid schools, Gram Panchayats, Block and District Panchayats and nonprofit groups. 3100 students benefitted through these educational programs last year.

Our sustainable interventions with primary, upper primary and secondary schools are:

- Computer Literacy Program
- Basic English Learning Program
- Cosmo Gyan Vihar Kendra
- Life Skill Education Program
- Computer and English Certificate Course for youth in summer holidays

Our Supportive Programs are:

- Children's Fair
- Cosmo Computer Award
- Celebration of National Days and Festivals
- Industrial Visit of students
- Parents Engagement
- Swachh Bharat- Swachh Vidyalaya Campaign
- Shahid Bhagat Singh Cricket Tournament.
- Creative spaces for students
- Educational Scholarships
- Employee Engagements.

The major outcomes of our CSR Programs are as mentioned below:

- Improvement in hygiene, communication skills, creativity and positive impact in overall learning.
- Enhanced interest in learning and it has helped to reduce chronic absenteeism in schools.
- Students from marginalized communities have started perusing higher education in technical streams.
- Enhanced Practical application of digital education and IT Skills in their daily life and education. It has helped to promote employability.
- Computer and English Education has helped to build aspirations and dreams of rural youth.
- Students acquired Basic English oral and written communication skills, etiquettes and manners.
- Overall improvement in performance of students and schools compare among their cluster of villages.
- Enhanced participation of parents, local administration and village leaders in educational processes.
- Promotion of leadership and sportsmanship among the employees of industries across Aurangabad.

Apart from these micro level interventions, Cosmo Foundation is an active member of the District CSR Cell which functions under the District Collector and Magistrate, Vadodara. CF also presented two papers in CSR conferences organized by prestigious Universities. These papers named as "Strategic framework for effective implementation of CSR- Case study of Cosmo Films" and "Plugging the Basics, Enlightening the Future: A case study of Cosmo Foundation to promote Quality Education in villages of Karjan block of Vadodara District."

Cosmo Foundation received- "National Award for Excellence in CSR and Sustainability-Best Education Improvement Award 2015"



## Independent Auditor's Report

### To the Members of Cosmo Films Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Cosmo Films Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report 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 purpose 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 standalone financial statements 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 Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 May 2016 as per Annexure B expressing our unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting.
- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. as detailed in note 26 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Walker ChandioK & Co LLP**  
(formerly Walker, ChandioK & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**  
Partner  
Membership No.:99514

Place: New Delhi  
Date: 11 May 2016

**Annexure A to the Independent Auditor's Report of even date to the members of Cosmo Films Limited, on the financial statements for the year ended 31 March 2016**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments.
- (v) The Company has not accepted any deposits 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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made 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. 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) Undisputed statutory dues including 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. 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) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates (FY)	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	0.01	-	1996-97	Commissioner
	Excise Duty	1.96	-	2008-09 to 2013-14	Commissioner Appeals
	Excise Duty	3.78	-	2001-02, 2008-09, 2009-10 and 2014-15	Custom Excise & Service Tax Appellate Tribunal
	Service Tax	1.66	-	2005-06 to 2015-16	Custom Excise & Service Tax Appellate Tribunal
Maharashtra VAT Act, 2002	Sales Tax	2.08	0.60	2007-08	Joint Commissioner of Sales Tax, Aurangabad
	Sales Tax	3.45	0.73	2008-09	Joint Commissioner of Sales Tax, Aurangabad
	Sales Tax	0.61	0.38	2009-10	Joint Commissioner of Sales Tax, Aurangabad
Income-tax Act, 1961	Income tax and penalty	1.07	1.07	1997-98	High Court, Delhi
	Income tax and penalty	4.83	4.83	2002-03	Hon'ble Supreme Court of India
	Income tax and penalty	2.98	2.98	2008-09	Income Tax Appellate Tribunal
	Income tax and penalty	5.57	1.32	2009-10	Income Tax Appellate Tribunal
	Income tax and penalty	0.62	-	2010-11	Income Tax Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion 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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**  
Partner  
Membership No.: 99514

Place: New Delhi  
Date: 11 May 2016



**BALANCE SHEET** as at 31 March, 2016  
 (All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at	
		31 March 2016	31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	19.44	19.44
Reserves and surplus	3	478.67	391.30
		<b>498.11</b>	<b>410.74</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	223.01	234.99
Deferred tax liabilities (net)	5	100.52	78.48
		<b>323.53</b>	<b>313.47</b>
<b>Current liabilities</b>			
Short-term borrowings	6	103.89	159.39
Trade payables	7	142.79	99.00
Other current liabilities	8	94.55	93.21
Short-term provisions	9	1.77	11.61
		<b>343.00</b>	<b>363.21</b>
		<b>1,164.64</b>	<b>1,087.42</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		581.78	531.93
Intangible assets		3.51	4.49
Capital work in progress		12.03	14.04
Non current investments	11	197.26	168.58
Long-term loans and advances	12	44.00	26.96
		<b>838.58</b>	<b>746.00</b>
<b>Current assets</b>			
Inventories	13	107.53	98.40
Trade receivables	14	119.05	157.52
Cash and bank balances	15	17.90	13.34
Short-term loans and advances	16	81.24	67.29
Other current assets	17	0.34	4.87
		<b>326.06</b>	<b>341.42</b>
		<b>1,164.64</b>	<b>1,087.42</b>
Statement of significant accounting policies	1		
<b>The accompanying notes are an integral part of the financial statements.</b>			

This is the balance sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
 (formerly Walker, Chandiook & Co)  
 Chartered Accountants

For and on behalf of Board of Directors of Csommo Films Limited

per **Neeraj Goel**  
 Partner

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

Place : New Delhi  
 Date : 11 May 2016

**Neeraj Jain**  
 Chief Financial Officer

**Jyoti Dixit**  
 Company Secretary

**STATEMENT OF PROFIT AND LOSS** for the year ended 31 March, 2016

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2016	Year ended 31 March 2015
<b>INCOME</b>			
Revenue from operations (gross)	18	1,548.72	1,572.72
Less : Excise duty		(108.59)	(93.98)
<b>Revenue from operations (net)</b>		<b>1,440.13</b>	<b>1,478.74</b>
Other income	19	4.53	3.71
<b>Total income</b>		<b>1,444.66</b>	<b>1,482.45</b>
<b>EXPENSES</b>			
Decrease in inventories of finished goods	20	4.54	33.14
Cost of materials consumed		922.04	1,012.26
Employee benefit expenses	21	77.30	63.46
Finance costs	22	28.78	38.25
Depreciation and amortisation expense	10	31.17	30.05
Other expenses	23	239.32	247.46
<b>Total expenses</b>		<b>1,303.15</b>	<b>1,424.62</b>
<b>Profit before tax and exceptional items</b>		<b>141.51</b>	<b>57.83</b>
Exceptional items	24	(6.36)	(9.20)
<b>Profit before tax</b>		<b>135.15</b>	<b>48.63</b>
<b>Tax expense:</b>			
Current tax			
-Current year		28.93	10.58
-Minimum alternate tax credit entitlement		(24.09)	(10.03)
-Earlier years		-	(0.87)
Deferred tax			
-Current year		25.50	16.58
-Earlier years		(3.46)	(8.04)
<b>Profit for the year</b>		<b>108.27</b>	<b>40.41</b>
Earnings per equity share (₹):	25		
-Basic		55.69	20.79
-Diluted		55.69	20.79
<b>Statement of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements.

**This is the Statement of profit and loss referred to in our report of even date.**

 For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok &amp; Co)

Chartered Accountants

 per **Neeraj Goel**

Partner

Place : New Delhi

Date : 11 May 2016

 For and on behalf of Board of Directors of **Csomo Films Limited**
**Pratip Chaudhuri**

Director

DIN: 00915201

 Neeraj Jain  
 Chief Financial Officer

**Ashok Jaipuria**

Chairman &amp; Managing Director

DIN: 00214707

 Jyoti Dixit  
 Company Secretary

**STATEMENT OF CASH FLOW** for the year ended 31 March, 2016

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2016	Year Ended 31 March 2015
<b>A. Cash flow from operating activities:</b>			
Profit before tax		135.15	48.63
Adjustments for:			
Depreciation and amortisation expenses		31.17	30.05
Interest expense		24.64	32.02
Interest income		(0.62)	(1.02)
Unrealised gain on exchange fluctuation		2.26	5.94
(Profit)/loss on sale of fixed assets (net)		(2.68)	3.58
Provision for bad and doubtful debts/advances		0.57	(0.01)
Liability no longer required written back		(0.55)	(2.16)
<b>Operating profit before working capital changes</b>		<b>189.94</b>	<b>117.03</b>
<b>Adjustments for changes in working capital :</b>			
- Movement in trade receivables		38.27	(23.02)
- Movement in other receivables		7.30	(2.32)
- Movement in inventories		(9.13)	38.76
- Movement in trade and other payables		50.22	(6.35)
<b>Cash generated from operations</b>		<b>276.60</b>	<b>124.10</b>
Income-tax paid (net of refunds)		(31.52)	(0.99)
<b>Net cash generated from operating activities</b>		<b>245.08</b>	<b>123.11</b>
<b>B. Cash flow from investing activities:</b>			
Purchase of fixed assets and capital work in progress		(81.59)	(46.96)
Proceeds from sale of fixed assets		3.51	10.35
Purchase of investments		(32.89)	(2.30)
Sale of Investments		4.21	-
Investment in fixed deposits		(0.07)	(0.90)
Decrease in unclaimed dividend account		-	0.06
Interest received		0.65	1.57
<b>Net cash used in investing activities</b>		<b>(106.18)</b>	<b>(38.18)</b>
<b>C. Cash flow from financing activities:</b>			
Proceeds from long-term borrowings		55.72	18.01
Repayment of long-term borrowings		(77.30)	(58.32)
Repayment of short-term borrowings (net)		(55.49)	(42.48)
Interest paid		(26.56)	(31.61)
Dividend paid		(26.24)	(1.94)
Dividend tax paid		(5.34)	(0.33)
<b>Net cash used in financing activities</b>		<b>(135.21)</b>	<b>(116.67)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>3.69</b>	<b>(31.74)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6.66</b>	<b>38.40</b>
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>		<b>10.35</b>	<b>6.66</b>

This is the Statement of Cash Flow referred to in our report of even date.

 For **Walker Chandiok & Co LLP**  
 (formerly Walker, Chandiok & Co)  
 Chartered Accountants

 per **Neeraj Goel**  
 Partner

 Place : New Delhi  
 Date : 11 May 2016

For and on behalf of Board of Directors of Cosmo Films Limited

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

 Neeraj Jain  
 Chief Financial Officer

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

 Jyoti Dixit  
 Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

(All amounts in ₹ crores, unless stated otherwise)

### 1. Statement on significant accounting policies

#### a) Background and nature of operations

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 packaging films. Company's product majorly comprises of BOPP Films and Thermal Films. In India, the Company is currently working at Aurangabad in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries working in different countries.

#### b) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 8/2014 dated 4 April 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

#### c) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of profit and loss. Project under commissioning and other assets under erection/installation are shown under capital work in progress and are carried at cost, comprising of direct cost and related incidental expenses. Spares directly related to plant & machinery are capitalized and depreciated over the life of the original equipment.

Foreign currency loans availed for acquisition of fixed assets are converted at the rate prevailing on the due date for installments repayable during the year and at the rate prevailing on the date of balance sheet for the outstanding loan. The fluctuation is adjusted in the original cost of fixed assets.

The cost of internally constructed assets constructed by Company shall include the cost of all materials used in construction, direct labour employed and an appropriate proportion of variable and fixed overheads.

#### e) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair market value.

#### f) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. 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. Cost of finished goods also includes excise duty, wherever applicable.

#### g) Depreciation

Depreciation on fixed assets is provided on straight line method (SLM) at rates which are equal to the corresponding rates in Schedule II to the Companies Act 2013, based on management estimates of useful life as follows:

Block of asset	Life (in years)
Factory Buildings	30
Buildings Other than Factory	60
Continuous Process Plant and Machinery	25
Other Plant and Machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers including software	3 & 6

- Cost of the leasehold land is amortised over the period of the lease.
- Depreciation on assets costing ₹ 5,000/- or below is charged @ 100% per annum in the year of purchase.

#### h) Research and development

Revenue expenditure incurred on research and development is charged to Statement of profit and loss in the year it is incurred.

Capital expenditure is included in the respective heads under fixed assets and depreciation thereon is charged to depreciation account.

#### i) Foreign currency transactions

##### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

##### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

As per the amendment of the Companies (Accounting Standard) Rules, 2006-'AS 11' relating to 'The Effects of Changes in Foreign Exchange Rates' exchange difference arising on conversion of long term foreign currency monetary items is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortized over period not extending beyond, earlier of March 31, 2020 or maturity date of underlying long term foreign currency monetary items.

**j) Accounting of cash flow hedges and derivatives**

The Company enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates designated as cash flow hedges. 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. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Derivatives are recorded at their fair value with changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in a hedging reserve account. The gain or loss relating to the ineffective portion is recognized immediately in Statement of profit and loss. Amounts recorded in the hedging reserve account are released to the Statement of profit and loss in the year when the hedged item affects profit or loss. Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting upon which remaining balance of such hedge in the hedging reserve account is released to the Statement of profit and loss.

Derivatives which are not designated as effective hedge are also recorded at their fair value and change in fair value is recognized immediately in the Statement of profit and loss.

The company also uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.

**k) Employees benefits**

**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 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 company pays specified contributions to the insurer. The company 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.

**Gratuity**

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

**Compensated absences**

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes



in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise. Provision related to short term compensated absences of workers is provided on actual basis.

**l) Taxation**

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence 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 in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, 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 reasonably certain that the Company will pay normal income tax during the specified period.

**m) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sales**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and

No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding held and the interest rate applicable. Such income is recorded by company in other income.

**Dividend**

Dividend income is recognized as income when the right to receive the payment is established.

**Export benefits/incentives**

Revenue in respect of duty entitlement pass book scheme and duty drawback scheme is recognized when the entitlement to receive the benefit is established is recorded under operating revenue.

**n) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are complete.

**o) Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 of bonus issue and share split.

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.

**p) Impairment of assets**

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 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.

**q) Provisions and contingent liabilities**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a present obligation that may, but probably will not, require an outflow of resources. Disclosure is also made in respect of a present obligation as a result of past event that probably requires an outflow of resource, where it is not possible to make a reliable estimate of the outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments in fixed deposits with an original maturity of three months or less.

