COSMO FILMS
Engineered to Enhance

CFL/SEC/SE/PS/2021-22/AGM/02

June 28, 2021

The Manager (Listing) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 **Scrip Code: 508814**	The Manager (Listing) National Stock Exchange of India Ltd. Exchange Plaza, C-1, G Block, Bandra Kurla Complex Mumbai-400 051 **Security ID: "COSMOFILMS"**

Sub: Submission of Annual Report

Dear Sir,

Please find enclosed herewith Annual Report for the Financial Year 2020-21 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the same on your records.

Thanking You

Yours faithfully
For **Cosmo Films Limited**

Jyoti Dixit
Company Secretary & Compliance Officer

Encl: Annual Report

CIN : L92114DL1976PLC008355

Cosmo Films Limited
1008, DLF Tower-A, Jasola District Centre, New Delhi - 110025, India
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COSMO FILMS
Engineered to Enhance

ANNUAL
REPORT

FY 2020-2021

WHEN THE WORLD PAUSED, WE CONTINUED TO INNOVATE, GROW & SERVE.

WHAT WE HOPE TO ACHIEVE

Vision...

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

Mission...

For Customers:

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

For 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:

To contribute to strengthen community growth through education and sustainable green 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*
Non-Independent Director

Mrs. Alpana Parida
Independent Director

Mr. Pratip Chaudhuri
Non-Independent Director

Mr. H.N Sinor
Independent Director

Dr. Vivek Nangia**
Independent Director

Mr. Anil Wadhwa
Independent Director

Mr. Rakesh Nangia***
Independent Director

CHIEF EXECUTIVE OFFICER
Mr. Pankaj Poddar

CHIEF FINANCIAL OFFICER
Mr. Neeraj Jain

SENIOR VICE PRESIDENT- HEAD- OPERATIONS (INDIA FILMS BUSINESS)
Mr. Sanjay Chincholikar

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Jyoti Dixit

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

BANKERS
Bajaj Finance Ltd.
Bank of Baroda Ltd.
Development Bank of Singapore (DBS Bank India Limited)
Export Import Bank of India
HDFC Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
IDBI Bank Limited
IDFC First Bank Ltd
Landesbank Baden – Wurttemberg
State Bank of India
SVC Bank
Union Bank of India
Yes Bank Limited

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

*Ceased as Director w.e.f 07th August 2020
**Ceased as Director w.e.f 25th June 2020
***Appointed as Director w.e.f 10th November 2020

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 an Independent Director on the Board of Somany Home Innovation Limited. He has been a member of the Board of Governors (BoG) of the Indian Institute of Technology (IIT), Indore, an Executive Committee member of the Federation of Indian Chamber of Commerce and Industry (FICCI), 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 the 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.

Mrs. Alpana Parida

Independent Director

Mrs. Alpana Parida has more than two decades of experience in retail and marketing communications in the US and in India. She has worked as 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. Pratip Chaudhuri

Non-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 many reputed companies. He is also associated with various charitable and other trusts engaged in social activities.

Mr. Anil Wadhwa

Independent Director

Mr. Anil Wadhwa is an Ex- Member of the Indian Foreign Services. He holds a Masters Degree in History with specialization in Chinese History and Medieval Indian History and Architecture. He has served as Indian Ambassador to Poland, Lithuania, Sultanate of Oman, Thailand, Italy and San Marino. He has also served as a Permanent Representative of India to the Rome based UN Agencies-FAO,IFAD and WFP. He was Secretary (East) in the Ministry of External Affairs in New Delhi from 2014-2016 looking after South-East Asia, Australasia and Pacific, Gulf and West Asian regions. He was also the leader of the Senior officials to all meetings of ASEAN, ASEM, ACD, Arab League, Mekong-Ganga Cooperation, ARF and East Asia Summit. Ambassador Wadhwa has contributed a number of articles, mainly in the field of disarmament and international security. He has also spoken at a number of international conferences.

Mr. Rakesh Nangia

Independent Director

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

CHAIRMAN'S MESSAGE

As a four decade old Company, Cosmo Films has been successful in steering through several pandemic like situations, and while the past year has been extremely difficult, we were able to glide through with our extensive efforts in expansions and innovations in the interest of the public and the environment has a whole.

The harrowing scenes from the pandemic made us review and rethink our overall goals, and we realized that the need of the hour is to create a sustainable society wherein the future is not piled up with waste mounting on landfills. We have worked with several FMCG and Pharmaceutical brands to provide sustainable packaging and labeling solutions for packaged food items, sanitizers, soaps and hand washes, which saw an exponential growth during the times of the pandemic.

While humanity surpassed economic goals during the tough times, the pressure on the pharmaceutical industry to come out with a quick remedy for Covid also increased the burden on us as well, since we work directly with the sector. And with people trapped in their homes in quarantine, the demand for on-the-go food skyrocketed which further pushed us to squeeze in extra hours of work. The financial year 2020-21 was hard even on developed countries and every business more or less struggled to stay afloat, the government too responded with sensitivity and introduced major economic reforms to reduce the burden on entrepreneurs.

Our Industry

Packaging is one of the quickest growing sectors in the country. The Indian packaging market which was valued at USD 75 billion during last year is not showing any signs of slowing down, and is expected to reach USD 204.81 billion by the year 2025 and is believed to register the CAGR of 26.7% in the 2020-2025 phase. We use a lot of packaging every single day, from milk packets to chocolate wrappers to orders that arrive from e-commerce websites; and emerging economies like ours are great contributors to the global packaging industry. The pharmaceutical industry, food processing industry, manufacturing industry and FMCG are just a handful of businesses that are utilizing our solutions.

Our Results

With our motivation to help create a sustainable future through innovative product solutions, we could successfully survive this turbulent period and our performance in the previous financial year is a reflection of our quick thinking and adaptability to the changing circumstances.

After weathering the storm of the initial lockdown, we could swiftly return to the enhanced profit trajectory and ended the year on a strong note. We were able to expand our market size, became profitable, and most importantly were able to increase goodwill among our users.

In the past financial year, we registered sales of Rs. 2,285 crores and could grow the specialty sales by 20%. The consolidated EBIDTA for the year increased by 53% which translated to almost Rs. 430 crores against the Rs. 281 crores we had made in the financial year 2020. We boast of 115% growth in EPS during the year, the net debt has come down to Rs. 438 crores with a one-time net debt/EBITDA ratio. As of 31st March 2021, our Return on Capital is a strong 22% and our Return on Equity is 30%.

The Future

With the sheer grit and hard work of our employees and associates, Cosmos Films has become a name to reckon with around the world for newer, innovative solutions. The significant share of specialty films in the overall sales has cemented the Company's position as a strong player and will aid the Company to achieve their objectives when the tides turn.

On the expansion front, the construction of specialized BOPET line has already begun and is running as per plan despite the Covid related challenges. While the internal consumptions for Masterbatch is growing substantially, the external sales are also believed to start soon. Our Company has successfully carried out the creation and development of several textile chemical products, each with a specific unique selling proposition. All of them are under trials with textile manufacturers and processors. The commercial debut would follow in H1 Financial Year 2021-22. The Petcare pilot launch will begin in Q2 of the financial year 2021-22 under the brand name of 'Zigly' and will provide unique solutions to Pet Parents across various channels.

The Company has started to work on several sustainability projects. We are working on a mono-layered structures to make the recycling process easier, rainwater harvesting is also on the cards, reuse of effluent treated water is an idea we are still developing, waste elimination is a cause we deeply care about and plantation of more than 5000 trees is underway to reduce pollution. These steps will ensure that we rationalize costs in the coming quarters while healing the environment.

We as a Company are constantly reinventing ourselves and our offerings to stay ahead of the curve. We strive to offer great products to our users conceived and developed after in-depth research and development. We are facilitating the creation of new and innovative products to meet the ever-evolving needs of global customers.

Giving Back to the Society

Though our industry is not free from loopholes, we are striving to make ours an ethical Company which apart from striving for growth and business excellence, also doesn't shy away from focusing on the betterment of the marginalized and society in general.