**s) Employee Share based payment**

The stock options granted under Cosmo Films Employees Stock Option Plan 2015 to the employees of the company and its subsidiaries are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India whereby the excess if any of the closing market price on the day prior to the day of the grant of the options over the exercise price is amortised on a straight line basis over the vesting period.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**2 SHARE CAPITAL**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	25,000,000	25.00	25,000,000	25.00
		<b>25.00</b>		<b>25.00</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹ 10 each	19,440,076	19.44	19,440,076	19.44
<b>Total</b>		<b>19.44</b>		<b>19.44</b>

**Notes:**

- (i) Of the above 242,051 (previous year 242,051) shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation.
- (ii) Of the above 8,486,705 (previous year 8,486,705) shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account.
- a) There is no movement in equity share capital during the current year and previous year.

**b) 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 is subject to approval of shareholders in Annual General Meeting except in case of interim dividend.

During the year Board of Directors declared an interim dividend of ₹ 10 per equity share, (previous year ₹ Nil). No Final dividend is recommended by the Board.

During the year ended 31 March 2016 the amount of per share dividend recognised as distributions to equity shareholders was ₹10 per share (previous year ₹ 3.50 per share).

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.

**c) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares held	% of holding	Number of shares held	% of holding
Sunrise Manufacturing Company Limited	4,267,552	21.95%	3,957,552	20.36%
Pravasi Enterprises Limited	3,050,104	15.69%	2,895,104	14.89%

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**3 RESERVES AND SURPLUS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Capital reserves</b>	<b>3.32</b>	<b>3.32</b>
<b>Securities premium account</b>	<b>31.26</b>	<b>31.26</b>
<b>General reserve</b>		
Balance at the beginning of the year	290.08	286.04
Add: Transferred from surplus in statement of profit and loss	-	4.04
<b>Balance at the end of the year</b>	<b>290.08</b>	<b>290.08</b>
<b>Hedging reserve</b>		
Balance at the beginning of the year	(0.42)	(0.82)
Add : Amount amortised during the year	0.28	0.40
<b>Balance at the end of the year</b>	<b>(0.14)</b>	<b>(0.42)</b>
<b>Foreign currency monetary item translation difference account</b>		
Balance at the beginning of the year	(2.77)	(6.50)
Add : Amounts recognised during the year	(0.42)	(0.33)
Less : Amounts amortised during the year	2.64	4.06
<b>Balance at the end of the year</b>	<b>(0.55)</b>	<b>(2.77)</b>
<b>Surplus as per statement of profit and loss</b>		
Balance at the beginning of the year	<b>69.83</b>	<b>42.55</b>
Add : Profit for the year	108.27	40.41
Less : Proposed dividends on equity shares	-	(6.80)
Less : Interim dividend	(19.44)	-
Less : Tax on dividends distributed during the year	(3.96)	(1.38)
Less : Transfer to general reserve	-	(4.04)
Less : Depreciation adjustment (net of taxes)	-	(0.91)
<b>Balance at the end of the year</b>	<b>154.70</b>	<b>69.83</b>
	<b>478.67</b>	<b>391.30</b>

**4 LONG TERM BORROWINGS**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Non-current	Current	Non-current	Current
<b>Secured</b>				
<b>Term loans</b>				
Foreign currency loans (note a and d)	180.48	71.11	168.96	53.25
Rupee term loans (note b and d)	41.68	1.72	65.37	18.70
Vehicle loans (note c and d)	0.85	1.89	0.66	1.14
	<b>223.01</b>	<b>74.72</b>	<b>234.99</b>	<b>73.09</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

continued

**Notes:**

- a) Foreign currency loans comprises of :
- (i) Loan of USD 10,000,000 taken from ICICI Bank during the financial year 2010-11 and carries interest @ Libor +400 bps per annum. The loan is repayable in 5 equal semi-annual installments of USD 2,000,000 each after moratorium of 3.5 years from the date of loan.
  - (ii) Loan of USD 13,272,220 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2008-09 and 2009-10 and carries interest @ Libor+375 bps per annum. The loan is repayable in 16 equal semi-annual installments of approx. USD 832,640 each after six month from the date of start of commercial production.
  - (iii) Loan of USD 10,000,000 taken from International Finance Corporation Bank during the financial year 2011-12 and 2013-14 and carries interest @ Libor+400 bps per annum. The loan is repayable in 17 semi-annual installments after moratorium of 2.5 years from the date of loan.
  - (iv) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13 and 2014-15 and carries interest @ Euribor +105 bps per annum. The loan is repayable in 17 equal semi-annual installments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production.
  - (v) Loan of USD 7,000,000 taken from DBS Bank Limited during the financial year 2012-13 and carries interest @ Libor+225 bps per annum. The loan is repayable in 8 semi-annual installments of USD starting from April-2015. (The loan has been fully hedged into an equivalent Rupee loan with fixed rate of interest).
  - (vi) Loan of USD 2,405,472 taken from EXIM Bank of India during the financial year 2015-16 and carries interest @ Libor+Margin per annum. The loan is repayable in 24 substantially equal quarterly installments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier.
  - (vii) Loan of EUR 235,120 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16 and carries interest @ Euribor+Margin per annum. The loan is repayable in 20 equal semi-annual installments after six month from the date of start of commercial production.
  - viii) Loans of ₹ 300,000,000 and ₹ 600,000,000 taken from State Bank of India were converted into fully hedged FCNR loans. The tenure of facilities remain in-line with the original sanction.
- b) Rupee term loans comprises of :
- (i) Loan of ₹ 300,000,000 taken from State Bank of India during the financial year 2012-13 and 2013-14 and carries interest @ base rate+ 2.25% per annum. The loan is repayable after a moratorium of 12 month from the date of disbursement in 8 equal quarterly installments of ₹ 37,500,000. This loan has been repaid during the year. During the year loan was converted into fully hedged FCNR loan. Refer note a viii).
  - (ii) Loan of ₹ 600,000,000 taken from State Bank of India during the financial year 2013-14 and carries interest @ base rate+ 2.3% per annum. The loan is repayable after a moratorium of 24 month from the date of disbursement in 24 equal quarterly installments of ₹ 25,000,000. During the year loan was converted into fully hedged FCNR loan. Refer note a viii).
  - (iii) Loan of ₹ 277,644,000 taken from IDBI Bank during the financial year 2014-15 and 2015-16 and carries interest @ base rate+ 2.5% per annum. The loan is repayable in 10 structured half yearly installments starting from 31 March 2018.
  - (iv) Loan of ₹ 150,000,000 taken from ICICI Bank during the financial year 2015-16 and carries interest @ base rate+ 2.75% per annum. The loan is repayable in 16 quarterly installments starting from 30 June 2016.
- c) Vehicle loans taken from Union Bank of India carries interest @10.5% -12% per annum. This loan is repayable within 3 years.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

continued

- d) Details of security for each type of borrowings:-
- (i) Foreign currency loan from ICICI Bank is secured by charge on all of the Company's moveable and immovable fixed assets, both present and future, save and except excluded assets, ranking pari passu with other lenders and Second pari passu charge on current assets of the company both present and future.
  - (ii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2008-09 and financial year 2009-10 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan - Vadodara.
  - (iii) Foreign currency loan from International Finance Corporation Bank is secured by first ranking security interest over all present and future movable and immovable fixed assets except the excluded assets, ranking pari passu with the other lenders and Second pari passu charge on current assets of the company both present and future.
  - (iv) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2012-13 and 2014-15 is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.
  - (v) Foreign currency loan from DBS Bank is secured by pari passu charge on the movable and immovable fixed assets both present and future of the Company, except the excluded assets and Second pari passu charge on current assets of the company both present and future.
  - vi) Foreign currency loan from EXIM bank taken in financial year 2015-16 is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - (vii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2015-16 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.
  - (viii) Rupee term loan of ₹ 30 crores from State Bank of India is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future. The loan has been repaid and security has been released during FY 15-16.
  - (ix) Rupee term loan of ₹ 60 crores from State Bank of India is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - x) Corporate Loan from IDBI Bank taken in financial year 2014-15 and 2015-16 is secured against (i) DP Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (iii) Second pari passu charge on current assets of the company both present and future.
  - (xi) Rupee term loan taken from ICICI in financial year 2015-16 is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - (xii) Vehicle loans from Union Bank of India are secured against hypothecation of vehicles financed out of the loan amount.
- e) Current maturities of long term borrowings are disclosed under the head other current liabilities.



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**5 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books.	102.60	94.72
<b>Gross deferred tax liability</b>	<b>102.60</b>	<b>94.72</b>
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	0.25	0.24
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	1.83	1.16
Unabsorbed losses	-	14.84
<b>Gross deferred tax assets</b>	<b>2.08</b>	<b>16.24</b>
<b>Deferred tax liabilities (net)</b>	<b>100.52</b>	<b>78.48</b>

**6 SHORT TERM BORROWINGS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Secured</b>		
From banks		
Cash credits/ working capital demand loans (note a and b)	103.89	159.39
<b>Total</b>	<b>103.89</b>	<b>159.39</b>

**Notes:**

- a) Cash credits/ working capital demand loans/ export packing credits are secured/to be secured by hypothecation of inventories, trade receivable and second charge on fixed assets secured to financial institutions except assets exclusively charged.

Cash credit and working capital demand loans from the bank comprises of the following:

- (i) Cash credit/working capital demand loan of ₹ 30 crores sanctioned by Export Import Bank of India is repayable on demand and carries interest as mutually decided.
- (ii) Working capital demand loan of ₹ 20 crores sanctioned by HDFC Bank is repayable on demand and carries interest rate as mutually decided.
- (iii) Cash credit/working capital demand of ₹ 15 crores sanctioned by ICICI Bank is repayable on demand and carries interest @ base rate+3.00% per annum.
- (iv) Cash credit/working capital demand of ₹ 65 crores sanctioned by Union Bank of India is repayable on demand and carries interest @ base rate+2.00% per annum.
- (v) Cash credit/working capital demand of ₹ 15 crores sanctioned by YES Bank of India is repayable on demand and carries interest @ base rate +2.50% per annum.
- (vi) Cash credit/working capital demand of ₹ 40 crores sanctioned by IDBI Bank is repayable on demand and carries interest @ base rate+2.00% per annum.
- (vii) Cash credit of ₹ 50 crores sanctioned by State Bank of India is repayable on demand and carries interest @ base rate +1.50% per annum.
- (viii) Cash credit/working capital loan/export packing credit of ₹ 20 crores sanctioned by DBS Bank is repayable on demand and carries interest as mutually agreed.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

- b) Overdraft of ₹ 5 crores from HDFC Bank is secured against pledge of the fixed deposit of the Company and is repayable on demand and carries interest rate as mutually decided.

**7 TRADE PAYABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
Total outstanding dues of micro enterprises and small enterprises *	-	-
<b>Other payables</b>		
Total outstanding dues of creditors other than micro enterprises and small enterprises	47.17	67.49
Acceptances	57.87	-
Employee related payables	1.81	2.53
Other accrued liabilities	35.94	28.98
<b>Total</b>	<b>142.79</b>	<b>99.00</b>

\* Micro and small enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there are no dues to micro and small enterprises that are reportable as per the Micro, Small and Medium Enterprises Development Act, 2006 as at the year end.

**8 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (refer note 4)	74.72	73.09
Interest accrued but not due on borrowings	2.64	4.57
Statutory dues payable	1.58	1.10
Advance received from customers	11.17	10.07
Others	4.44	4.38
<b>Total</b>	<b>94.55</b>	<b>93.21</b>

**9 SHORT TERM PROVISIONS**

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for income tax (net of advance tax)	0.84	3.43
Provision for gratuity (refer note 28)	0.93	-
<b>Others</b>		
Proposed dividend (note a)	-	6.80
Provision for taxes on proposed dividend	-	1.38
<b>Total</b>	<b>1.77</b>	<b>11.61</b>

**Note:**

- a) Details with respect to proposed dividend
- |                             |   |      |
|-----------------------------|---|------|
| Dividends proposed to       |   |      |
| -Equity shareholders        | - | 6.80 |
| Proposed dividend per share |   |      |
| -Equity shareholders (₹)    | - | 3.50 |

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**  
 (All amounts in ₹ crores, unless stated otherwise)

**10 FIXED ASSETS**

Particulars	Tangible fixed assets						Intangible assets	Capital work in progress		
	Land freehold	Land Buildings leasehold	Plant and equipment	Furniture and fixtures	Vehicles and equipment	Office equipment			Total	
<b>Gross block</b>										
Balance as at 1 April 2014	0.25	10.33	116.12	752.73	6.28	7.23	14.81	907.75	8.34	1.58
Additions	-	-	5.08	9.72	0.07	2.26	0.87	18.00	-	22.42
Disposals	-	-	(3.43)	(23.88)	(0.13)	(1.21)	(0.12)	(28.77)	-	(9.96)
Other adjustments:										
- Foreign exchange fluctuation	-	-	-	(11.27)	-	-	-	(11.27)	-	-
<b>Balance as at 31 March 2015</b>	<b>0.25</b>	<b>10.33</b>	<b>117.77</b>	<b>727.30</b>	<b>6.22</b>	<b>8.28</b>	<b>15.56</b>	<b>885.71</b>	<b>8.34</b>	<b>14.04</b>
Additions	3.95	-	24.86	36.59	0.25	3.18	1.23	70.06	-	27.95
Disposals	-	-	(0.64)	(0.07)	(0.03)	(0.88)	(0.03)	(1.65)	-	(29.98)
Other adjustments:										
- Borrowing costs	-	-	-	-	-	-	-	-	-	0.02
- Foreign exchange fluctuation	-	-	-	10.81	-	-	-	10.81	-	-
<b>Balance as at 31 March 2016</b>	<b>4.20</b>	<b>10.33</b>	<b>141.99</b>	<b>774.63</b>	<b>6.44</b>	<b>10.58</b>	<b>16.76</b>	<b>964.93</b>	<b>8.34</b>	<b>12.03</b>
Accumulated depreciation and amortisation										
Balance as at 1 April 2014	-	0.24	22.12	300.99	2.39	2.56	10.20	338.50	2.55	-
Depreciation and amortisation expense	-	0.09	3.07	22.16	0.82	1.15	1.46	28.75	1.30	-
Adjustment	-	-	0.33	0.27	0.06	-	0.71	1.37	-	-
Adjusted on disposal of assets	-	-	(0.93)	(13.11)	(0.09)	(0.58)	(0.13)	(14.84)	-	-
<b>Balance as at 31 March 2015</b>	<b>-</b>	<b>0.33</b>	<b>24.59</b>	<b>310.31</b>	<b>3.18</b>	<b>3.13</b>	<b>12.24</b>	<b>353.78</b>	<b>3.85</b>	<b>-</b>
Depreciation and amortisation expense	-	0.09	3.73	22.73	0.80	1.24	1.60	30.19	0.98	-
Adjusted on disposal of assets	-	-	(0.28)	(0.03)	(0.04)	(0.45)	(0.02)	(0.82)	-	-
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>0.42</b>	<b>28.04</b>	<b>333.01</b>	<b>3.94</b>	<b>3.92</b>	<b>13.82</b>	<b>383.15</b>	<b>4.83</b>	<b>-</b>
Net block										
<b>Balance as at 31 March 2015</b>	<b>0.25</b>	<b>10.00</b>	<b>93.18</b>	<b>416.99</b>	<b>3.04</b>	<b>5.15</b>	<b>3.32</b>	<b>531.93</b>	<b>4.49</b>	<b>14.04</b>
<b>Balance as at 31 March 2016</b>	<b>4.20</b>	<b>9.91</b>	<b>113.95</b>	<b>441.62</b>	<b>2.50</b>	<b>6.66</b>	<b>2.94</b>	<b>581.78</b>	<b>3.51</b>	<b>12.03</b>