Cosmo Foundation aims to empower rural communities by assisting them to realize their potential. As an extension of our existing programs on computer literacy, Basic English Leaning, Clean and Green initiatives, we also engaged ourselves to provide resources to the poor who were impacted the most by the pandemic.

We touched about 2,50,000 lives of people who were the residents of Gujarat, Delhi, Haryana, Rajasthan, and Maharashtra's villages by catering to their needs of masks, grocery, sanitizers, and cooked meals.

We provided medical equipment such as ventilators to a medical college in Aurangabad, Maharashtra. To ensure that the rural children's education does not suffer during these turbulent times, we also launched an online learning platform called Cosmo Digi Pathshala, which can be easily accessed via Whastapp.

We at Cosmo are greatly inspired by and wish to pay our respects to the countless frontline warriors, owing to whose selfless service, the society is still surviving and thriving. I am also proud of the Company's employees who demonstrated unparalleled courage and conviction through these times. I would like to say thank you to our stakeholders for reposing their confidence and faith in our Company. We are committed to deliver long-term stakeholder value and look forward to achieving many milestones together in the coming years.

Ashok Jaipuria
Chairman and Managing Director

CORPORATE INFORMATION

REGISTERED OFFICE

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PLANTS

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B-14/8-9, MIDC Industrial Area, Waluj,
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Fax: +91 240 2554416

AL-24/1, MIDC-SEZ
Shendra Industrial Area
Aurangabad 431 201
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GUJARAT

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Vadodara 391 240
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Fax: + 91 2666 232961

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

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48-62, Dogomyeon-ro, Sineon-ri,
Dogo-myeon, Asan-si, Chungcheongnam-do
Republic of Korea - 31550

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Japan

Cosmo Films Japan, GK
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CF (Netherlands) Holdings Limited B.V.
Regd. Office.- Strawinskylaan 937,1077
XX Amsterdam, Netherlands
Tel: +31 20 312 12 12
Fax: +31 20 312 12 10.

CONTENTS

MANUFACTURING FOOTPRINT

Waluj, Aurangabad, India
BOPP- 5 lines
Thermal- 2 lines
Coating -3 lines
Metalizing- 1 line
CPP- 1 line

Shendra, Aurangabad, India
BOPP- 1 line
Thermal- 4 lines
Coating- 2 lines
Metalizing- 1 line

Karjan, Vadodara, India
BOPP- 3 lines
Coating - 1 line
Metalizing - 2 lines
CPP - 1 line
CSP - 1 line

Asan, Korea
Thermal- 1 line

TOTAL INSTALLED CAPACITY

BOPP	-	1,96,000 TPA (9 lines)
Thermal	-	40,000 TPA (7 lines)
Coating	-	20,000 TPA (6 lines)
Metalizing	-	22,000 TPA (4 lines)
CPP	-	10,000 TPA (2 lines)
CSP	-	7,000 TPA (1 line)

PRODUCT PORTFOLIO

Packaging Films

Print & Pouching Films

- ✔ Anti-fog films/Keep Fresh Anti fog film
- ✔ Low COF & Stable COF films
- ✔ Cast Polypropylene(CPP) Films
- ✔ Thin metalized films
- ✔ Cold Seal Films
- ✔ Low SIT Films

Transparent Barrier Films

- ✔ Aroma Barrier Films
- ✔ Aroma & Oxygen Barrier Films (AOB)

Overwrap Films

- ✔ Overwrap Films

Metalized Barrier Films

- ✔ High Moisture Barrier Films
- ✔ High Seal Strength Barrier Films(HSS)
- ✔ High Speed Barrier Films with High Hot Tack (HSB)
- ✔ Ultra High Barrier Films (UHB)

Lamination Films

Standard Range

- ✔ Thermal lamination films – BOPP
- ✔ Thermal lamination films – PET
- ✔ Wet lamination films – BOPP

Special Application Lamination Films

- ✔ Insulation Films – Thermal BOPP
- ✔ Mapped and Matched films – Thick PET

Premium Lamination Films

- ✔ Velvet / Black Velvet Lamination Films
- ✔ Scuff Free Matte Lamination Films
- ✔ Digital Lamination Films

PRODUCT PORTFOLIO

Label Films

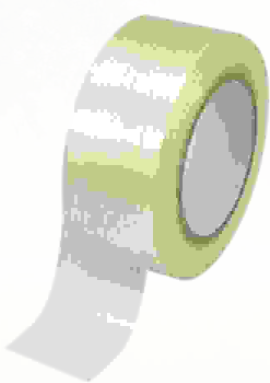
- Wrap Around Label Films
- In Mould Label Films
- PS Labelstock Films
- HP-Indigo Films

Industrial Films

Synthetic Paper

- Standard Synthetic Paper
- Top Coated Synthetic Paper
- Both Side Coated Synthetic Paper
- Laser Printable (Dry Toner) Both Sides Coated White Synthetic Paper
- High Tear Resistance Non Coated Synthetic Paper

Tapes & Textiles Film



NEW PRODUCT LAUNCHES

Packaging

TeploR (High heat resistance BOPP)

Cosmo Films has successfully developed a new transparent printable biaxially oriented polypropylene (BOPP) film called "**TeploR**" with a high heat resistance. The film can be used as an printing / outside layer in multi layer laminate structure and is an ideal replacement for BOPET film. As it replaces BOPET, this film will be an ideal solution for recyclability and sustainability with PP & PE based multilayer structures. It has good thermal stability (no shrinkage or wrinkles) upto 185°C which is significantly higher than the current conventional BOPP films(155 - 160°C). The film has excellent slip properties, good machinability and has a great performance on high speed VFFS and HFFS machines. This film can be recycled easily and is a sustainable solution for the flexible packaging.

Metallised BOPP barrier films

Cosmo Films has successfully developed wide range of metallised biaxially oriented polypropylene (BOPP) films for variety of packaging applications. The films provide excellent oxygen barrier, water vapor barrier, high metal bond and other properties. The films are an ideal replacement of Aluminium foil and metallised BOPET.

Thermal Lamination

Glueable/Stampable film (GS)

Cosmo Films has recently introduced **"Glueable/ Stampable (GS) Film."** It is BOPP based, one side coated (Gloss or Matte) and other side extrusion coated BOPP film for demanding Thermal lamination application. The coated side is scratch resistance glueable / stampable premium coated finish designed to accept UV spot coatings, hot stamping, cold stamping and all other post lamination process. Excellent film that allows customers to enhance their printed materials with additional printing or other decoration of the top surface. This product is available in gloss as well as in matte finish

Label

High scratch resistant metallised film

Cosmo Films has introduced **"High Scratch Resistant Metalized Film."** A newly developed "High Scratch Resistant Metalized Film" is a Bi-axially Oriented Polypropylene metallised film, with high scratch resistance print receptive coating on metallised side which prevents the print getting scratched & help to maintain the aesthetic look of the product. The main features of this product are sparkling metallic appearance, wide compatibility with ink systems, spectacular print performance across wide variety of printing process, excellent moisture resistance, etc. This film is suitable for pressure sensitive labeling applications.

Cosmo Synthetic Paper (CSP)

100% Opaque Synthetic Paper

Cosmo Films has recently introduced 100% opaque Synthetic paper. The newly developed 100% opaque Cosmo Synthetic Paper (CSP) is a non tearable, co-extruded , white opaque, both sides matte coated film which resembles paper in appearance. It is specially designed for a dangler application, where no see through is required. The product is best suitable for the outdoor application where both side printing is done & requires 100% opacity to prevent a see through against the light. It is non-tearable, moisture resistant and has good dimensional stability. It has a print receptive coating will allow it to accept various printing processes such as conventional & UV offset UV & water base flexographic printing, thermal transfer printing and screen & letterpress printing.

RECENT ACHIEVEMENTS

2020 - 2021

- Cosmo Films has bagged the WordStar Global Packaging Award 2021 in the Packaging Materials & Components category for our CPP High Barrier Films.
- IFCA Star Awards for Inherently Printable Label Films and Laser Printable CSP Films in the categories of R&D Achievement and Innovations/Creativity respectively in February 2020.
- Cosmo Films has received the Best exporter award in Aurangabad region under Nagpur Custom Commissionerate.
- SIES SOP Star Awards 2020 for its Barrier Coated Label Film in the Ancillary Packaging Materials Category.
- Cosmo Films Waluj plant bagged CII National 5'S Excellence Awards 2020.
- Cosmo Films has bagged the WordStar Packaging Award 2021 in the Beverages category for Serializable Conduction Sealing Film.

2019

- Recognized as one of the top 500 corporates by Dun & Bradstreet.
- Won the National Level Scale Award for Supply Chain and Logistics Excellence under Chemicals Category at the CII Conference.
- Won two Brand Excellence Awards for Effective Use of Marketing Communication & Engineering, Research and Development Sector at the World Marketing Congress presented by ABP News.
- Ranked second the CII National Excellence Award 2019 for 5S.
- Mr. Pankaj Poddar, CEO, Cosmo Film Ltd. received the CEO with HR Orientation award by Zee Business and World HRD Congress.
- Received the Best Employer Award at the 14th Employer Branding Awards.
- Received the Aurangabad Manufacturing Leadership Award by the World Quality Congress.
- Ranked as 10th in the list of Fortune's Next 500 midsize companies.
- Mr. Pankaj Poddar, CEO, Cosmo Films was honoured with the "Platinum Award" for "CEO of HR" by HRAI.

MEDIA COVERAGE

Packaging industry: Major changes in the past year

Ashok Jaipuria, Chairman and MD, Cosmo Films

In terms of the packaging industry, the biggest change has been in increased awareness about hygiene, safety and sustainability. Consumers and brands today are looking for packaging solutions which deliver in extreme conditions, are safe to use, and are also easy to recycle.

Cosmo Films, a global leader in the packaging films business has developed a range of films for conscious consumers and brands. Our barrier films provide an extensive barrier from outside gases and moisture, keeping the contents inside fresh for longer. Our range of heat resistant films have been engineered to create mono mate-

rial Packaging, facilitating recyclability. W... have also develope... anti-microbial lamin... tion films and a uniq... anti-germ garme... wash, which preve... the stay of viruses a... bacteria on the surf... Our synthetic pape... fast replacing con... tional paper in dur... applications like... tificates and m... sheets.

As a compan... believe in creating so... lutions which are not just effective, but also sustainable.

Printweek

Cosmo Films to set up new line for speciality polyester films

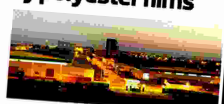
By Rahul Kumar

Cosmo Films has announced plans to re-commence the installation of a specialty polyester films line by the second quarter of 2022-23.

The new line will be commissioned at the Waluj site in Aurangabad, Maharashtra with a capacity of 30,000 MT per annum. This plant already houses BOPP lines, extrusion coating lines, chemical coating lines, metallisers and a CPP line.

The new production line will complement the existing BOPP capacity of 2,00,000-MT per annum and allow Cosmo Films to offer a more comprehensive specialty product basket for flexible packaging, labelling, lamination, and industrial applications.

The project cost is estimated to be Rs 300-crore, which will be financed through a mix of internal accruals and loans. The company's key financial parameters for the quarter ended June 2020 are well placed – Debt/EBITDA at 1.8 times and net debt to equity at 0.7 times...



The new line will have a production capacity of 30,000-MT pa

The Economic Times Panache

How Cosmo Films is working towards an eco-friendly and greener future

Cosmo Films, Stewards of Manufacturing Top-Quality Packaging Solutions Globally, Directed by CEO Pankaj Poddar

The CEO Magazine

BRAND OF THE YEAR 2020

PANKAJ PODDAR
CEO,
COSMO FILMS

Business Standard

Business Standard CORONAVIRUS GET ALL NEWS AND UPDATES

Cosmo Films develops new transpatent printable BOPP film 'TeploR'

BusinessLine

Stocks

Cosmo Films stock firms up on buyback plan

October 26 | Updated on October 26, 2020

Shares of Cosmo Films are trading in the green on Monday after the company's board which is meeting on Monday (October 26) would consider a proposal for a buyback of equity shares of the company and other matters necessary/incidental thereto.

At 11 am, the stock was being quoted at Rs 472.30, higher by Rs 5.25, or 1.12%, at Rs 472.30 on the NSE.

Stakeholders of the container and packaging company will closely monitor the size, price and the number of shares to be bought back, if approved.

Besides, the mode of buyback – whether through open market purchases or on a proportionate basis via tender route. If the latter is approved, shareholders will also watch for the record date.

Published on October 26, 2020

CFO

NEERAJ JAIN

STEERING TOWARDS SUCCESS WITH CONFIDENCE

Neeraj Jain, CFO, Cosmo Films

As a CFO, one is always expected to be a good manager and decisionmaker. In my seven years of association with Cosmo Films, my role has evolved over a period

MILESTONES

1981-2000

- 1st BOPP Line
- 2nd BOPP Line
- 3rd BOPP Line

2001-2005

- 4th BOPP Line
- Acquired Gujarat Propack Ltd
- 5th BOPP Line
- 6th BOPP Line
- 7th BOPP line
- 1st Extrusion Coating line
- 1st Metalizer line
- 2nd Extrusion Coating line

2006-2010

- 2nd Extrusion Coating line
- 3rd & 4th Extrusion Coating line
- 1st Coating Line
- Gas based electricity generation unit
- 5th Extrusion Coating line
- 6th & 7th Extrusion Coating line
- Acquired GBC Commercial
- 8th BOPP Line
- 2nd Metalizer Line

2011-2015

- New plant in South Korea
- 9th Extrusion Coating line
- 2nd Coating Line
- 9th BOPP Line
- 10th Extrusion Coating Line
- 3rd Coating line
- 4th & 5th Coating line
- 3rd Metalizer Line
- Upgradation of US Plant

2016-2020

- 1st CPP line
- 10th BOPP Line
- 2nd CPP line
- 4th Metalizer and 2nd Lamination (Solvent Less) Line
- 6th Coating Line

DIRECTOR'S REPORT

Your Directors are pleased to present their 44th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2021.

1. Summary Financial Results

The Financial Results of the Company for the year ended March 31, 2021, were as follows:

(₹ in Cr)

Particulars	Standalone		Consolidated	
	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2021	Year Ended 31st March 2020
Net Sales	**2,083**	**2,032**	**2,285**	**2,204**
Other Income	36	20	38	19
Profit before Interest, Depreciation and Tax	**398**	**262**	**430**	**281**
Finance Cost	40	49	42	53
Depreciation	53	50	59	65
Profit before Tax	**305**	**163**	**329**	**163**
Provision for Taxation				
- Current Tax	53	29	56	29
- Deferred Tax	36	21	36	20
Profit After Tax	**216**	**114**	**237**	**113**
Minority Interest	-	-	-	-
Appropriations:				
Dividend-Equity Shares	45	40	45	40
Dividend Tax	-	8	-	8

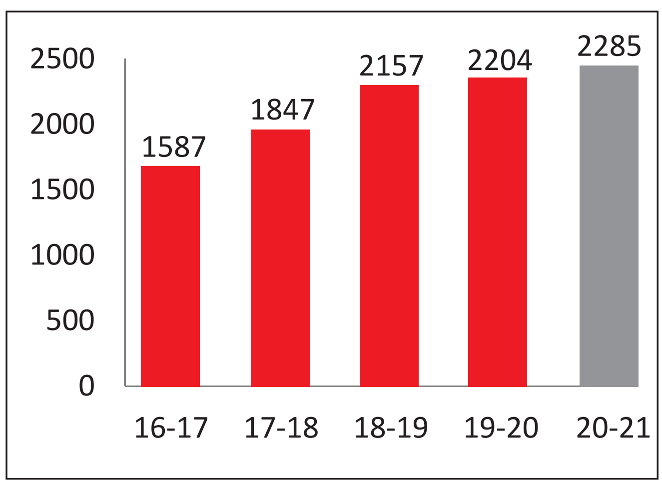
2. Overview of Performance

During the financial year 2021, on consolidated basis the Company registered sales of ₹ 2,285 crores with more than 20% volume growth of speciality sales. Consolidated EBIDTA for the year increased by 53% to ₹ 430 crores against ₹ 281 crores in financial year 2020 primarily due to higher speciality sales by more than 20%, better BOPP films margins due to balanced demand and supply scenario, operational efficiency and better performance by subsidiaries. Your Company has registered 115% growth in EPS during the year. Company's net debt has reduced to ₹ 441 crores with 1.0 times net debt/EBITDA ratio.