**Note:**

- Capitalization of foreign exchange differences
- The foreign exchange difference capitalized during the year ended 31 March 2016 was ₹ 10.81 crores (previous year ₹ 11.27 crores).
- The Company has reassessed the useful life of fixed assets in accordance with the guidelines under Schedule II of the Companies Act, 2013 with effect from 1 April 2014.
- Additions include ₹ 0.31 crores (previous year ₹ 0.47 Crores) towards assets located at research and development facilities.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**11 NON CURRENT INVESTMENT**

Particulars	As at 31 March 2016	As at 31 March 2015
Unquoted, trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments		
In subsidiary - CF Global Holdings Limited	194.92	162.07
Others -		
- Gupta Energy Private Limited	-	4.21
- OPGS Power Gujrat Private Limited	0.04	-
- Sai Wardha Power Limited	2.30	2.30
<b>Total</b>	<b>197.26</b>	<b>168.58</b>

**Details of trade investments (unquoted)**

Name of the body corporate	No. of shares		Face value	Partly paid / Fully paid	Amount (₹)	
	31st March 2016	31st March 2015			31st March 2016	31st March 2015
<b>Equity</b>						
CF Global Holdings Limited	38,000,000	33,050,000	USD 1	Fully paid	194.92	162.07
Gupta Energy Private Limited	-	294,252	₹ 10	Fully paid	-	4.21
OPGS Power Gujrat Private Limited	1,821,000	-	₹ 0.19	Fully paid	0.04	-
Sai Wardha Power Limited	2,299,661	2,299,661	₹ 10	Fully paid	2.30	2.30
	<b>42,120,661</b>	<b>35,643,913</b>			<b>197.26</b>	<b>168.58</b>

**12 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Secured</b>		
Capital advances	19.02	0.63
<b>Unsecured, considered good</b>		
Capital advances	6.17	14.85
Security deposits	1.31	1.70
Prepaid expenses	0.93	0.25
Advance tax (net of provision for tax)	8.97	8.97
Contribution to employee stock option plan trust	7.00	-
Others	0.60	0.56
<b>Total</b>	<b>44.00</b>	<b>26.96</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**13 INVENTORIES**

Particulars	As at 31 March 2016	As at 31 March 2015
Raw material (including material in transit ₹ 9.95 crores) (previous year ₹ 5.94 crores)	56.91	43.87
Finished goods (including goods in transit ₹ 19.84 crores) (previous year ₹ 13.49 crores)	39.93	44.47
Stores and spares	10.69	10.06
<b>Total</b>	<b>107.53</b>	<b>98.40</b>

**14 TRADE RECEIVABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	0.43	6.97
Unsecured, considered doubtful	1.28	0.71
	1.71	7.68
Less : Allowances for bad and doubtful debts	(1.28)	(0.71)
	<b>0.43</b>	<b>6.97</b>
<b>Other debts</b>		
Unsecured, considered good	118.62	150.55
	<b>118.62</b>	<b>150.55</b>
<b>Total</b>	<b>119.05</b>	<b>157.52</b>

**15 CASH AND BANK BALANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Cash and cash equivalents</b>		
Cash in hand	0.02	0.02
Cheques, drafts in hand	0.53	1.02
Balances with banks		
- in current accounts	9.80	5.62
	<b>10.35</b>	<b>6.66</b>
<b>Other bank balances</b>		
Balance in current account		
-Unclaimed dividend account	1.58	0.78
Pledged deposit with remaining maturity of less than 12 months	5.97	5.90
(note a and b)	<b>7.55</b>	<b>6.68</b>
<b>Total</b>	<b>17.90</b>	<b>13.34</b>

**Note:**

- Pledged deposits represent ₹ Nil crores (previous year ₹ 0.16) pledged with sales tax authorities and ₹ 0.86 crores (previous year ₹ 0.74) pledged against issue of bank guarantees.
- The deposit of ₹ 5 crores (previous year ₹ 5 crores) pledged against overdraft facility.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**16 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Unsecured, considered good</b>		
Advances to vendors	1.93	2.26
Minimum alternate tax credit entitlement	37.13	13.04
Deposits with excise and other tax authorities	5.26	9.71
Export benefit recoverable	18.31	14.88
Discount recoverable	6.76	16.52
Prepaid expenses	4.55	5.31
Others (note a)	7.30	5.57
<b>Total</b>	<b>81.24</b>	<b>67.29</b>

**Note:**

- a) Includes ₹ Nil (Previous year ₹ 0.73 crs) being the excess remuneration paid to Whole-time Director over the minimum remuneration for FY 2013-14. Pending approval, the amount was held in trust by the Whole Time Director as at March 31, 2015. During the year ended March 31, 2016, the Company has received approval from the Central Government.

**17 OTHER CURRENT ASSETS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Unsecured, considered good</b>		
Interest accrued but not due	0.34	0.37
Receivable against sale of property	-	4.50
<b>Total</b>	<b>0.34</b>	<b>4.87</b>

**18 REVENUES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue from operations</b>		
Sale of products (including export benefits of ₹ 19.13 crores previous year ₹ 13.96 crores)	1,543.03	1,566.57
-Export	638.67	713.71
-Domestic	902.23	848.39
	1,540.90	1,562.10
Other operating revenues	5.69	6.15
<b>Revenue from operations (gross)</b>	<b>1,548.72</b>	<b>1,572.72</b>
Less : Excise duty	(108.59)	(93.98)
<b>Revenue from operations (net)</b>	<b>1,440.13</b>	<b>1,478.74</b>

**Details of products sold**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Manufactured goods</b>		
- Packaging films	1,523.90	1,552.61
	<b>1,523.90</b>	<b>1,552.61</b>



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**19 OTHER INCOME**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest income	0.62	1.02
Insurance and other claims	0.68	0.53
Liabilities no longer required written back	0.55	2.16
Profit on sale of assets (net)	2.68	-
<b>Total</b>	<b>4.53</b>	<b>3.71</b>

**20 DECREASE IN INVENTORIES OF FINISHED GOODS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Opening stock</b>		
Finished goods	44.47	77.61
<b>Total</b>	<b>44.47</b>	<b>77.61</b>
<b>Closing stock</b>		
Finished goods	39.93	44.47
<b>Total</b>	<b>39.93</b>	<b>44.47</b>
<b>Decrease in inventories of finished goods</b>	<b>4.54</b>	<b>33.14</b>

**Details of finished goods**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Finished goods</b>		
-Packaging films	39.93	44.47
	<b>39.93</b>	<b>44.47</b>

**21 EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	68.27	57.67
Gratuity expense (refer note 28)	2.47	-
Contribution to provident and other funds	3.57	3.65
Staff welfare expenses	2.99	2.14
<b>Total</b>	<b>77.30</b>	<b>63.46</b>

**Note:**

a) Employee benefit expenses includes research and development expenses (refer note 27)

**22 FINANCE COSTS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	24.64	32.02
Other borrowing costs	4.14	6.23
<b>Total</b>	<b>28.78</b>	<b>38.25</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**23 OTHER EXPENSES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Stores, spares and packing material consumed	54.06	49.00
Power, water and fuel	94.69	100.84
Excise duty on internal consumption/finished goods inventory	2.28	3.99
Other manufacturing expenses	0.60	1.11
Rent	2.24	1.82
Repairs and maintenance		
- Buildings	0.49	0.37
- Plant and equipment	8.41	7.54
- Others	2.75	2.34
Insurance	0.98	0.82
Rates and taxes	0.76	0.39
Printing and stationary	0.37	0.33
Training and recruitment expenses	0.38	0.33
Travelling and conveyance	6.28	4.03
Vehicle running and maintenance	3.56	3.50
Communication expenses	1.40	1.43
Legal and professional charges	5.04	4.43
Payment for audit fee (refer note 37)	0.64	0.49
Directors' fees	0.28	0.16
Corporate social responsibility (CSR) expenditure (refer note 41)	0.51	0.49
Loss on sale of assets (net)	-	3.58
Provision for bad debts	0.57	(0.01)
Freight and forwarding	49.53	57.11
Other selling expenses	0.85	1.09
Miscellaneous expenses	2.65	2.28
<b>Total</b>	<b>239.32</b>	<b>247.46</b>

**Note:** a) Other expenses includes research and development expenses (refer note 27)

**24 EXCEPTIONAL ITEMS**

Exceptional items represents net loss on foreign currency transaction and translation amounting to ₹ 6.36 crores (previous year loss ₹ 9.20 crores). Due to significant volatility in foreign currency exchange rates, the Company has considered loss on foreign exchange fluctuation as an exception item.

**25 EARNING PER SHARE**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
a) Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in crores)	108.27	40.41
b) Weighted average number of equity shares	19,440,076	19,440,076
c) Basic EPS (₹)	55.69	20.79
d) Diluted EPS (₹)	55.69	20.79
e) Nominal value per equity share (₹)	10.00	10.00

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**26 CONTINGENT LIABILITIES AND COMMITMENTS**
**(i) Contingent liabilities**

Particulars	As at 31 March 2016	As at 31 March 2015
a) Disputed demands for income tax (refer note i below)	4.83	4.83
b) Disputed demands for excise and custom duty and service tax	7.45	5.17
c) Disputed demands for labour/employee dispute	5.97	5.09
d) Claims against the Company not acknowledged as debts	0.28	0.15
e) Discounting of export customer invoices (refer note ii below)	7.21	20.34
f) Discounting of domestic customer invoices (refer note iii below)	2.28	3.89

Note:

- i) Disputed demand for income tax includes a dispute of ₹ 4.83 crores (previous year ₹ 4.83 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 Court which has been accepted by 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.
- ii) It represents discounted export debtors amount to ₹ 0.76 crores (previous year ₹ 9.12 Crores) against letter of credit and other discounted debtors of ₹ 6.45 crores (previous year ₹ 11.22 Crores) which has 90% credit insurance coverage from Export Credit and Guarantee Corporation of India Limited. All the discounted invoices have been reduced from trade receivables in note 14.
- iii) It represents discounted domestic debtors amount to ₹ 2.28 crores (previous year 3.89 crores) against letter of credit. All the discounted invoices have been reduced from trade receivables in note 14.

**(ii) Commitments**
**a) Capital commitment**

The Company has the following commitments:

Particulars	As at 31 March 2016	As at 31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	107.68	10.89
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	36.32	61.17

- b) The following amounts are to be credited to investor education and protection fund as and when due:

Particulars	As at 31 March 2016	As at 31 March 2015
Unclaimed dividend	1.58	0.78

**27 RESEARCH AND DEVELOPMENT EXPENDITURE**

Particulars	As at 31 March 2016	As at 31 March 2015
Employee benefit expenses	1.57	1.20
Materials and consumables	1.90	0.80
Others	0.26	0.47
<b>Total Research and development Expenditure</b>	<b>3.73</b>	<b>2.47</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**28 EMPLOYEE BENEFITS**
**a) Defined benefit plans (funded)**

The Company makes contribution towards gratuity to a defined contribution 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.