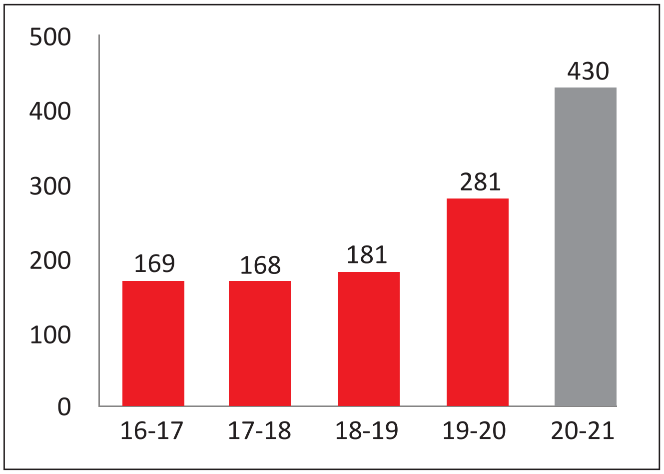
On Standalone basis, the Company registered sales of ₹ 2,083 crores with double digit volume growth of speciality sales. Standalone EBIDTA for the year increased by 52% to ₹ 398 crores against ₹ 262 crores in financial year 2020 primarily due to higher speciality sales by more than 20%, better BOPP films margins due to balanced demand and supply scenario and operational efficiency.

As on 31st March, 2021, Return on Capital employed stands at 22% and Return on Equity is 30%.

Consolidated Net Sales (₹ in Cr)



Consolidated
EBIDTA (₹ in Cr)



Company launched several new products during the financial year including Teplor Heat Resistant Film, High Barrier CPP Film, Antifog Transparent Film, BOPP Fragranced Packaging Film, Metalized Velvet Film, Universal PET Lidding Film, Digitally Printable Synthetic Paper and High Tear Resistance Synthetic Paper.

Company's focus shall continue to be on improving speciality films, R&D efforts particularly on sustainability which would yield results in coming years. These actions would continue to de-commoditize business model and would contribute in long term sustainable growth. Some of the new growth areas in specialty films being worked on include -

1. Synthetic Paper – Durable alternate to paper. Global 100 Thousand MT market (India 6 Thousand MT) - immense potential to grow,
2. Sustainable solutions,
3. Direct Thermal Printable Film (Cosmo is the first BOPP film producer to launch this film),
4. Sustainable PVC free solutions for graphic applications and
5. Shrink Label film

Company is currently having six registered patents and another six are in pipeline.

Growth projects including specialized BOPET, masterbatch, specialized chemicals and petcare are progressing as per plan. Construction for specialized BOPET line has started and is running as per plan. Materbatch line is picking volume with successful internal consumption. Third party sales have started from the masterbatch line which is expected to pick volume in FY22. The Company has launched several textile chemical products with unique selling proposition which are under trails with various textile manufacturers. Petcare is scheduled to be launched in FY22 under brand "Zigly" in a unique manner on Omni channel platform."

The Indian Petcare industry is around ₹ 5000 crores & is growing at 22% CAGR. The main reasons contributing to industry growth are smaller families, rising income levels and limited social lives (especially post Covid-19). There are no large scale organized players in India offering end to end comprehensive solution to the customers. The Industry size, low penetration and high potential for growth provides a clear business opportunity. To tab this opportunity, Cosmo has planned a structured technology savvy platform and an omni channel business model to address pets need at every stage of life. It is a low capital expenditure business model with planned initial investment of ₹ 15 crores by FY22. The activities of this project not being limited to IT infrastructure, brand strategy and resource building are on track.

3. Sustainability

The Company is aggressively working on several sustainability projects including but not limited to:

1. Offering mono layered structure for ease of recycling,
2. Power/water/gas consumption rationalization,
3. Rain water harvesting and reuse of effluent treated water,
4. Use of solar power as an alternate source of energy,
5. Rationalization of containers & trucks space to optimize loading,
6. Waste elimination and recycling of waste,
7. Plantation of around 5000 trees

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

4. Exports

The Company continues to strengthen its exports through brand visibility initiatives taken during the year. Exports during the year increased to ₹ 874 Crores from ₹ 853 Crores in financial year 2020.

5. Details of Subsidiaries

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

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

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Companies on its website at www.cosmsofilms.com.

The subsidiaries of Cosmo Films Limited as on March 31, 2021 are listed hereunder:

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

Operational Performance of Subsidiaries has improved significantly during financial year 2021 which is getting reflected in consolidated EBIDTA. Subsidiary's EBIDTA stood at ₹ 32 Crores against EBIDTA at ₹ 18.04 Crores last year.

Growth in operational subsidiaries shall be key focus area for the Company in financial year 2021.

Following are the key achievements of Cosmo Speciality Chemicals Private Limited :-

- Masterbatch production unit is operational and has successfully produced various master batches for in-house and external customers. The internal consumption for Materbatch is growing continuously and the external sales will start soon.
- New R&D laboratories are operational for Textile and Adhesive developmental work. The Company plans to further enhance R&D capability.
- Indian textile chemical industry is a large industry and is mostly dominated by multi-national players. The size of Specialty Textile Chemical industry in India stands around USD 1.4 billion. It has a growth rate of 12% pa. The Company has successfully completed development of several textile chemical products, each with specific unique selling propositions. Many of the products offering are unique which would help customers to reduce energy and water consumption. Company also has plans to launch anti-viral and anti-bacterial wash for the garment industry. These products are currently under trials with textile manufacturers and processors. The Commercial launch of these products would follow in H1FY22. Cosmo plans to cater to niche specialty focused areas-either to address current problem area for the Industry or to provide significantly better products compared to currently available products.

6. Share Capital

During the year under review, the Company bought back 12.67 lakhs equity shares (6.52% of equity capital) through the "Tender Offer" route at a price of ₹ 576 per share. Consequently, the paid-up equity share capital has reduced from ₹ 19.44 crores to ₹ 18.17 crores divided into 1,81,72,715 equity shares of ₹ 10 each. The Buyback of Equity Shares by the Company reflects management's confidence in the company's business strategy and growth prospects and shall improve Earning per Share, Return on Equity and Return on Capital employed.

7. Reserve

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

8. Dividend

During the year, the Board of Directors declared an Interim Dividend of ₹ 25/- per Equity share of ₹ 10/- each (250%) on January 27, 2021 which has been paid.

The Interim Dividend so declared is the Dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2021.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing

Regulations") is available on the Company's website at https://www.cosmofilms.com/policies.

9. Research and Development (R&D)

The Company takes pride in its continuous research and development which focus on providing innovative solutions as opposed to simply producing commodity films. With these consistent efforts in research and development activities, Cosmo is well placed to benefit from accelerated growth and drive new product development globally. During the year under review, your Company incurred expenditure on Research and Development (R&D) of ₹ 7.60 Cr as compared to ₹ 7.18 Cr for financial year 2020.

The Company is focussing its research activities on speciality labels, high barrier films and synthetic paper film. 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;
- Support water based printing and complete replacement of solvent based coatings with water based coatings.