**1. The assumptions used to determine the gratuity benefit obligations are as follows :**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%

**2. Table showing changes in present value of obligations**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Present value of obligations as at beginning of year	9.52	10.14
Interest cost	0.76	0.81
Current service cost	0.91	0.76
Benefits paid	(1.45)	(0.88)
Actuarial loss/(gain) on obligations	1.70	(1.31)
<b>Present value of obligations as at end of year</b>	<b>11.44</b>	<b>9.52</b>

**3. Table showing changes in the fair value of plan assets**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Fair value of plan assets at beginning of year	11.02	10.96
Expected return on plan assets	0.87	0.94
Contributions	0.07	-
Benefits paid	(1.45)	(0.88)
<b>Fair value of plan assets at the end of year</b>	<b>10.51</b>	<b>11.02</b>

**4. The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Present value of obligations as at the end of year	11.44	9.52
Fair value of plan assets as at the end of the year	10.51	11.02
Funded status	(0.93)	1.50
<b>(Liabilities)/Net asset recognized in balance sheet</b>	<b>(0.93)</b>	<b>1.50</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**5. Expenses recognized in Statement of Profit and Loss**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Current service cost	0.91	0.76
Interest cost	0.76	0.81
Expected return on plan assets	(0.87)	(0.94)
Net actuarial loss/(gain) recognized in the year	1.70	(1.31)
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>2.50</b>	<b>(0.68)</b>

**6. Amount for the current and previous years are as follows**

Particulars	31st March 2016	31st March 2015	31st March 2014	31st March 2013	31st March 2012
Defined benefit obligation	11.44	9.52	10.14	8.42	10.15
Plan asset	10.51	11.02	10.96	10.69	11.68
<b>(Surplus) / deficit</b>	<b>0.93</b>	<b>(1.50)</b>	<b>(0.82)</b>	<b>(2.27)</b>	<b>(1.53)</b>
Net actuarial loss/(gain) recognized in the year	1.70	(1.31)	0.65	(3.13)	0.61

**b) Defined contribution plans**

Contributions to Defined Contribution plans recognised as expense for the year is as under :

Particulars	31 March 2016	31 March 2015
Employer's contribution to Provident Fund	2.43	2.42
Employer's contribution to Superannuation Fund	1.10	1.16
Employers contribution to leave encashment scheme	0.15	(0.20)

**29 RELATED PARTY DISCLOSURE**

In accordance with the required Accounting Standard (AS-18) 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:

**i) List of related parties and relationships:**
**A. Subsidiary and step-down subsidiary companies**

- CF Global Holdings Limited, Mauritius
- Cosmo Films Inc., USA
- CF (Netherlands) Holdings Limited BV., Netherlands
- Cosmo Films Japan (GK)
- Cosmo Films Korea Limited, Korea
- CF Investment Holding Private (Thailand) Company Limited, Thailand.
- Cosmo Films (Singapore) Pte. Limited

**B. Enterprises over which key managerial personnel of the Company and their relatives have significant influence:**

- Sunrise Manufacturing Company Limited
- Prime Securities Limited
- Cosmo Ferrites Limited
- Cosmo Foundation

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**C. Key management personnel**

a) Mr. Ashok Jaipuria Chairman and Managing Director

**ii) Transactions with related parties**

Particulars	Subsidiary and step-down companies		Enterprises over which Key managerial subsidiary Company and their relatives have significant influence		Key management personnel of the relatives		Total and their	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Purchase of goods</b>								
Cosmo Films Inc., USA	0.46	-	-	-	-	-	0.46	-
<b>Investment made</b>								
CF Global Holdings Limited, Mauritius	32.84	-	-	-	-	-	32.84	-
<b>Sales</b>								
Cosmo Films Inc. USA	39.25	81.26	-	-	-	-	39.25	81.26
Cosmo Films Korea Limited, Korea	3.61	1.49	-	-	-	-	3.61	1.49
Cosmo Films Japan (GK)	0.70	0.79	-	-	-	-	0.70	0.79
Cosmo Ferrites Limited	-	-	0.05	-	-	-	0.05	-
<b>Sales return</b>								
Cosmo Films Inc	0.37	-	-	-	-	-	0.37	-
Cosmo Films (Singapore) Pte. Limited	-	0.36	-	-	-	-	-	0.36
<b>Other operating revenues</b>								
Cosmo Films Inc., USA	0.80	0.38	-	-	-	-	0.80	0.38
Cosmo Films Korea Limited, Korea	0.24	0.23	-	-	-	-	0.24	0.23
Cosmo Films Japan (GK)	0.18	0.18	-	-	-	-	0.18	0.18
<b>Reimbursement of Expenses paid (net)</b>								
Cosmo Films Inc., USA	0.03	0.54	-	-	-	-	0.03	0.54
CF Investment Holding (Pvt) Thailand	-	0.04	-	-	-	-	-	0.04
Cosmo Films Japan (GK)	1.06	0.74	-	-	-	-	1.06	0.74
CF (Netherlands) Holdings Limited BV., Netherlands	0.87	1.22	-	-	-	-	0.87	1.22
<b>Rent paid</b>								
Sunrise Manufacturing Company Limited	-	-	0.66	1.02	-	-	0.66	1.02
Mr. Ashok Jaipuria	-	-	-	-	0.01	0.01	0.01	0.01
<b>Rent received</b>								
Sunrise Manufacturing Company Limited	-	-	0.02	0.02	-	-	0.02	0.02
Retainership Fees paid								
Prime Securities Limited	-	-	0.75	-	-	-	0.75	-
<b>Remuneration</b>								
Mr. Ashok Jaipuria	-	-	-	-	7.10	2.82	7.10	2.82
<b>Purchase of fixed assets</b>								
Cosmo Films Inc., USA	0.03	-	-	-	-	-	0.03	-
Sunrise Manufacturing Company Limited	-	-	17.50	-	-	-	17.50	-
<b>Corporate social responsibility expenditure</b>								
Contribution to Cosmo Foundation	-	-	0.51	0.49	-	-	0.51	0.49



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**iii) Outstanding balances :**

Particulars	Subsidiary and step-down subsidiary company		Enterprises over which Key managerial personnel of the Company and their relatives have significant influence		Key management personnel and their relatives	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>1. Trade receivables</b>						
- Cosmo Films Inc., USA	31.74	73.88	-	-	-	-
-Cosmo Films Korea Limited, Korea	0.66	0.43	-	-	-	-
- Cosmo Films Japan (GK)	0.49	0.04				
- Cosmo Ferrites Limited	-	-	0.05	-	-	-
<b>2. Trade payables</b>						
- Cosmo Films Japan (GK)	1.28	0.41				
<b>3. Loans and advance</b>						
- Sunrise Manufacturing Company Limited	-	-	-	0.51	-	-
<b>4. Managerial remuneration payable</b>						
- Mr. Ashok Jaipuria	-	-	-	-	(5.55)	(2.27)

**30 OPERATING LEASE**

- a) The Company has entered into agreements for taking on lease some of office premises under operating lease arrangements. The leases are non-cancellable and are ranging for the period upto 3 years and may be renewed for a further period based on mutual agreement of the parties.

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Future minimum lease payments</b>		
Upto one year	0.10	0.10
More than one year but less than five years	0.06	0.16
More than five years	-	-
	<b>0.16</b>	<b>0.26</b>
-Lease payments recognised in the Statement of Profit and Loss	2.24	1.82

**31 EMPLOYEE STOCK OPTION PLAN**

Pursuant to the approval of the shareholders, the company has introduced 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. The plan is to be 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.

- a) Under the CF ESOP 2015, the company has granted 193,000 options as per the details given hereunder:

Scheme	Date of Grant	Number of options granted	Vesting Condition	Exercise Period	Exercise Price per Share
CF Employees Stock Option Scheme 2015	13-Jan-16	193,000	On completion of 3 year from the date of grant	10 years from the date of vesting	₹300.05

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**b) Movement of Options Granted**

Particulars	31 March 2016	31 March 2015
Options outstanding at the beginning of the year	-	-
Options granted during the year	193,000	-
Options lapsed during the year	-	-
Options cancelled during the year	2,300	-
Options exercised during the year	-	-
Options outstanding at the end of the year	<b>190,700</b>	-

The weighted average remaining contractual life outstanding as of March 31, 2016 was 12.78 years

**c) The Fair value of options used to compute per capita 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:**

Grant Date	13-Jan-16
Market Price (₹)	300.05
Exercise Price (₹)	300.05
Expected Volatility (%)	57.70
Expected life (years)*	3
Dividend yield (%)	1.17
Risk free interest rate (%)	7.59
Fair value on grant date (₹)	128.25

\*Options Life is considered on the basis of earliest possible exercise after vesting

**d) Had the compensation cost for stock options granted being determined based on Fair value approach, the company's Net profit and Earning Per Share would have been as follows**

Particulars	Year ended	Year ended
	31 March 2016	31 March 2015
Profit after tax (As reported)	108.27	40.41
Add: Stock-based employee compensation expenses included in profit and loss account	-	-
Less: Stock-based employee compensation expenses as per fair value	(0.18)	-
Profit after tax (Fair Value base)	108.09	40.41
Basic and Diluted Earning per share (₹)		
As reported	55.69	20.79
Fair Value basis	55.60	20.79

**32 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**
**l) Derivative instruments**
**a) Foreign currency exposure hedged by derivative instruments (against imports):**

Currency	No. of contracts		Amount		Notional gain/(loss)	
	31 March	31 March	31 March	31 March	31 March	31 March
	2016	2015	2016	2015	2016	2015
USD ₹	26	13	5,561,208	5,026,519	(0.51)	0.15

**b) The Company has entered into interest rate swap contract (floating rate to fixed rate) to hedge its risk associated with LIBOR fluctuations and such instruments qualify as effective hedges. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market loss as on 31 March 2016 is estimated at ₹ 0.14 crores (previous year ₹ 0.43 crores).**

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

- c) The Company has entered into a cross currency swap agreement with DBS Bank for hedging of installment and interest rate for term loan amounting to USD 7,000,000 taken in the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain as on 31 March 2016 is estimated at ₹ 7.26 crores (previous year gain ₹ 5.25 crores).
- d) The Company has entered into vanilla European options to hedge two of its External Commercial Borrowings amounting to USD 8,000,000 and USD 4,995,838 respectively during the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2016 is estimated at ₹ 2.07 crores.
- e) The Company has entered into European options to hedge its External Commercial Borrowings amounting to USD 1,399,894 during FY 15-16. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2016 is estimated at ₹ 0.15 crores.

**II) Particulars of unhedged foreign currency exposure as at the reporting date**

Currency	31 March 2016		31 March 2015	
	Foreign currency	Local currency (₹)	Foreign currency	Local currency (₹)
USD	(10,761,145)	(71.40)	(11,008,730)	(68.93)
EURO	(8,488,206)	(63.78)	(11,218,565)	(75.78)
GBP	203,213	1.93	470,000	4.34

**Note:** Figures in bracket signifies amount payable.

- 33** Tax Expenses is net of reversal of ₹ 3.46 crores relating to the previous year arising mainly on account of section 10AA of the Income Tax Act, 1961.

**34 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Polymer (Homopolymer repol and EVA)	818.31	859.03
Others	103.73	153.23
<b>Total</b>	<b>922.04</b>	<b>1,012.26</b>

**35 IMPORTED AND INDIGENOUS CONSUMPTION**

	Indigenous		Imported		Total Value Amount	
	Value Amount	%	Value Amount	%		
<b>Raw materials and components</b>						
	2015-16	708.50	77%	213.54	23%	922.04
	2014-15	764.17	75%	248.09	25%	1,012.26
<b>Stores and spares (includes packaging)</b>						
	2015-16	50.20	93%	3.86	7%	54.06
	2014-15	46.39	95%	2.62	5%	49.00

**36 VALUE OF IMPORTS ON CIF BASIS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Raw materials	207.69	234.45
Components and spare parts	10.77	6.00
Capital goods	6.66	6.49
<b>Total</b>	<b>225.12</b>	<b>246.94</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**37 PAYMENTS TO AUDITORS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
As auditors	0.59	0.44
For other services	0.01	-
For reimbursement of expenses	0.04	0.05
<b>Total</b>	<b>0.64</b>	<b>0.49</b>

**38 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Services of foreign technicians	0.28	0.23
Sales commission and discount	16.31	9.63
Interest on foreign currency loan	6.48	6.66
Others	1.02	3.47
<b>Total</b>	<b>24.09</b>	<b>19.99</b>

**39 EARNINGS IN FOREIGN EXCHANGE**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Export of goods calculated on F.O.B basis (including deemed exports)	611.82	692.68

**40 DIVIDEND REMITTED IN FOREIGN CURRENCY**

Particulars	Year ended 31 March 2016		Year ended 31 March 2015
Period to which is relates	2014-15	2015-16	2013-14
Number of non - resident shareholders	38	37	38
Number of shares held on which dividend was due			
Equity	7,730	7,450	7,940
Amount remitted (in rupees)	27,055	74,500	7,940

**41 CORPORATE SOCIAL RESPONSIBILITY**

- Gross amount required to be spent by the company during the year in compliance with section 135 of the Companies Act 2013 is ₹ 0.46 crores (Previous year ₹ 0.44 crores).
- Amount spent during the year on -

	In cash	Yet to be paid in cash	Total
Contribution to education trust (Cosmo Foundation)	0.51	-	0.51
	<b>0.51</b>	<b>-</b>	<b>0.51</b>

- 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.

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**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

*(All amounts in ₹ crores, unless stated otherwise)*

**43 PREVIOUS YEARS FIGURES**

Corresponding figures for the previous year have been regrouped/rearranged, whenever necessary to confirm to current year classification.

For **Walker Chandiok & Co LLP**  
(formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place : New Delhi  
Date : 11 May 2016

**For and on behalf of Board of Directors of Csomofilms Limited**

**Pratip Chaudhuri**  
Director  
DIN: 00915201

Neeraj Jain  
Chief Financial Officer

**Ashok Jaipuria**  
Chairman & Managing Director  
DIN: 00214707

Jyoti Dixit  
Company Secretary

**STATEMENT CONTAINING FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES  
PURSUANT TO FIRST PROVISIO TO SECTION 129(3) OF THE COMPANIES ACT, 2013  
READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

Subsidiary	Reporting Currency	Closing exchange rate agst Indian Rupee as on 31 <sup>st</sup> March, 2016	Capital	Reserve	Total Assets	Total Liabilities	Investments except in case of investment in subsidiaries	Turnover	profit before tax	profit after tax	Proposed Dividend	Country
CF Global Holdings Ltd.	INR (in Cr) USD 000's	66.3329	252.07 38000	(0.20) (30)	251.90 37975	0.03 5	0.00 0.00	0.00 0.00	(0.11) (17)	(0.11) (17)	0.00 0.00	Mauritius
Cosmo Films ( Netherlands) Cooperatief. U.A	INR (in Cr) Euro 000's	75.0955	213.25 28397	(0.30) (40)	213.01 28366	0.07 9	0.00 0.00	0.00 0.00	(0.25) (35)	(0.25) (35)	0.00 0.00	Netherland
CF ( Netherlands) Holdings Limited B. V	INR (in Cr) Euro 000's	75.0955	213.00 28364	(14.36) (1912)	209.44 27889	10.79 1437	0.00 0.00	0.00 0.00	(0.13) (19)	(0.13) (19)	0.00 0.00	Netherland
Cosmo Films (Japan) GK	INR (in Cr) JPY 000's	0.5906	8.86 150000	27.02 457563	57.82 979012	21.94 371448	0.00 0.00	47.16 867165	2.50 45988	1.42 26127	0.00 0.00	Japan
Cosmo Films (Singapore) Pte Ltd.	INR (in Cr) S\$ 000's	49.1155	0.23 50	(0.01) (2)	0.33 72	0.11 23	0.00 0.00	0 0	(0.04) (9)	(0.04) (9)	0.00 0.00	Singapore
Cosmo Films Korea Ltd.	INR (in Cr) KRW 000's	0.0580	11.60 2000000	14.76 2545347	42.11 7260625	15.75 2715278	0.00 0.00	46.91 8288001	(4.14) (731555)	(3.98) (703437)	0.00 0.00	Korea
Cosmo Films Inc	INR (in Cr) USD 000's	66.3329	179.10 27000	(108.19) (16310)	116.70 17593	45.79 6904	0.00 0.00	165.87 25491	(17.10) (2628)	(17.10) (2628)	0.00 0.00	USA
CF Investment Holding Private (Thailand) Co. Ltd.	INR (in Cr) THB 000's	1.8866	30.19 160000	(0.03) (173)	30.17 159905	0.01 78	28.46 150861	0.00 0.00	(0.00) (6)	(0.00) (6)	0.00 0.00	Thailand



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Cosmo Films Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Cosmo Films Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms with the provisions of the Act, the Board of Directors of the Holding Company are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9(a) of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matter(s)**

9. (a) We did not audit the financial statements/financial information of three subsidiaries included in the consolidated financial statements, whose financial statements / financial information reflect total assets (after eliminating intra-group transactions) of ₹157.44 crores as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹177.04 crores and net cash

flows amounting to ₹.2.89 crores for the year ended on that date. These financial statements/ financial information have been audited by other auditors whose report(s) 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.

- (b) We did not audit the financial statements/financial information of five subsidiaries included in the consolidated financial statements, whose financial statements/financial information reflect total assets (after eliminating intra-group transactions) of ₹49.47 crores as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹47.16 crores and net cash flows amounting to ₹(0.11) crores for the year ended on that date. 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 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, 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 the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Act, and based on the auditor's reports of the Company, 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 purpose 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 financial statements 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date and our report dated 11 May 2016 as per annexure A expressed unmodified opinion.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) As detailed in Note 26, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- (ii) The Group 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 Holding Company incorporated in India.

**For Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**per Neeraj Goel**  
Partner  
Membership No.:99514

Place: New Delhi  
Date: 11 May 2016

## Annexure A

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Cosmo Films 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 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company as aforesaid.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting 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 Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Place: New Delhi  
Date: 11 May 2016

per **Neeraj Goel**  
Partner  
Membership No.: 99514

**BALANCE SHEET** as at 31 March, 2016  
 (All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at	
		31 March 2016	31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	19.44	19.44
Reserves and surplus	3	436.83	361.18
		<b>456.27</b>	<b>380.62</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	223.02	238.62
Deferred tax liabilities (net)	5	78.81	57.19
		<b>301.83</b>	<b>295.81</b>
<b>Current liabilities</b>			
Short-term borrowings	6	120.93	173.20
Trade payables	7	159.17	117.12
Other current liabilities	8	98.81	98.59
Short-term provisions	9	4.89	13.99
		<b>383.80</b>	<b>402.91</b>
<b>TOTAL</b>		<b>1,141.90</b>	<b>1,079.33</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		643.73	590.97
Intangible assets		3.51	4.49
Capital work in progress		12.03	14.04
Non current investments	11	30.80	35.53
Long term loans and advances	12	46.23	30.43
		<b>736.30</b>	<b>675.46</b>
<b>Current assets</b>			
Inventories	13	172.04	179.54
Trade receivables	14	117.44	121.95
Cash and bank balances	15	32.35	25.01
Short term loans and advances	16	83.43	72.49
Other current assets	17	0.34	4.88
		<b>405.60</b>	<b>403.87</b>
<b>TOTAL</b>		<b>1,141.90</b>	<b>1,079.33</b>
<b>Statement of significant accounting policies</b>	1		

The accompanying notes are an integral part of the consolidated financial statements.

This is the consolidated Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
 (formerly Walker, Chandio & Co)  
 Chartered Accountants

per **Neeraj Goel**  
 Partner

Place : New Delhi  
 Date : 11 May 2016

For and on behalf of Board of Directors of **Csomo Films Limited**

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

**Neeraj Jain**  
 Chief Financial Officer

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

**Jyoti Dixit**  
 Company Secretary

**STATEMENT OF PROFIT AND LOSS** for the year ended 31 March, 2016

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2016	As at 31 March 2015
<b>INCOME</b>			
<b>Revenue from operations (gross)</b>	18	<b>1,729.21</b>	<b>1,740.77</b>
Less : Excise duty		(108.59)	(93.99)
<b>Revenue from operations (net)</b>		<b>1,620.62</b>	<b>1,646.78</b>
Other income	19	5.54	4.95
<b>Total income</b>		<b>1,626.16</b>	<b>1,651.73</b>
<b>EXPENSES</b>			
Decrease in inventories of finished goods	20	19.28	28.17
Cost of materials consumed		1,002.09	1,121.63
Purchases of traded goods		3.88	1.59
Employee benefit expenses	21	121.59	105.01
Finance costs	22	30.18	39.88
Depreciation and amortisation expense	10	35.68	34.54
Other expenses	23	282.48	286.02
<b>Total expenses</b>		<b>1,495.18</b>	<b>1,616.84</b>
<b>Profit before tax and exceptional items</b>		<b>130.98</b>	<b>34.89</b>
Exceptional items	24	(6.94)	3.33
<b>Profit before tax and minority interest</b>		<b>124.04</b>	<b>38.22</b>
Tax expense:			
Current tax			
- Current year		28.93	14.67
- Minimum alternate tax credit entitlement		(24.09)	(10.03)
- Earlier years		0.01	(0.74)
Deferred tax			
- Current year		26.41	14.70
- Earlier years		(3.46)	(8.04)
<b>Profit for the year</b>		<b>96.24</b>	<b>27.66</b>
Earnings per equity share (₹):	25		
- Basic		49.50	14.23
- Diluted		49.50	14.23
<b>Statement on significant accounting policies</b>	1		

The accompanying notes 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 **Walker Chandio & Co LLP**  
 (formerly Walker, Chandio & Co)  
 Chartered Accountants

per **Neeraj Goel**  
 Partner

Place : New Delhi  
 Date : 11 May 2016

For and on behalf of Board of Directors of **Cosmo Films Limited**

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

**Neeraj Jain**  
 Chief Financial Officer

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

**Jyoti Dixit**  
 Company Secretary



**STATEMENT OF CASH FLOW** for the year ended 31 March, 2016

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	Year ended 31 March 2016	Year Ended 31 March 2015
<b>A. Cash flow from operating activities:</b>			
Profit before tax		124.04	38.22
Adjustments for:			
Depreciation and amortisation expenses		35.68	34.54
Interest expense		25.42	33.11
Interest income		(0.62)	(1.03)
Unrealised gain on exchange fluctuation (net)		2.26	5.94
(Profit)/loss on sale of fixed assets (net)		(2.68)	3.58
Provision for bad and doubtful debts/advances		1.52	(0.36)
Liability no longer required written back		(0.58)	(2.18)
<b>Operating profit before working capital changes</b>		<b>185.04</b>	<b>111.82</b>
<b>Adjustments for changes in working capital :</b>			
- Movement in trade receivables		6.95	10.48
- Movement in other receivables		14.60	(10.35)
- Movement in inventories		7.51	22.90
- Movement in trade and other payables		41.61	(0.51)
<b>Cash generated from operations</b>		<b>255.71</b>	<b>134.34</b>
Income tax paid		(33.29)	(5.24)
<b>Net cash generated from operating activities (A)</b>		<b>222.42</b>	<b>129.10</b>
<b>B. Cash flow from investing activities:</b>			
Purchase of fixed assets and capital work in progress		(88.24)	(47.69)
Proceeds from sale of fixed assets		3.56	10.36
Purchase of investments		0.52	(5.93)
Sale of investments		4.21	-
Investment in fixed deposits		(0.07)	(0.90)
Interest received		0.66	1.57
<b>Net cash used in investing activities (B)</b>		<b>(79.36)</b>	<b>(42.59)</b>
<b>C. Cash flow from financing activities:</b>			
Proceeds from long term borrowings		56.06	15.87
Repayment of long term borrowings		(82.38)	(67.50)
Repayment from short term borrowings (net)		(52.28)	(34.55)
Interest paid		(27.37)	(32.86)
Dividend paid		(26.24)	(1.94)
Dividend tax paid		(5.34)	(0.33)
<b>Net cash used in financing activities (C)</b>		<b>(137.55)</b>	<b>(121.31)</b>
Net increase/(decrease) in cash & cash equivalents (A + B + C)		5.51	(34.80)
Effects of changes in exchange rate on cash and cash equivalents		0.96	(1.01)
Cash and cash equivalents at the beginning of the year		18.32	54.13
<b>Cash and cash equivalents at the end of the year (refer note 15)</b>		<b>24.79</b>	<b>18.32</b>

The accompanying notes are an integral part of the consolidated financial statements

**This is the Statement of Cash Flow referred to in our report of even date.**

 For **Walker Chandio & Co LLP**  
 (formerly Walker, Chandio & Co)  
 Chartered Accountants

 per **Neeraj Goel**  
 Partner

 Place : New Delhi  
 Date : 11 May 2016

For and on behalf of Board of Directors of Csomom Films Limited

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

 Neeraj Jain  
 Chief Financial Officer

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

 Jyoti Dixit  
 Company Secretary

## Notes to the Consolidated Financial Statements for the year ended 31 March 2016

(All amounts in ₹ crores, unless stated otherwise)

### 1. Statement on significant accounting policies

#### a) Background and nature of operations

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 packaging films. Company's product majorly comprises of BOPP Films and Thermal Films. In India, the Company is currently working at Aurangabad in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries working in different countries.

#### b) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 8/2014 dated 4 April 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

#### c) Principles of consolidation

The consolidated financial Statements include the financial statements of the parent company and its subsidiaries.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

The excess/deficit of cost to the parent company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the financial statements as goodwill/capital reserve. The parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

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.

#### d) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### e) Fixed assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the consolidated statement of

profit and Loss. Project under commissioning and other assets under erection/installation are shown under capital work in progress and are carried at cost, comprising of direct cost and related incidental expenses. Spares directly related to plant & machinery are capitalized and depreciated over the life of the original equipment.

Foreign currency loans availed for acquisition of fixed assets are converted at the rate prevailing on the due date for installments repayable during the year and at the rate prevailing on the date of balance sheet for the outstanding loan. The fluctuation is adjusted in the original cost of fixed assets.

The cost of internally constructed assets constructed by Company shall include the cost of all materials used in construction, direct labour employed and an appropriate proportion of variable and fixed overheads.

**f) Investments**

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair market value.

**g) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. 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. Cost of finished goods also includes excise duty, wherever applicable.

**h) Depreciation and amortization**

Depreciation on fixed assets is provided on straight line method (SLM) at rates which are equal to the corresponding rates in Schedule II to the Companies Act 2013, based on management estimates of useful life as follows:

Block of asset	Life (in years)
Factory Buildings	30
Buildings Other than Factory	60
Continuous Process Plant and Machinery	25
Other Plant and Machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers including software	3 & 6

ii) Cost of the leasehold land is amortised over the period of the lease.

iii) Depreciation on assets costing ₹ 5000/- or below is charged @ 100% per annum in the year of purchase.

**i) Research and development**

Revenue expenditure incurred on research and development is charged to Consolidated statement of profit and loss in the year it is incurred.

Capital expenditure is included in the respective heads under fixed assets and depreciation thereon is charged to depreciation account.

## **j) Foreign currency transactions**

### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

As per the amendment of the Companies (Accounting Standard) Rules, 2006-'AS 11' relating to 'The Effects of Changes in Foreign Exchange Rates' exchange difference arising on conversion of long term foreign currency monetary items is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortized over period not extending beyond, earlier of March 31, 2020 or maturity date of underlying long term foreign currency monetary items.

## **k) Accounting of cash flow hedges and derivatives**

The Company enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates designated as cash flow hedges.

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. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Derivatives are recorded at their fair value with changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in a hedging reserve account. The gain or loss relating to the ineffective portion is recognized immediately in Consolidated statement of profit and loss. Amounts deferred in the hedging reserve account are released to the Consolidated statement of profit and loss in the year when the hedged item affects profit or loss. hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting upon which remaining balance of such hedge in the hedging reserve account is released to the consolidated statement of profit and loss.

Derivatives which are not designated as effective hedge are also recorded at their fair value and change in fair value is recognized immediately in the consolidated statement of profit and loss.

The company also uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the consolidated statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.

## **l) Employees benefits**

### **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 recognized as an expense in the period in which services are rendered by the employee.

#### **Superannuationfund**

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 recognized as an expense in the period in which the services are rendered by the employee.

#### **Gratuity**

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the consolidated statement of profit and loss in the year in which such gains or losses arise.

#### **Compensated absences**

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated statement of profit and loss in the year in which such gains or losses arise. Provision related to short term compensated absences of workers is provided on actual basis.

### **m) Taxation**

The tax expense comprises of current taxes and deferred taxes. Current Tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence 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 in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated 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 reasonably certain that the Company will pay normal income tax during the specified period.

### **n) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sales**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and

No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

#### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding held and the interest rate applicable.

**Dividend**

Dividend income is recognized as income when the right to receive the payment is established.

**Export benefits/incentives**

Revenue in respect of duty entitlement pass book scheme and duty drawback scheme is recognized when the entitlement to receive the benefit is established.

**o) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are complete.

**p) Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 of bonus issue and share split.

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.

**q) Impairment of assets**

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 recognized in the consolidated 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.

**r) Provisions and contingent liabilities**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a present obligation that may, but probably will not, require an outflow of resources. Disclosure is also made in respect of a present obligation as a result of past event that probably requires an outflow of resource, where it is not possible to make a reliable estimate of the outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**s) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments in fixed deposits with an original maturity of three months or less.

**t) Employee Share based payment**

The stock options granted under Cosmo Films Employees Stock Option Plan 2015 to the employees of the company and its subsidiaries are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India whereby the excess if any of the closing market price on the day prior to the day of the grant of the options over the exercise price is amortised on a straight line basis over the vesting period.



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**2 SHARE CAPITAL**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b>				
Equity shares of ₹ 10 each	25,000,000	25.00	25,000,000	25.00
		<b>25.00</b>		<b>25.00</b>
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹ 10 each	19,440,076	19.44	19,440,076	19.44
<b>Total</b>		<b>19.44</b>		<b>19.44</b>

**Notes:**

- (i) Of the above 242,051 (Previous year 242,051) shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation.
- (ii) Of the above 8,486,705 (Previous year 8,486,705) shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account.
- a) There is no movement in equity share capital during the current year and previous year.

**b) 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 is subject to approval of shareholders in Annual General Meeting.

During the year Board of Directors declared an interim dividend of ₹ 10 per equity share, (previous year ₹ Nil). No Final dividend is recommended by the Board.