10. Capital Expenditure

Your Company has four state of the art manufacturing facilities spread across India (3) and Korea (1), with a total installed capacity of 196,000 MT per annum of BOPP films, 40,000 MT per annum of Thermal Lamination Films, 22,000 MT per annum of Metalized Films, 20,000 MT per annum of Coated Films and 10,000 MT per annum of CPP Films. During the year under review, your Company incurred capital expenditure of ₹ 74.57 Cr as compared to ₹ 49.97 Cr for Financial Year 2020.

The capital expenditure incurred during FY20-21 shall facilitate enhanced sale of speciality films, sustainability initiatives and solar power as a source of energy.

11. Corporate Governance

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

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of the Corporate Governance norms as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is included in the Annual Report in **Annexure – A.**

12. Internal Financial Control and its Adequacy

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

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

13. Risk Management

Cosmo has a robust process in place to identify key risks across the organisation and prioritise relevant action plans to mitigate these risks. The Audit 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.

14. Vigil Mechanism / Whistle Blower Policy

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

15. Diversity of the Board

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

16. Directors

(a) Chairman

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

(b) Appointment and Re-appointment - Other Directors

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

Mr. Rakesh Nangia has been appointed as Additional Director under the category of Independent Director w.e.f. 10th November, 2020 for a period of 5 years subject to the approval of shareholders at the 44th AGM.

The details of the proposed appointment/re-appointment of Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of 44th Annual General Meeting (AGM) of your Company.

(c) Cessation of Director

Mr. Rajeev Gupta had expressed his non-availability for re-appointment. He ceases to be Director of the Company w.e.f August 07, 2020.

Dr. Vivek Nangia had resigned from the position of the "Non-Executive Independent Director" of the Company, due to new work assignment, w.e.f. June 25, 2020. Further in accordance of SEBI (LODR) Regulations, 2015 he confirmed that there is no other material reason for his resignation other than those mentioned in his resignation letter.

(d) Status of Other Directors

Mr. Anil Kumar Jain is acting as Wholetime Director of the Company. His present tenure of five years is from 1st October, 2019 to 30th September, 2024.

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

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

Ms. Alpana Parida Shah, is acting as Independent Director of the Company. Her present tenure of five years is from 15th May, 2019 to 14th May 2024.

Mr. Anil Wadhwa, is acting as Independent Director of the Company. His present tenure of five years is from 23rd May, 2018 to 22nd May 2023.

(e) 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 Obligations and Disclosure Requirements) Regulations, 2015.

17. Statement of Board of Directors

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

18. Key Managerial Personnel

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

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

19. Familiarization Programme for the Independent Directors

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

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

The induction programme includes:

1) For each Director, a one to one discussion with the Chairman and Managing Director to familiarise the former with the Company's operations.
2) An opportunity to interact with the CEO, CFO & Company Secretary, business heads and other senior officials of the Company, who also make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The details of the familiarisation programme may be accessed on the Company's corporate website at www.cosmofilms.com.

20. Remuneration Policy

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

Members can download the complete remuneration policy on the Company's website at www.cosm ofilms. com.

Disclosure of details of payment of remuneration to Managerial Personnel under Schedule V Part II, Section II (A) forms part of the Corporate Governance Report.

21. Performance Evaluation of the Board, Committees and Individual Directors

In terms of provisions of Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has adopted a formal mechanism for evaluating the performance of its Board, Committees and individual Directors, including the chairman of the Board. Further, a structured performance evaluation exercise was carried out based on criteria such as:

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

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

22. Board and Committee Meetings

During Financial Year 2021, Eight (8) meetings of the Board of Directors and Four (4) Audit Committee meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

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

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

23. Auditors

(a) Statutory Auditors

M/s. S.N. Dhawan & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 000050N/N500045) were appointed as the statutory auditors of the Company in the 43rd Annual General Meeting held on 7th August, 2020, to hold office for a period of five consecutive years from the conclusion of the 43rd Annual General till the conclusion of the 48rd Annual General Meeting to be held in the year 2025. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory. During the year, the Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

(b) Cost Auditors

M/s. Jayant B. Galande, Cost Accountants were appointed as Cost Auditors of the Company for the Financial Year 2022. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

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

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

(c) Secretarial Auditors

The Company had appointed M/s. BLAK & Co., Company Secretaries, New Delhi, to conduct its Secretarial Audit for the Financial Year 2021. The Secretarial Audit report is annexed herewith as **Annexure - B** to this report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report. During the year, the Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

24. Related Party Transaction

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the 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 are set out in Note 43 to the standalone financial statements forming part of this Annual Report.

No Material Related Party Transactions, i.e. transactions amounting to ten percent or more 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 at www.cosmofilms.com.

25. Management's Discussion and Analysis Report

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

26. Business Responsibility Report

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

27. Deposits

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

28. Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

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

29. Particulars of Loans, Guarantees or Investments

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

30. Significant and Material Orders Passed by the Regulators or Courts

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

31. Change in Nature of Business, if any

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

32. Material Changes and Commitments, if any, Affecting Financial Position of The Company

There were no other material changes / commitments affecting the financial position of the Company or that may require disclosure, between March 31, 2021 and the date of Board's Report.

33. Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the Financial Year 2021 to the NSE and the BSE where the Company's equity shares are listed.

34. Annual Return

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

35. Investor Education and Protection Fund (IEPF)

Details of unclaimed Dividend and Shares transferred to IEPF during Financial year 2020-21 are given in Corporate Governance Report.

36. 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 - D** to this Report.

37. 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. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the said act. There have been no complaints of sexual harassment received during the year.

38. Particulars of Employees And Related Disclosures

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

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

39. Employee Stock Options

The Company has an Employee Stock Option Plan for the Employees of the Company and its Subsidiaries named as **"Cosmo Films Employee Stock Option Plan, 2015".** The Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations 2014 and is administered by the HR, Nomination and Remuneration Committee of the Board constituted by the Company pursuant to the provision of Section 178 of the Companies Act, 2013.

During the year, the Company has amended its existing ESOP Plan via shareholders approval through postal ballot on February 10, 2021 and renamed the plan as "Cosmo Films Shares Based Employee Benefit Scheme, 2021"

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 at www.cosmofilms.com.

40. Director's Responsibility Statement

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

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

II. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2021 and of the profits of the Company for the year ended on that date.

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

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

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

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

41. Awards & Recognition

During the Year, Company has bagged

- the Best exporter award in Aurangabad region under Nagpur Custom Commissionerate.
- the Word Star Global Packaging Award 2021 in the Packaging Materials & Components category for our CPP High Barrier Films.
- SIES SOP Star Awards 2020 for its Barrier Coated Label Film in the Ancillary Packaging Materials Category.

- IFCA Star Awards for Inherently Printable Label Films and Laser Printable CSP Films in the categories of R&D Achievement and Innovations/Creativity respectively.
- Company's Waluj plant bagged CII National 5'S Excellence Awards 2020.
- the Word Star Packaging Award 2021 in the Beverages category for Serializable Conduction Sealing Film.

42. Secretarial Standards

During the Financial Year 2021, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

43. Acknowledgement

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

For and on behalf of the Board of Directors

Ashok Jaipuria
Chairman

Date : May 20, 2021
Place : New Delhi

Annexure A

CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by **Cosmo Films Limited** (the Company) for the year ended on March 31, 2021, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C, D and E of schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended ("SEBI Listing Regulation")

MANAGEMENT'S RESPONSIBILITY

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

OUR RESPONSIBILITY

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

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

OPINION

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2021.

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

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
UDIN-017865C000348063

Place : New Delhi
Date : 20/05/2021

Annexure B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,

COSMO FILMS LTD
1008, DLF TOWER-A
Jasola District Center,
New Delhi-110025

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by **COSMO 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 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of applicable following laws:

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

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

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

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

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

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

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

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

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

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

a) Goods & Service Tax Act, 2017
b) Custom Act,1962
c) Income Tax Act, 1961 and Indirect Tax Laws
d) Indian Contract Act, 1872
e) Indian Stamp Act, 1999
f) Limitation Act,1963
g) Negotiable Instrument Act,1981
h) Registration Act,1908
i) Sale of Goods Act,1930
j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
k) Transfer of Property Act,1882
l) Weekly Holidays Act, 1942
m) Legal Metrology Act, 2009,

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

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

xxiv. All other labour laws applicable to the industries.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

We further report that:

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

We further report that:

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

We further report that:

During the audit period no specific events / actions having a major bearing, except as reported hereinabove below on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.-

There was buy back of securities during the financial year in compliance of provisions of Section 68, 69, 70 and all other provisions if any, of the Companies Act, 2013 read with Companies (share capital and Debenture Rules), 2014. The impact of such buyback was reduction in paid up share capital of the Company with cash outflow of ₹ 73 crores.

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
UDIN-017865C000348063

Place : New Delhi
Date : 20/05/2021

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

ANNEXURE 'I'

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

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
UDIN-017865C000348063

Place : New Delhi
Date : 20/05/2021

Annexure - C

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) Modification of system to use Cooling Water

(ii) Optimization of Electricity Demand

(iii) Auto Control Load Optimization of Plant blowers

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

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

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

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

(viii) Centralized Chilling system for coating plants.

(ix) Improving the Equipment Efficiency.

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

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

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

(xiii) Conversion of Electrical heating to Oil Heating

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

(xv) SEZ - Optimization of FO Consumption

(xvi) Use of day light for illumination.

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

i) Converted electrical heating into oil heating.

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

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

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

(iii) Capital investment on energy conservation equipments during the year: ₹ 0.05 Crores

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption :

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

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

i) Modifications in Heating system (Extrusion)

ii) Automation of Raw material feeding System

iii) Upgradation of AHU cooling system

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

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

(a) Details of Technology Imported

(b) Year of Import

(c) Whether the technology been fully absorbed

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

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

(iv) Expenditure incurred on Research and Development: ₹ 7.60 Crores

R & D expenditure as percentage of net sales: 0.34 %

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were ₹ 928 Crores (Previous Year ₹ 823 Crores). The total foreign exchange utilized during the year amounted to ₹ 284 Crores (Previous Year ₹ 333 Crores).

Annexure - D

Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy of the Company

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

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

2. The Composition of the CSR Committee:

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

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: **https://www.cosmofilms.com/policies and https://www.cosmofilms.com/board-committees.**

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: **NOT APPLICABLE**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)

6. Average net profit of the company as per section 135(5): **₹ 106.14 Crores**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹ 2.12 Crores**

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 2.12 Crores**

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 3.13	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocate for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implement-ation Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Regist-ration No.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Item from the list of activitiesin Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project	Mode of Implement-ation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Cosmo Basic English Learning Capsule Udayan Shalini Fellowship and Mentorship Program Computer Literacy Gyan Vihar Kendra, Basic English Learning, Life skill education, Clean & Green initiatives, massive COVID awareness and behavioral change programs relief distribution Plantation Drive	Education Environmental sustainability Health & Hygiene COVID-19	Yes	Maharashtra Gujarat Delhi NCR Rajasthan	Aurangabad Vadodara South Delhi Gurugram Kishangarh	₹ 3.13	No	Cosmo Foundation	CSR00007606

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

(e) Amount spent on Impact Assessment, if applicable**: NOT APPLICABLE**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**: ₹ 3.13 Crores**

(g) Excess amount for set off, if any **(₹ in Crores)**

Sl. No.	Particulars	Amount
i.	Two percent of average net profit of the company as per section 135(5)	2.12
ii.	Total amount spent for the Financial Year*	2.20
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.08
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.08

* Excludes ₹ 0.93 Crores spend during the year relating to preceding financial year

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(6)			Amount remaining to be spent in Succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2017-18	NIL	₹ 0.93 Crores	NIL			NIL
2	2018-19	NIL					
3	2019-20	NIL					

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NOT APPLICABLE**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	Project ID	Name of the Project	Financial Year in which the project was Commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project-Completed/ Ongoing

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: **NOT APPLICABLE**

Ashok Jaipuria
(Chairman & Managing Director)
DIN:00214707

Anil Wadhwa
(Chairman-CSR Committee)
DIN: 08074310

Annexure - E

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

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

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

Name of the Director	Ratio
1. Mr. Ashok Jaipuria	462.60
2. Mr. Anil Kumar Jain	59.70

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

Name	Designation	% increase
Mr. Ashok Jaipuria	Chairman & Managing Director	97%
Mr. Anil Kumar Jain	Whole Time Director	49%
Mr. Pankaj Poddar	Chief Executive Officer	57%
Mr. Neeraj Jain	Chief Financial Officer	28%
Ms. Jyoti Dixit	Company Secretary	3%

3. **Percentage increase in the median remuneration of all employees in the Financial Year 2020-21:**

   There is no increase in the median remuneration for Financial Year 2020-21.

4. **Number of Permanent employees on the rolls of Company as on 31st March, 2021:** 946

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 1% and 90% 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 Personnel's and Senior Management is as per the Remuneration Policy of the Company.

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

   General Note:

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

MANAGEMENT DISCUSSION AND ANALYSIS

We at Cosmo Films ('Cosmo' or the 'Company') are global leaders in speciality films for packaging, labelling, lamination and synthetic paper applications. Established in 1981 we are the world's largest producers of thermal lamination films. Cosmo offers a comprehensive range of BOPP Films for flexible packaging, lamination, labelling and industrial applications, including speciality films such as high barrier films, velvet thermal lamination films and direct thermal printable films. In addition to being a market leader in the BOPP sector, Cosmo has emerged as a complete film solutions provider with more offerings and value added services. Cosmo has a state of the art R&D centre in Aurangabad and the Company currently holds six registered patents while another six are in pipeline.

Cosmo has maintained a consistent strategy and business model. We have a unique combination of widest product portfolio under one roof, customised innovation, always ahead in product development curve, allocation flexibility in job line, scale, global reach and global warehousing facility. By remaining focused on our strategy and our unique value proposition for customers, the Company will continue to grow and drive long term value creation for shareholders and other stakeholders.

1. Macroeconomic Overview

Global Economy

The International Monetary Fund is expecting a stronger economic recovery in 2021 as Covid-19 vaccine rollouts get underway, but it also warns of "daunting challenges" given the emergence of second wave of Covid-19 infections in various parts of the world and different rates of administering vaccine shots across the globe. The organization said it expects the world economy to grow by 6% in 2021, up from its 5.5% forecast in January. Looking further ahead, global GDP growth rate for 2022 is projected to be 4.4%, higher than an earlier estimate of 4.2%. *(Source: IMF World Economic Outlook, April'21)*

"Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible," IMF chief economist said in the latest World Economic Outlook report. US consumer spending rose at the fastest level in the last one year in March'21 reflecting Billions of dollars in Government support payments aimed at putting the country firmly on the road to recovery. *(Source: US Commerce Department)*

Indian Economy

In response to the global pandemic, Government took several preventive and mitigating measures starting with progressive tightening of international travel and nationwide lockdown to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures, affected employment, business, trade, manufacturing, and services activities. The real Gross Domestic Product (GDP) growth is projected to contract by 7.3% percent in 2020-21 as compared to a growth of 4.2 percent in 2019-20.

The second wave of COVID-19 in the month of April'21 has resulted in localised lockdown in different parts of the country. GDP growth, however, is expected to rebound strongly in FY 2021-22 owing to the vaccination and reform measures undertaken by the Government.

2. Industry Scenario

The global packaging market is projected to grow to USD 1012.6 billion by 2021. It was estimated to be valued at USD 909.2 billion in 2019. (Source: https://www.businesswire.com). People are now more conscious about the food packaging worldwide amidst this pandemic, due to which demand for packaging is set to increase.

The India Packaging Market was valued at USD 75 billion in 2020, and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% during the period of 2020-25. *(Source : Packaging Industry Association of India)* Packaging is amongst the high growth industries in India and the country is becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export markets. Costs of processing and packaging food can be substantially lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably - processed foods, hard and soft drinks, fruit and marine products.

In India, the fastest growing packaging segments are laminates and flexible packaging. Over the last few years, Packaging Industry has been an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments.