During the year ended 31 March 2016 the amount of per share dividend recognised as distributions to equity shareholders was ₹10 per share (previous year ₹ 3.50 per share).

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.

**c) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares held	% of holding	Number of shares held	% of holding
Sunrise Manufacturing Company Limited	4,267,552	21.95%	3,957,552	20.36%
Pravasi Enterprises Limited	3,050,104	15.69%	2,895,104	14.89%

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**3 RESERVES AND SURPLUS**

Particulars	As at	
	31 March 2016	31 March 2015
<b>Capital reserves</b>	<b>4.10</b>	<b>3.32</b>
<b>Securities premium account</b>	<b>31.26</b>	<b>31.26</b>
<b>Foreign currency translation reserve</b>	<b>25.79</b>	<b>19.72</b>
<b>General reserve</b>		
Balance at the beginning of the year	278.11	274.07
Add: Transferred from surplus in statement of profit and loss	-	4.04
<b>Balance at the end of the year</b>	<b>278.11</b>	<b>278.11</b>
<b>Hedging reserve</b>		
Balance at the beginning of the year	3.49	(0.81)
Add : Amount recognised during the year	(6.26)	4.30
<b>Balance at the end of the year</b>	<b>(2.77)</b>	<b>3.49</b>
<b>Foreign currency monetary item translation difference account</b>		
Balance at the beginning of the year	(2.77)	(6.51)
Add : Amounts recognised during the year	(0.42)	(0.33)
Less : Amounts amortised during the year	2.64	4.07
<b>Balance at the end of the year</b>	<b>(0.55)</b>	<b>(2.77)</b>
<b>Surplus as per Consolidated statement of profit and loss</b>		
Balance at the beginning of the year	28.05	13.52
Add: Profit for the year	96.24	27.66
Less : Interim dividends on equity shares	(19.44)	-
Less : Proposed dividends on equity shares	-	(6.80)
Less : Tax on dividends distributed during the year	(3.96)	(1.38)
Less : Transfer to general reserve	-	(4.04)
Less : Depreciation Adjustment (net of taxes)	-	(0.91)
<b>Balance at the end of the year</b>	<b>100.89</b>	<b>28.05</b>
<b>Total</b>	<b>436.83</b>	<b>361.18</b>

**4 LONG TERM BORROWINGS**

Particulars	As at 31 March 2016		As at 31 March 2015	
	Non-current	Current	Non-current	Current
<b>Secured</b>				
<b>Term loans</b>				
Foreign currency loans (note a)	180.49	74.84	172.59	58.09
Rupee term loans (note b)	41.68	1.71	65.37	18.70
Vehicle loans (note c)	0.85	1.89	0.66	1.14
	<b>223.02</b>	<b>78.44</b>	<b>238.62</b>	<b>77.93</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**Notes:****a) Foreign currency loans comprises of :**

- (i) Loan of USD 10,000,000 taken from ICICI Bank during the financial year 2010-11 and carries interest @ Libor +400 bps per annum. The loan is repayable in 5 equal semi-annual installments of USD 2,000,000 each after moratorium of 3.5 years from the date of loan.
- (ii) Loan of USD 13,272,220 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2008-09 and 2009-10 and carries interest @ Libor+375 bps per annum. The loan is repayable in 16 equal semi-annual installments of approx. USD 832,640 each after six month from the date of start of commercial production.
- (iii) Loan of USD 10,000,000 taken from International Finance Corporation Bank during the financial year 2011-12 and 2013-14 and carries interest @ Libor+400 bps per annum. The loan is repayable in 17 semi-annual installments after moratorium of 2.5 years from the date of loan.
- (iv) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13 and 2014-15 and carries interest @ Euribor +105 bps per annum. The loan is repayable in 17 equal semi-annual installments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production.
- (v) Loan of USD 7,000,000 taken from DBS Bank Limited during the financial year 2012-13 and carries interest @ Libor+225 bps per annum. The loan is repayable in 8 semi-annual installments of USD starting from April-2015. (The loan has been fully hedged into an equivalent Rupee loan with fixed rate of interest).
- (vi) Loan of USD 2,405,472 taken from EXIM Bank of India during the financial year 2015-16 and carries interest @ Libor+Margin per annum. The loan is repayable in 24 substantially equal quarterly installments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier.
- (vii) Loan of EUR 235,120 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16 and carries interest @ Euribor+Margin per annum. The loan is repayable in 20 equal semi-annual installments after six month from the date of start of commercial production.
- viii) Loans of ₹ 300,000,000 and ₹ 600,000,000 taken from State Bank of India were converted into fully hedged FCNR loans. The tenure of facilities remain in-line with the original sanction.
- (ix) Loan of KRW 3 billion taken from IBK Korea, during the financial year 2011-12 and carries interest rate @4.4% per annum (reset after every three months). The loan is repayable after a moratorium period of 2 years in 14 quarterly installments.

**b) Rupee term loans comprises of :**

- (i) Loan of ₹ 300,000,000 taken from State Bank of India during the financial year 2012-13 and 2013-14 and carries interest @ base rate+ 2.25% per annum. The loan is repayable after a moratorium of 12 month from the date of disbursement in 8 equal quarterly installments of ₹ 37,500,000. This loan has been repaid during the year. During the year loan was converted into fully hedged FCNR loan. Refer note a viii).
- (ii) Loan of ₹ 600,000,000 taken from State Bank of India during the financial year 2013-14 and carries interest @ base rate+ 2.3% per annum. The loan is repayable after a moratorium of 24 month from the date of disbursement in 24 equal quarterly installments of ₹ 25,000,000. During the year loan was converted into fully hedged FCNR loan. Refer note a viii).
- (iii) Loan of ₹ 277,644,000 taken from IDBI Bank during the financial year 2014-15 and 2015-16 and carries interest @ base rate+ 2.5% per annum. The loan is repayable in 10 structured half yearly installments starting from 31 March 2018.
- (iv) Loan of ₹ 150,000,000 taken from ICICI Bank during the financial year 2015-16 and carries interest @ base rate+

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

2.75% per annum. The loan is repayable in 16 quarterly installments starting from 30 June 2016.

- c) Vehicle loans taken from Union Bank of India carries interest @10.5% -12% per annum. This loan is repayable in 3years.
- d) Details of security for each type of borrowings:-
- (i) Foreign currency loan from ICICI Bank is secured by charge on all of the Company's moveable and immovable fixed assets, both present and future, save and except excluded assets, ranking pari passu with other lenders and Second pari passu charge on current assets of the company both present and future.
  - (ii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2008-09 and financial year 2009-10 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan - Vadodara.
  - (iii) Foreign currency loan from International Finance Corporation Bank is secured by first ranking security interest over all present and future movable and immovable fixed assets except the excluded assets, ranking pari passu with the other lenders and Second pari passu charge on current assets of the company both present and future.
  - (iv) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2012-13 and 2014-15 is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.
  - (v) Foreign currency loan from DBS Bank is secured by pari passu charge on the movable and immovable fixed assets both present and future of the Company, except the excluded assets and Second pari passu charge on current assets of the company both present and future.
  - vi) Foreign currency loan from EXIM bank taken in financial year 2015-16 is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - (vii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2015-16 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.
  - (viii) Rupee term loan of ₹ 30 crores from State Bank of India is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future. The loan has been repaid and security has been released during FY 15-16.
  - (ix) Rupee term loan of ₹ 60 crores from State Bank of India is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - x) Corporate Loan from IDBI Bank taken in financial year 2014-15 and 2015-16 is secured against (i) DP Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (iii) Second pari passu charge on current assets of the company both present and future.
  - (xi) Rupee term loan taken from ICICI in financial year 2015-16 is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, except excluded assets (ii) Second pari passu charge on current assets of the company both present and future.
  - (xii) Vehicle loans from Union Bank of India are secured against hypothecation of vehicles financed out of the loan amount.
  - (xiii) Foreign currency loan from IBK Korea, is secured by first charge on the entire assets of the respective subsidiary.
- e) Current maturities of long term borrowings are disclosed under the head other current liabilities.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**5 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books.	109.59	104.51
<b>Gross deferred tax liability</b>	<b>109.59</b>	<b>104.51</b>
<b>Deferred tax assets</b>		
Unabsorbed losses	27.27	40.57
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	7.95	5.13
Provision for bad and doubtful debts	0.82	0.50
Others	(5.26)	1.12
<b>Gross deferred tax assets</b>	<b>30.78</b>	<b>47.32</b>
<b>Deferred tax liabilities (net)</b>	<b>78.81</b>	<b>57.19</b>

**6 SHORT TERM BORROWINGS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Secured</b>		
From banks		
Cash credits/ working capital demand loans (note a and b)	120.93	173.20
<b>Total</b>	<b>120.93</b>	<b>173.20</b>

**Notes:**

- a) Cash credits/ working capital demand loans/ export packing credits are secured/to be secured by hypothecation of inventories, trade receivable and second charge on fixed assets secured to financial institutions except assets exclusively charged.

Cash credit and working capital demand loans from the bank comprises of the following:

- (i) Cash credit/working capital demand loan of ₹ 30 crores sanctioned by Export Import Bank of India is repayable on demand and carries interest rate as mutually decided.
- (ii) Working capital demand loan of ₹ 20 crores sanctioned by HDFC Bank is repayable on demand and carries interest rate as mutually decided.
- (iii) Cash credit/working capital demand of ₹ 15 crores sanctioned by ICICI Bank is repayable on demand and carries interest @ base rate+3.00% per annum.
- (iv) Cash credit/working capital demand of ₹ 65 crores sanctioned by Union Bank of India is repayable on demand and carries interest @ base rate+2.00% per annum.
- (v) Cash credit/working capital demand of ₹ 15 crores sanctioned by YES Bank of India is repayable on demand and carries interest @ base rate +2.50% per annum.
- (vi) Cash credit/working capital demand of ₹ 40 crores sanctioned by IDBI Bank is repayable on demand and carries interest @ base rate+2.00% per annum.
- (vii) Cash credit of ₹ 50 crores sanctioned by State Bank of India is repayable on demand and carries interest @ base rate +1.50% per annum.
- (viii) Cash credit/working capital loan/export packing credit of ₹ 20 crores sanctioned by DBS Bank is repayable on demand and carries interest as mutually agreed.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

- (ix) Loan of JPY 200 million is taken from Mizuho Bank, Japan. All are current and payable within one year.
- (x) Loan of KRW 900 million is taken from IBK Bank, Korea. All are current and payable within one year.
- b) Overdraft of ₹ 5 crores from HDFC Bank are secured against pledge of the fixed deposits of the Company is repayable on demand and carries interest rate as mutually decided.

**7 TRADE PAYABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
Total outstanding dues of micro enterprises and small enterprises *	-	-
Other payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	57.00	82.33
Acceptances	57.87	-
Employee related payables	2.40	3.07
Other accrued liabilities	41.90	31.72
<b>Total</b>	<b>159.17</b>	<b>117.12</b>

\* Micro and small enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there are no dues to micro and small enterprises that are reportable as per the Micro, Small and Medium Enterprises Development Act, 2006 as at the year end.

**8 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2016	As at 31 March 2015
Current maturities of long term debt (refer note 4)	78.44	77.93
Interest accrued but not due on borrowings	2.64	4.57
Statutory dues payable	2.11	1.05
Advance received from customers	11.17	10.66
Others	4.45	4.38
<b>Total</b>	<b>98.81</b>	<b>98.59</b>

**9 SHORT TERM PROVISIONS**

Particulars	As at 31 March 2016	As at 31 March 2015
Employee benefit payable	3.12	2.38
Provision for gratuity (refer note 28)	0.93	-
Provision for income tax (net of advance tax)	0.84	3.43
Others		
Proposed dividend (note a)	-	6.80
Provision for taxes on proposed dividend	-	1.38
<b>Total</b>	<b>4.89</b>	<b>13.99</b>

**Note:**

- a) Details with respect to proposed dividend
- |                             |   |      |
|-----------------------------|---|------|
| Dividends proposed to       |   |      |
| - Equity shareholders       | - | 6.80 |
| Proposed dividend per share |   |      |
| - Equity shareholders (₹)   | - | 3.50 |

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**  
 (All amounts in ₹ crores, unless stated otherwise)

**10 FIXED ASSETS**

Particulars	Tangible fixed assets						Intangible assets		Capital work in progress	
	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total		Software
<b>Gross block</b>										
Balance as at 31 March 2014	13.17	10.59	138.36	792.19	7.45	7.51	18.00	987.27	8.34	1.58
Additions	--	-	5.10	9.78	0.07	2.55	0.95	18.45	-	22.42
Disposals	-	-	(3.43)	(23.88)	(0.13)	(1.21)	(0.12)	(28.77)	-	(9.96)
Other adjustments:	-	-	-	-	-	-	-	-	-	-
- Borrowing costs	-	-	-	(11.27)	-	-	-	(11.27)	-	-
- Foreign exchange fluctuation	-	-	-	0.29	0.02	(0.01)	0.11	0.95	-	-
- Translation adjustment	0.10	-	0.44	0.29	0.02	(0.01)	0.11	0.95	-	-
<b>Balance as at 31 March 2015</b>	<b>13.27</b>	<b>10.59</b>	<b>140.47</b>	<b>767.11</b>	<b>7.41</b>	<b>8.84</b>	<b>18.94</b>	<b>966.63</b>	<b>8.34</b>	<b>14.04</b>
Additions	3.95	-	24.95	41.30	0.30	3.18	1.35	75.03	-	27.95
Disposals	-	-	(0.64)	(0.07)	(0.04)	(0.88)	(0.03)	(1.66)	-	(29.98)
Other adjustments:	-	-	-	-	-	-	-	-	-	-
- Foreign exchange fluctuation	-	-	-	10.81	-	-	-	10.81	-	0.02
- Translation adjustment	0.52	-	1.05	1.94	0.03	0.01	0.17	3.72	-	-
<b>Balance as at 31 March 2016</b>	<b>17.74</b>	<b>10.59</b>	<b>165.83</b>	<b>821.09</b>	<b>7.70</b>	<b>11.15</b>	<b>20.43</b>	<b>1,054.53</b>	<b>8.34</b>	<b>12.03</b>
<b>Accumulated depreciation and amortisation</b>										
Balance as at 31 March 2014	-	0.24	25.78	311.11	3.31	2.74	12.91	356.09	2.55	-
Depreciation and amortisation expense	-	0.09	4.01	25.33	0.86	1.25	1.70	33.24	1.30	-
Adjusted on disposal of assets	-	-	(0.93)	(13.11)	(0.09)	(0.58)	(0.12)	(14.83)	-	-
Translation adjustment	-	-	0.57	0.87	(0.57)	(0.09)	0.38	1.16	-	-
<b>Balance as at 31 March 2015</b>	<b>-</b>	<b>0.33</b>	<b>29.43</b>	<b>324.20</b>	<b>3.51</b>	<b>3.32</b>	<b>14.87</b>	<b>375.66</b>	<b>3.85</b>	<b>-</b>
Depreciation charge	-	0.09	4.64	26.07	0.84	1.30	1.76	34.70	0.98	-
Adjusted on disposal of assets	-	-	(0.28)	(0.03)	(0.04)	(0.41)	(0.02)	(0.78)	-	-
Translation adjustment	-	-	0.27	0.76	0.02	0.01	0.16	1.22	-	-
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>0.42</b>	<b>34.06</b>	<b>351.00</b>	<b>4.33</b>	<b>4.22</b>	<b>16.77</b>	<b>410.80</b>	<b>4.83</b>	<b>-</b>
<b>Net block</b>										
Balance as at 31 March 2015	13.27	10.26	111.04	442.91	3.90	5.52	4.07	590.97	4.49	14.04
Balance as at 31 March 2016	17.74	10.17	131.77	470.09	3.37	6.93	3.66	643.73	3.51	12.03

**Note:**

- Capitalization of foreign exchange differences
- The foreign exchange difference capitalised during the year ended 31 March 2016 was ₹ 10.81 crores (previous year ₹ (11.27) crores).
- The Company has reassessed the useful life of fixed assets in accordance with the guidelines under Schedule II of the Companies Act, 2013 with effect from 1st April, 2014.
- Additions include ₹ 0.31 crores (previous year ₹ 0.47 ) towards assets located at research and development facilities.



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**11. NON CURRENT INVESTMENTS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Unquoted, trade investments (valued at cost unless otherwise stated)</b>		
<b>Investment in equity instruments -</b>		
Gupta Energy Private Limited	-	4.21
- OPGS Power Gujrat Private Limited	0.04	-
- Sai Wardha Power Limited	2.30	2.30
<b>Unquoted other investments (valued at cost unless otherwise stated)</b>		
Investment property	28.46	29.02
<b>Total</b>	<b>30.80</b>	<b>35.53</b>

**Details of trade investments (unquoted)**

Name of the body corporate	No. of shares		Face value	Partly paid/ Fully paid	Amount (₹)	
	31 March 2016	31 March 2015			31 March 2016	31 March 2015
<b>Equity</b>						
Sai Wardha Power Limited	22,99,661	22,99,661	₹ 10	Fully paid	2.30	2.30
OPGS Power Gujrat Private Limited	18,21,000	-	₹ 0.19	Fully paid	0.04	-
Gupta Energy Private Limited	-	2,94,252	₹ 10	Fully paid	-	4.21
	<b>41,20,661</b>	<b>25,93,913</b>			<b>2.34</b>	<b>6.51</b>

**12. LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Secured</b>		
Capital advances	19.02	0.63
<b>Unsecured, considered good</b>		
Capital advances	6.17	14.85
Security deposits	1.31	0.64
Prepaid expenses	2.01	1.39
Advance income tax (net of provision for tax)	8.97	8.97
Contribution to Employee Stock Option Plan trust	7.00	-
Others	1.75	3.95
<b>Total</b>	<b>46.23</b>	<b>30.43</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**13. INVENTORIES**

Particulars	As at 31 March 2016	As at 31 March 2015
Raw material (including material in transit ₹ 13.45 crores) (previous year ₹ 10.49 crores)	71.96	60.66
Finished goods (including material in transit ₹ 26.28 crores) (previous year ₹ 25.34 crores)	89.17	108.45
Stores and spares	10.91	10.43
<b>Total</b>	<b>172.04</b>	<b>179.54</b>

**14. TRADE RECEIVABLES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	4.00	3.44
Unsecured, considered doubtful	2.49	2.46
	6.49	5.90
Less : Allowances for bad and doubtful debts	(2.49)	(2.46)
	<b>4.00</b>	<b>3.44</b>
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	113.44	118.51
Unsecured, considered doubtful	0.47	0.47
	113.91	118.98
Less : Allowances for bad and doubtful debts	(0.47)	(0.47)
	<b>113.44</b>	<b>118.51</b>
<b>Total</b>	<b>117.44</b>	<b>121.95</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**15. CASH AND BANK BALANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Cash and cash equivalents</b>		
Cash in hand	0.04	0.04
Cheques, drafts in hand	0.53	1.02
Balances with banks		
- in current accounts	24.22	17.26
	<b>24.79</b>	<b>18.32</b>
<b>Other bank balances</b>		
Balance in current account		
- Unpaid dividend accounts	1.58	0.78
Pledged deposit with remaining maturity of less than 12 months (note a and b)	5.98	5.91
	<b>7.56</b>	<b>6.69</b>
<b>Total</b>	<b>32.35</b>	<b>25.01</b>

**Note:**

- a) Pledged deposits represent ₹ Nil crores (previous year ₹ 0.16) pledged with sales tax authorities and ₹ 0.98 crores (previous year ₹ 0.74) pledged against issue of bank guarantees.
- b) The deposit of ₹ 5 crores (previous year ₹5 crores) pledged against overdraft facility.

**16. SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Unsecured, considered good</b>		
Advances to vendors	1.93	2.28
Tax recoverable (including minimum alternate tax credit entitlement)	37.54	10.41
Deposits with excise and other tax authorities	5.26	9.71
Export benefit recoverable	18.31	14.88
Discount recoverable	6.76	16.52
Prepaid expenses	5.78	6.68
Others (note a)	7.85	12.01
<b>Total</b>	<b>83.43</b>	<b>72.49</b>

**Note:**

- a) Includes ₹ Nil (Previous year ₹ 0.73 crs) being the excess remuneration paid to Whole-time Director over the minimum remuneration for FY 2013-14. Pending approval, the amount was held in trust by the Whole Time Directors as at March 31, 2015. During the year ended March 31, 2016, the Company has received approval from the Central Government.

**17. OTHER CURRENT ASSETS**

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Unsecured, considered good</b>		
Interest accrued but not due	0.34	0.38
Receivable against sale of property	-	4.50
<b>Total</b>	<b>0.34</b>	<b>4.88</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**18. REVENUES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue from operations</b>		
Sale of products (including export benefits of ₹ 19.13 crores previous year ₹ 13.96 crores)	1,724.16	1,734.55
Other operating revenues	5.05	6.22
<b>Revenue from operations (gross)</b>	<b>1,729.21</b>	<b>1,740.77</b>
Less : Excise duty	(108.59)	(93.99)
<b>Revenue from operations (net)</b>	<b>1,620.62</b>	<b>1,646.78</b>

**Details of products sold**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Manufactured goods</b>		
- Packaging films	1,700.37	1,714.33
-Others	4.66	6.26
<b>Total</b>	<b>1,705.03</b>	<b>1,720.59</b>

**19. OTHER INCOME**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest income	0.62	1.03
Profit on sale of assets (net)	2.68	-
Insurance and other claims	0.70	0.54
Miscellaneous receipts	0.96	1.20
Liabilities no longer required written back	0.58	2.18
<b>Total</b>	<b>5.54</b>	<b>4.95</b>

**20. DECREASE IN INVENTORIES OF FINISHED GOODS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Opening stock</b>		
Finished goods	108.45	136.62
<b>Total</b>	<b>108.45</b>	<b>136.62</b>
<b>Closing stock</b>		
Finished goods	89.17	108.45
<b>Total</b>	<b>89.17</b>	<b>108.45</b>
<b>Decrease in inventories of finished goods</b>	<b>19.28</b>	<b>28.17</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**Details of Finished goods**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Finished goods</b>		
-Packaging films	83.03	101.19
-Equipments	6.14	7.26
<b>Total</b>	<b>89.17</b>	<b>108.45</b>

**21. EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	111.54	98.88
Gratuity expense (refer note 28)	2.47	(0.68)
Contribution to provident and other funds	4.08	4.10
Staff welfare expenses	3.50	2.71
<b>Total</b>	<b>121.59</b>	<b>105.01</b>

Note: a) Employee benefit Expenses includes research and development expenses (refer note 27)

**22. FINANCE COSTS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expenses	25.42	33.11
Bank charges	4.76	6.77
<b>Total</b>	<b>30.18</b>	<b>39.88</b>

**23 OTHER EXPENSES**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Stores, spares and packing material consumed	59.24	54.54
Power, water and fuel	98.02	104.45
Excise duty on internal consumption/finished goods inventory	2.28	3.99
Other manufacturing expenses	0.93	1.42
Rent	7.19	6.60
Repairs and maintenance		
- Buildings	0.68	0.53
- Plant and equipment	10.26	9.41
- Others	4.92	4.16
Insurance	2.30	2.23
Rates and taxes	1.54	1.01
Printing and stationary	0.72	0.71
Training and recruitment expenses	0.49	0.61
Travelling and conveyance	10.98	6.94

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

Vehicle running and maintenance	3.56	3.50
Communication expenses	1.81	1.92
Legal and professional charges	8.31	6.98
Payment for audit fee (refer note 35)	0.89	0.71
Loss on sale of assets	-	3.58
Directors' fees	0.28	0.16
Corporate social responsibility (CSR) expenditure (refer note 36)	0.51	0.49
Provision for bad debts	1.52	(0.36)
Freight and forwarding	61.07	67.82
Other selling expenses	2.61	2.21
Miscellaneous expenses	2.37	2.41
<b>Total</b>	<b>282.48</b>	<b>286.02</b>

**Note:**

- a) Other expenses includes research and development expenses (refer note 27)

**24 EXCEPTIONAL ITEMS**

Exceptional items represents net gain/(loss) on foreign currency transaction and translation amounting to ₹(6.94) crores (previous year gain ₹ 3.33 crores). Due to significant volatility in foreign currency exchange rates, the company has considered profit / (loss) on foreign exchange fluctuation as an exception item.

**25 EARNING PER SHARE**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
a) Net profit after tax as per statement of profit and loss attributable to equity shareholders (₹ in crores)	96.24	27.66
b) Weighted average number of equity shares	19,440,076	19,440,076
c) Basic EPS (₹)	49.50	14.23
d) Diluted EPS (₹)	49.50	14.23
e) Nominal value per equity share (₹)	10.00	10.00

**26 CONTINGENT LIABILITIES AND COMMITMENTS**
**(i) Contingent liabilities**

Particulars	As at 31 March 2016	As at 31 March 2015
a) Disputed demands for income tax (refer note i) below	4.83	4.83
b) Disputed demands for excise and custom duty and service tax	7.45	5.17
c) Disputed demands for labour/employee dispute	5.97	5.09
d) Claims against the Company not acknowledged as debts	0.28	0.15
e) Discounting of customer invoices (refer note ii) below	21.94	37.56

**Note:**

- i) Disputed demand for income tax includes a dispute of ₹ 4.83 crores (previous year ₹ 4.83) between the Company and income tax department over computation of deduction under section 80HHC of the Income Tax Act, 1961. The

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

Company has filed a special leave petition against the order of Hon'ble Court which has been accepted by 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.

- ii) It represents discounted debtors amount to ₹ 3.04 crores (previous year ₹ 13.01 crores) against letter of credit and other discounted debtors of ₹ 18.90 crores (previous year ₹ 24.55 crores). Out of other discounted debtors, debtors amounting to ₹ 6.45 crores (previous year ₹ 11.22 crores) has 90% credit insurance coverage from Export Credit and Guarantee Corporation of India Limited. All the discounted invoices have been reduced from Trade Receivables in note 14.

**(ii) Commitments**
**a) Capital commitments**

The Company has the following commitments :

Particulars	As at 31 March 2016	As at 31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)"	107.68	13.36
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	36.32	61.17

- b) The following amounts are to be credited to investor education and protection fund as and when due:

Particulars	As at 31 March 2016	As at 31 March 2015
Unpaid dividend	1.58	0.78

**27. RESEARCH AND DEVELOPMENT EXPENDITURE**

Particulars	As at 31 March 2016	As at 31 March 2015
Employee benefit expenses	1.57	1.20
Materials and consumables	1.90	0.80
Others	0.26	0.47
<b>Total research and development expenditure</b>	<b>3.73</b>	<b>2.47</b>

**28. EMPLOYEE BENEFITS**
**A. Defined benefit plans (funded)**

The Company makes contribution towards gratuity to a defined contribution 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.

**1. The assumptions used to determine the gratuity benefit obligations are as follows :**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**2. Table showing changes in present value of obligations**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Present value of obligations as at beginning of year	9.52	10.14
Interest cost	0.76	0.81
Current service cost	0.91	0.76
Benefits paid	(1.45)	(0.88)
Actuarial (gain)/loss on obligations	1.70	(1.31)
<b>Present value of obligations as at end of year</b>	<b>11.44</b>	<b>9.52</b>

**3. Table showing changes in the fair value of plan assets**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Fair value of plan assets at beginning of year	11.02	10.96
Expected return on plan assets	0.87	0.94
Contributions	0.07	-
Benefits paid	(1.45)	(0.88)
<b>Fair value of plan assets at the end of year</b>	<b>10.51</b>	<b>11.02</b>

**4. The amounts to be recognised in the balance sheet**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Present value of obligations as at the end of year	11.44	9.52
Fair value of plan assets as at the end of the year	10.51	11.02
Funded status	(0.93)	1.50
<b>(Liabilities)/Net asset recognized in balance sheet</b>	<b>(0.93)</b>	<b>1.50</b>

**5. Expenses recognised in statement of profit and loss**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Current service cost	0.91	0.76
Interest cost	0.76	0.81
Expected return on plan assets	(0.87)	(0.94)
Net actuarial (gain)/loss recognized in the year	1.70	(1.31)
<b>Expenses recognized in statement of profit and loss</b>	<b>2.50</b>	<b>(0.68)</b>

**6. Amounts for the current and previous years are as follows**

Particulars	21 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	11.44	9.52	10.14	8.42	10.15
Plan asset	10.51	11.02	10.96	10.69	11.68
<b>(Surplus)/deficit</b>	<b>0.93</b>	<b>(1.50)</b>	<b>(0.82)</b>	<b>(2.27)</b>	<b>(1.53)</b>
Net actuarial (gain)/loss recognized in the year	1.70	(1.31)	0.65	(3.13)	0.61

**b) Defined contribution plans**

Contributions to Defined Contribution plans recognised as expense for the year is as under :

Particulars	31 March 2016	31 March 2015
Employer's contribution to Provident Fund	2.43	2.42
Employer's contribution to Superannuation Fund	1.10	1.16
Employers contribution to leave encashment scheme	0.15	(0.20)

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**29 EMPLOYEE STOCK OPTION PLAN**

Pursuant to the approval of the shareholders, the company has introduced 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. The plan is to be 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.