The growth in lifestyle and consumption patterns has increased the demand for the packaged products resulting in growth of packaging industry. Consumer awareness surrounding packaged food, specifically packaged food deliveries, has heightened. The boom in e-commerce and organized retail is expected to enhance the growth of plastic packaging and per capita consumption in the near future. The rising purchasing power, due to the growth in per-capita income of the Indian middle-class, is fuelling the Indian packaging market in adopting better packaging methods, materials, and machinery, to ensure quality factors for Indian businesses. During pandemic consumers stocked up as governments announced quarantines and stay-at-home measures. This boosted flexible packaging consumption – and thus BOPP film demand in many markets, including Europe.

Performance of the industry during lockdown

With the arrival of COVID-19 pandemic, people have become more conscious of the food products they consume. The food industry has increased its focus towards better and safer packaging for its consumers, resulting in robust demand for packaging material. It has also helped pro-longing the shelf life of many products. In fact, this validates the increasing demand for packaged consumer goods. Moreover, in India, one can find a large base of raw materials to manufacture packaging products. Besides, there is an increasing trend of using eco-friendly or recyclable materials in packaging. The comparatively low manufacturing costs opens opportunities to foreign companies and technology. The packaging industry has experienced rapid growth globally as a result of greater innovation and customer preferences for global brands. Packaging sales in the emerging markets are expected to continue to show strong momentum as both increased consumption and demand for consumer goods drives the need for more sophisticated packaging.

3. Business Segments and Performance

The company has four state of the art manufacturing facilities spread across India (3), and Korea (1), with a total installed capacity of 196,000 MT per annum of BOPP films, 40,000 MT per annum of Thermal Lamination Films, 22,000 MT per annum of Metalized Films, 20,000 MT per annum of Coated Films and 10000 MT per annum of CPP Films. Cosmo offers a comprehensive range of BOPP Films for flexible packaging, lamination, labelling and industrial applications, including speciality films such as high barrier films, velvet thermal lamination films and direct thermal printable films. In addition to being a market leader in the BOPP sector, Cosmo has emerged as a complete film solutions provider with more offerings and value added services.

Widest product portfolio under one roof

Packaging Films –

Print & Pouching Films

- Print & Pouching Films
- Transparent Barrier Films
- Metalized Barrier Films
- Overwrap Films

Lamination Films

- Standard Range
- Special Application Lamination Films
- Premium Lamination Films

Label Films

- PS Label Stock Films
- In-Mould Films
- Wrap Around Label Films

Industrial Films

- Synthetic Paper
- Tape & Textile Films
- Release Film

4. Discussion on financial performance with respect to operational performance

Despite a challenging year in a volatile economic and business environment in many parts of the world, we are pleased to report that the Cosmo films had a successful FY 2020-21. Cosmo Films posted yet another spectacular performance for the FY 2020-21. During the FY 2020-21, the Company registered sales of ₹ 2285 crores on consolidated basis. With an increase of 53%, the Company posted highest ever EBITDA of ₹ 430 crores during FY 2020-21 against ₹ 281 crores in the FY 2019-20, primarily due to higher speciality sales, better operating margins from last year and uptick performance by subsidiaries on YOY basis. De-bottlenecking one large production line to enable speciality films production also contributed to the enhanced EBITDA. The speciality films sales have grown year-on-year in the last 3 years and growth rate in FY 2020-21 surpassed 20% despite the base becoming larger each passing year reaffirming the Company's growth strategy through continuous investment in R&D, Sales & Marketing, Employee practices, Quality and Customer satisfaction.

On Standalone basis, the Company registered sales of ₹ 2,083 crores and standalone EBIDTA for the year increased by 52% to ₹ 398 crores against ₹ 262 crores in financial year 2020.

During the FY 2020-21, PAT has more than doubled (110% up from FY 2019-20) and EPS increased by 115% to ₹ 127. As on 31st March, 2021 the other key financial parameters like ROCE (22%), ROE (30%) also improved and are one of the best in the industry. The Company's net debt has reduced to ₹ 441 crores with 1 times net debt/EBITDA ratio and 0.5 times net debt to equity.

During the FY 2020-21 the Company bought back 12.67 lacs shares at a price of INR 576 per share. The buyback reflects management's confidence in the company business strategy and growth prospects. This has resulted into improvement in EPS, RoE, and RoCE.

5. Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

There is no significant change (i.e. 25% or more) in key financial ratios viz. Current Ratio & Debtors Turnover.

Ratio	FY 2020-21	FY 2019-2020	% Change	Explanation
Interest Coverage Ratio (in times)	10.31	5.33	93.2%	Increase in Interest coverage ratio is due to decrease in net debt and increase in profitability
Net Profit Margin	10.37%	5.15%	101.4%	Increase is due to higher speciality sales and better operating margins
Operating Profit Margin	14.56%	8.89%	63.71%	Increase is due to higher speciality sales and better operating margins

6. Change in Return on Net Worth

The return on Net worth for the financial year 2021 stood at 29.71% as compared to last year at 15.96% on account of increase in net worth during the year.

7. Liquidity

During the year ended 31st March, 2021, the consolidated Net Debt reduced to ₹ 441 crores from 584 crores last year mainly due to internal cash generation and better working capital management. The Company has been carrying close to ₹ 322.13 crores of cash and cash equivalents including liquid investments at 31st March 2021. The Net Debt to Equity ratio is at 0.5 times at consolidated level.

8. R&D & New Product Development

R&D Team keeps the Company ahead in Product Development Curve. The R&D team has Ph.Ds.' & Post Docs. from renowned universities in the USA and Europe with global experience in Packaging, Polymer Engineering, Biopolymers and Nanomaterials innovation. The team consists of 24 scientist and technologist from reputed research institutes & organizations contributing towards creating innovative product portfolio for CFL & CSCPL. We have plans to further increase the strength of R&D Team. Our R&D labs, one in India and another one in USA have most sophisticated equipment and instruments. The team is also driving several sustainability projects. We had investment of USD 3M+ in R&D centre in last 3 years.

Achievements of the R&D department:

- Recognition and certification by Department of Scientific & Industrial Research, Government of India.
- Recently received one patent for Release BOPP Film.
- Cosmo currently holds six registered patents while another six are in pipeline.
- Multiple product development Awards such as India star, IFCA STAR and PFFCA STAR awards.
- First thermal lamination film to take extrusion coating without the primer.

The New Product Development

The Company has developed several new products during the FY 2020-21. Few of these are:

- **TeploR (High heat resistance BOPP)**

  Cosmo Films has successfully developed a new transparent printable biaxially oriented polypropylene (BOPP) film called "**TeploR**" with a high heat resistance. The film can be used as a printing / outside layer in multi-layer laminate structure and is an ideal replacement for BOPET film.

- **Metallised BOPP barrier films**

  This company successfully developed wide range of metallised biaxially oriented polypropylene (BOPP) films for variety of packaging applications. The films provide excellent oxygen barrier, water vapour barrier, high metal bond and other properties. The films are an ideal replacement of Aluminium foil and metallised BOPET.

- **Glueable / Stampable film (GS)**

  This product is BOPP based, one side coated (Gloss or Matte) and other side extrusion coated BOPP film for demanding Thermal lamination application. The coated side is scratch resistance glueable / stampable premium coated finish designed to accept UV spot coatings, hot stamping, cold stamping and all other post lamination process.

- **High scratch resistant metallised film**

  This newly developed "High Scratch Resistant Metalized Film" is a Bi-axially Oriented Polypropylene metallised film, with high scratch resistance print receptive coating on metallised side which prevents the print getting scratched & help to maintain the aesthetic look of the product.

- **100% Opaque Synthetic Paper**

  The newly developed 100 % opaque Cosmo Synthetic Paper (CSP) is a non tearable, co-extruded, white opaque, both sides matte coated film which resembles paper in appearance. It is specially designed for a dangler application, where no see through is required.