A) Under the CF ESOP 2015, the company has granted 193,000 options as per the details given hereunder:

Scheme	Date of Grant	Number of options granted	Vesting Condition	Exercise Period	Exercise Price per Share
<b>CF Employees Stock Option Scheme 2015</b>	13-Jan-16	1,93,000	On completion of 3 year from the date of grant	10 years from the date of vesting	₹ 300.05

**B) Movement of Options Granted**

Particulars	31 March 2016	31 March 2015
Options outstanding at the beginning of the year	-	-
Options granted during the year	1,93,000	-
Options lapsed during the year	-	-
Options cancelled during the year	2,300	-
Options exercised during the year	-	-
Options outstanding at the end of the year	<b>1,90,700</b>	-

The weighted average remaining contractual life outstanding as of March 31, 2016 was 12.78 years

C) The Fair value of options used to compute per capita 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:

Grant Date	13-Jan-16
Market Price (₹)	300.05
Exercise Price (₹)	300.05
Expected Volatility (%)	57.70
Expected life (years)*	3
Dividend yield (%)	1.17
Risk free interest rate (%)	7.59
Fair value on grant date (₹)	128.25

\*Options Life is considered on the basis of earliest possible exercise after vesting

D) Had the compensation cost for stock options granted being determined based on Fair value approach, the company's Net profit and Earning Per Share would have been as follows

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit after tax (As reported)	96.24	27.66
Add: Stock-based employee compensation expenses included in profit and loss account	-	-
Less: Stock-based employee compensation expenses as per fair value	(0.18)	-
Profit after tax (Fair Value base)	96.06	27.66
Basic and Diluted Earning per share (₹)		
As reported	49.50	14.23
Fair Value basis	49.41	14.23

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**
*(All amounts in ₹ crores, unless stated otherwise)*
**30 SEGMENT REPORTING**

Segments have been identified in accordance with Accounting Standard on Segment Reporting (AS-17) taking into account the organization structures well as differential risks and returns of these segments.

- a) Business segment has been disclosed as the primary segment. The Company is organised into two business segments namely Packaging Films and Others (Equipments and Parts)
- b) Secondary segment reporting is performed on the basis of location of all customers. The location of customers is classified into two geographic segments namely in India and outside India.

**Business segment  
Year ended 31 March 2016**

Particulars	Packaging Films	Others	Total
<b>Revenue</b>			
External sales(net of excise duty)	1,610.91	4.67	1,615.58
Other operating revenue	5.05	-	5.05
Other income	5.54	-	5.54
<b>Total revenue</b>	<b>1,621.50</b>	<b>4.67</b>	<b>1,626.17</b>
<b>Results</b>			
Segment result	165.70	(0.89)	164.81
Unallocated corporate expenses			(10.59)
<b>Operating profit</b>	<b>165.70</b>	<b>(0.89)</b>	<b>154.22</b>
Interest expenses and bank charges			(30.18)
<b>Profit before tax</b>	<b>165.70</b>	<b>(0.89)</b>	<b>124.04</b>
Income taxes			(27.80)
<b>Profit for the year</b>	<b>165.70</b>	<b>(0.89)</b>	<b>96.24</b>
<b>Other information</b>			
Segment assets	1,026.59	6.14	1,032.73
Unallocated corporate assets			109.17
<b>Total assets</b>	<b>1,026.59</b>	<b>6.14</b>	<b>1,141.90</b>
Segment liabilities	604.18	-	604.18
Unallocated corporate liabilities			81.45
<b>Total liabilities</b>	<b>604.18</b>	<b>-</b>	<b>685.63</b>
Capital expenditure	83.83	-	83.83
Depreciation and amortisation	35.68	-	35.68

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**Year ended 31 March 2015**

Particulars	Packaging Films	Others	Total
<b>Revenue</b>			
External sales	1,634.30	6.26	1,640.56
Other operating revenue	6.22	-	6.22
Other income	4.95	-	4.95
<b>Total revenue</b>	<b>1,645.47</b>	<b>6.26</b>	<b>1,651.73</b>
<b>Results</b>			
Segment result	83.07	(0.23)	82.84
Unallocated corporate expenses			(4.73)
<b>Operating profit</b>	<b>83.07</b>	<b>(0.23)</b>	<b>78.11</b>
Interest expenses and bank charges			(39.88)
<b>Profit before tax and exceptional items</b>	<b>83.07</b>	<b>(0.23)</b>	<b>38.23</b>
Income taxes			(10.56)
<b>Profit for the year</b>	<b>83.07</b>	<b>(0.23)</b>	<b>27.66</b>
<b>Other information</b>			
Segment assets	1,068.64	7.26	1,075.90
Unallocated corporate assets			70.00
<b>Total assets</b>	<b>1,068.64</b>	<b>7.26</b>	<b>1,145.90</b>
Segment liabilities	695.28	-	695.28
Unallocated corporate liabilities			61.76
<b>Total liabilities</b>	<b>695.28</b>	<b>-</b>	<b>757.04</b>
Capital expenditure	19.64	-	19.64
Depreciation and amortisation	34.54	-	34.54

**Business segment / geographical segment**
**Year ended 31 March 2016**

Particulars	Revenue	Segment assets	Capital expenditure
In India	795.77	933.54	78.12
Outside India	819.81	208.36	5.71
<b>Total</b>	<b>1,615.58</b>	<b>1,141.90</b>	<b>83.83</b>

**Year ended 31 March 2015**

Particulars	Revenue	Segment assets	Capital expenditure
In India	758.88	839.55	19.19
Outside India	881.68	236.35	0.45
<b>Total</b>	<b>1,640.56</b>	<b>1,075.90</b>	<b>19.64</b>

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**31. RELATED PARTY DISCLOSURE**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

**i) List of related parties and relationships:**
**A. Key management personnel**

a) Mr. Ashok Jaipuria Chairman and Managing Director of parent Company

**B. Enterprises over which Key managerial personnel of the Company and their relatives have significant influence:**

- a) Sunrise Manufacturing Company Private Limited
- b) Cosmo Ferrites Limited
- c) Prime Securities Limited
- d) Cosmo Foundation

**ii) Transactions with related parties**

Particulars	Key management personnel and their relatives		Enterprises over which Key managerial personnel of the Company and their relatives have significant influence			
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Sales</b>						
Cosmo Ferrites Limited	-	-	0.05	-	0.05	-
<b>Rent paid</b>						
Sunrise Manufacturing Company Limited	-	-	0.66	1.02	0.66	1.02
Mr. Ashok Jaipuria	0.01	0.01	-	-	0.01	0.01
<b>Rent received</b>						
Sunrise Manufacturing Company Limited	-	-	0.02	0.02	0.02	0.02
<b>Retainership fees paid</b>						
Prime Securities Limited	-	-	0.75	-	0.75	-
<b>Purchase of fixed assets</b>						
Sunrise Manufacturing Company Limited	-	-	17.50	-	17.50	-
<b>Remuneration</b>						
Mr. Ashok Jaipuria	7.10	2.82	-	-	7.10	2.82
<b>Corporate Social Responsibility</b>						
Contribution to Cosmo foundation	-	-	0.51	0.49	0.51	0.49

**iii) Outstanding balances :**

Trade Receivables						
- Cosmo Ferrites Limited			0.05	-		
<b>Loans and advance</b>						
- Sunrise Manufacturing Company Limited	-	-	-	0.51		
<b>Managerial remuneration payable</b>						
-Mr. Ashok Jaipuria	(5.55)	(2.27)	-	-		

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**32 OPERATING LEASE**

a) The Company has entered into agreements for taking on lease some of office premises under operating lease arrangements. The leases are non-cancellable and are ranging for the period upto 3 years and may be renewed for a further period based on mutual agreement of the parties.

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
<b>Future minimum lease payments</b>		
Upto one year	0.10	0.10
More than one year but less than five years	0.06	0.16
More than five years	-	-
	<b>0.16</b>	<b>0.26</b>
-Lease payments recognised in the Statement of Profit and Loss	<b>7.19</b>	<b>6.60</b>

**33. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**
**a) Foreign currency exposure hedged by derivative instruments (against imports):**

Currency	No. of contracts		Amount		Notional gain/(loss)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
USD	45	27	1,21,61,208	1,46,26,519	(3.14)	3.78

**Notes**

- The Company has entered into interest rate swap contract (floating rate to fixed rate) to hedge its risk associated with LIBOR fluctuations and such instruments qualify as effective hedges. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market loss as on 31 March, 2016 is estimated at ₹ 0.14 crores (previous year ₹ 0.43 crores).
- The Company has entered into a cross currency swap agreement with DBS Bank for hedging of installment and interest rate for term loan amounting to USD 7,000,000 taken in the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain as on 31 March 2016 is estimated at ₹ 7.26 crores (previous year gain ₹ 5.25 crores).
- The Company has entered into vanilla European Options to hedge two of its External Commercial Borrowings amounting to USD 8,000,000 and USD 4,995,838 respectively during the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2016 is estimated at ₹ 2.07 crores.
- The Company has entered into European options to hedge its External Commercial Borrowings amounting to USD 1,399,894 during FY 15-16. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2016 is estimated at ₹ 0.15 crores.

**b) Particulars of unhedged foreign currency exposure as at the reporting date**

Currency	31 March 2016		31 March 2015	
	Foreign currency	Local currency (₹)	Foreign currency	Local currency (₹)
USD	(56,15,037)	(37.25)	14,27,882	8.94
EURO	(84,88,206)	(63.78)	(1,12,18,565)	(75.74)
GBP	2,03,213	1.93	4,70,000	4.34
CAD	6,02,040	2.95	5,37,303	2.64
SGD -	-	-	-	-

Note: Figures in bracket signifies amount payable.

**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**34 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Polymer (Homopolymer repol, EVA, Substrate etc. )	898.05	967.95
Others	104.04	153.68
	<b>1,002.09</b>	<b>1,121.63</b>

**35 PAYMENTS TO AUDITORS**

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
As auditors	0.83	0.66
For other services	0.01	-
For reimbursement of expenses	0.05	0.05
	<b>0.89</b>	<b>0.71</b>

**36 CORPORATE SOCIAL RESPONSIBILITY**

- a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act 2013 is ₹ 0.46 cr (Previous Year ₹ 0.44)
- b) Amount spent during the year on-

	In cash	Yet to be paid in cash	Total
Contribution to Cosmo Foundation	0.51	-	0.51
	<b>0.51</b>	<b>-</b>	<b>0.51</b>

- 37** Consolidated financial statements comprise the financial statements of the Company and its subsidiaries during the year ended March 31, 2016 listed below:

**Subsidiaries**

Name of entity	Country of incorporation	Proportion of ownership (%) as at March 31, 2016
CF Global Holdings GK (CGHG)- Japan	Japan	100%
CF Investment Holding Private (Thailand) Company Limited	Thailand	100%
Cosmo Films Korea Ltd. (CFK)	Korea	100%
Cosmo Films, Inc. (CFI)	United States of America	100%
Cosmo Films (Singapore) Pte. Ltd. (CFS)	Singapore	100%
CF (Netherlands) Holdings Ltd. B.V. (CNBV)	Netherlands	100%
Cosmo Films (Netherlands) Cooperatief U.A. (CNC)	Netherlands	100%
CF (Mauritius) Holdings Limited (CMH)	Mauritius	100%



**NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2016**

(All amounts in ₹ crores, unless stated otherwise)

**38 Additional information to consolidated financial statements as at 31 March 2016 (Pursuant to Schedule III to the Act):**

Name of the entity	Net Assets i.e. Total Assets minus Total Liabilities*		Share in profit or (loss)*	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
<b>Parent Company</b>				
Cosmo Films India	498.11	109%	108.27	112%
<b>Subsidiaries: Foreign</b>				
CF Global Holdings GK (CGHG)- Japan	35.88	8%	1.42	1%
CF Investment Holding Private (Thailand) Company Limited	30.15	7%	(0.00)	0%
Cosmo Films Korea Ltd. (CFK)	70.91	16%	(3.98)	-4%
Cosmo Films, Inc. (CFI)	26.36	6%	(17.10)	-18%
Cosmo Films (Singapore) Pte. Ltd. (CFS)	0.22	0%	(0.04)	0%
CF (Netherlands) Holdings Ltd. B.V. (CNBV)	192.99	42%	(0.13)	0%
Cosmo Films (Netherlands) Cooperatief U.A. (CNC)	195.13	43%	(0.25)	0%
CF (Mauritius) Holdings Limited (CMH)	196.83	43%	0.67	1%
Adjustment arising out of Consolidation	(790.31)	-173%	8.16	8%
<b>Total</b>	<b>456.27</b>		<b>97.02</b>	

**39** During the FY 15-16, CF (Mauritius) Holding Ltd, Mauritius, a step down wholly owned subsidiary of CF Global Holdings Limited, Mauritius (The wholly owned subsidiary of Cosmo Films Limited) has been amalgamated under pooling of interest method with its immediate holding company with effect from March 18, 2016.

**40** Tax Expenses is net of reversal of ₹ 3.46 crores relating to the previous year arising mainly on account of section 10AA of the Income Tax Act, 1961.

**41** 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.

**42 Previous years figures**

Corresponding figures for the previous year have been regrouped/rearranged, whenever necessary to confirm to current year classification.

For **Walker Chandio & Co LLP**  
 (formerly Walker, Chandio & Co)  
 Chartered Accountants

per **Neeraj Goel**  
 Partner

Place : New Delhi  
 Date : 11 May 2016

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For and on behalf of Board of Directors of Cosmo Films Limited

**Pratip Chaudhuri**  
 Director  
 DIN: 00915201

**Ashok Jaipuria**  
 Chairman & Managing Director  
 DIN: 00214707

**Neeraj Jain**  
 Chief Financial Officer

**Jyoti Dixit**  
 Company Secretary







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