9. Sustainability

Cosmo is aggressively working on several sustainability projects. Following are some of the sustainability and initiatives taken by the Company:

1. **Offering mono layered structure for ease of recycling**

   Cosmo has always been a focused polypropylene player and its film offerings consist of BOPP and CPP films. The two types of films could be used individually for single layer/duplex structures or in combination to form mono-material laminates without compromising on the aesthetics and performance of the pack. Company has been partnering with some of the best global brands to offer structure rationalization & recyclability solutions in categories such as biscuits, noodles, tea and coffee sachets, soap wrapper, just to name a few. The Company shall continue to invest in R&D and grow its speciality film portfolio offering sustainable solutions for a better tomorrow.

2. **Power / water / gas consumption rationalization**

   Improvement in energy & water efficiency is a continuous process at Cosmo and conservation of energy is given a very high priority in all our plants and offices. We are continuously making efforts to achieve energy efficiency through improvements in our process design, conversion and retrofitting of equipment and use of energy efficient equipment. We have been replacing HPMV lamps with environmentally friendly and energy efficient light source like LED. Also, our plants are designed to maximise the natural light usage, resulting in lower power consumption.

3. **Rain water harvesting and reuse of effluent treated water**

   Rain water harvesting and reuse of effluent treated water is practiced in all manufacturing plants.

4. **Use of solar power as an alternate source of energy**

   All plants use some amount of solar power as a source of energy. We have installed rooftop and on ground solar power plants and entered into wind power purchase agreement. We saved more than 60 lakhs KWH from the solar power and more than 7 lakh KWH from wind power during the FY 2020-21.

5. **Rationalization of containers & trucks space to optimize loading**

   Optimisation of container space and trucks space has resulted in optimized loading, leading to cost rationalisation and reduction in fuel usage.

6. **Waste elimination and recycling of waste**

   Cosmo practices the recycling of manufacturing waste for further film production as well as packing materials such as cores, hollow sheets etc. Also, 100 waste-bins were installed across seven villages which benefitted 5000 households.

7. **Plantation of around 5000 trees**

   5000 fruit bearing saplings were planted in the farm lands of 9 farmers in Gangapur block, Aurangabad, Maharashtra which would improve the livelihood of the farmers along with post maintenance support for next three years.

   The Company's sustainability drive is helping in reducing various wastages, reducing carbon footprint and also contributing towards cost reduction.

10. Awards & Accolades

Cosmo Films continues to earn award and accolades. Following awards and accolades were conferred on Cosmo Films during the FY 2020-21.

- Cosmo Films received the Best exporter award in Aurangabad region under Nagpur Custom Commissionerate.
- Cosmo Films has bagged the WordStar Global Packaging Award 2021 in the Packaging Materials & Components category for our CPP High Barrier Films.
- SIES SOP Star Awards 2020 for its Barrier Coated Label Film in the Ancillary Packaging Materials Category.
- IFCA Star Awards for Inherently Printable Label Films and Laser Printable CSP Films in the categories of R&D Achievement and Innovations/Creativity respectively in February 2020.
- Cosmo Films Waluj plant bagged CII National 5'S Excellence Awards 2020.
- Cosmo Films has bagged the WordStar Packaging Award 2021 in the Beverages category for Serializable Conduction Sealing Film.

11. Opportunities, Risks & Mitigation Strategy

Opportunities:

1. **Innovative Packages**

   Brands are well personified assets and enjoy an image that the marketers are very conscious and sensitive about. Several FMCG companies world over are opting to give their packaging designs a fresher look in line with the attributes that their brand stands tall for. One must not forget that 'Good packaging protects your product while Great packaging protects your brand'. Cosmo is well geared towards developing innovative packages that are aimed at attracting customers to drive sales.

2. **E-commerce everywhere.**

   The already fast rise in e-commerce has got a big boost due to pandemic as the consumer is preferring to buy products in a hygienic packaging. The rise in e-commerce could place an intense focus on increased packaging requirements, including for new products, along with last-mile delivery innovations.

3. **Digitalization and Internet of Things (IoT).**

   Digital efforts are being used both to drive down costs and, increasingly, to gain a competitive edge with consumers—for example, by generating greater customer value and service by integrating technology in packaging. With IoT (Internet of things) already ruling the roost, packaging as an enabler will be far more intuitive and help providing instantaneous information to the consumers about the packed products.

4. **Sustainability**

   Requirements for sustainability are rising at every step of the value chain with rising activists' scrutiny. Notably, while the use of plastic has soared, the ecological burden is provoking heavier restrictions as demand rises for more sustainable solutions across the board. We see the rising awareness on sustainable packaging requirements as opportunity as we deliver on the sustainability requirements through our products and manufacturing processes.

Risks & Mitigation

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

The following factors, could adversely affect the Company's consolidated financial position, results of operations or cash flows.

1. **Strategic Risks**

   Strategic risks can be in form of changes in consumer demand, competition, intellectual property challenges and key customer attrition. Our risk mitigation activities include staying ahead in the new product development curve, relying on the patent, trademark, copyright and trade secret laws of the countries in which we operate and non-disclosure agreements. Our Key Account Team works with the purpose to maintain good customer relationships and keep the attrition at manageable level.

2. **Operational Risks**

   Operations risks include gap in demand and supply, attracting and retaining key personnel, global health outbreaks and information technology. The risk of demand and supply gap is mitigated through the capacity addition at the right time, de-bottlenecking of production lines including shifting of product mix to speciality products. We strive to nurture a working environment that fosters personal and professional growth to attract and retain key personnel. A failure or disruption in our information technology systems could disrupt our operations, compromise customer, employee, vendor and other data and could negatively affect our business. Although we attempt to mitigate these risks by employing a number of measures, our systems and networks remain potentially vulnerable to advanced and persistent threats.

3. **Financial Risks**

   Financial risks include exchange rate risks, interest rate risks and internal control risks. Regarding exchange rate risks, the Company has entered into various derivative contracts including foreign exchange forward contracts, currency options, cross currency swaps and interest rate swaps which are used to manage and hedge foreign currency exchange risks and interest rate risks. The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The company have in all material respects, adequate internal financial controls with reference to financial statements, 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 issued by the ICAI.

4. **Legal and Compliance Risks**

   Various regulations and legislations have been passed and anticipated in various countries in response to concerns regarding safety, Greenhouse Gas Emissions, climate change and plastic recycling. We take proactive actions, so that our operations and products are not in violation of any safety, health or environment regulations. Regarding patents and proprietary technology the legal and R&D functions of the company ensure that all our patents and proprietary technology is protected in various geographies. Also the company has 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.

12. Internal Control Systems and their adequacy

Cosmo has established internal control systems commensurate with the size and nature of business. It has put in place systems and controls across the Company covering various financial and operational functions. The Company through its own Internal Audit Department carries out periodical Audits at various locations and functions based on the Audit Plan as approved by the Audit Committee.

Some of the salient features of the Internal control systems are: -

(i) An integrated ERP system connecting all Plants, Sales Offices, Head Office, etc.

(ii) Systems and Procedures are periodically reviewed to keep pace with the growing size and complexity of company's operations.

(iii) Preparation of annual Budget for operations and services and monitoring the same at periodic intervals.

(iv) Assets are recorded and system put in place to safeguard against any losses or unauthorized disposal.

(v) Periodic physical verification of fixed assets and Inventories.

(vi) Key observations arising out of the Internal Audit are reviewed at the Audit Committee meeting and follow up action taken

Further, enterprise wide adherence to corporate governance best practices is achieved through a combination of internal audits, management reviews and audit committee. The Company is thus able to secure and validate its business transactions on an ongoing basis and thereby maintain the accuracy of its financial records and the safety of its property. Most importantly, the senior management sets the tone at the top of no tolerance to non-compliance and promotes a culture of continuous innovation and improvement

13. Material developments in Human Resources / Industrial Relations front, including number of people employed

Cosmo considers people, its biggest assets and 'Believing in People' is at the heart of its human resource strategy. Concerted efforts have been put in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that the Company consistently develops inspiring, strong and credible leadership. We leverage human capital for competitiveness by nurturing knowledge, entrepreneurship and creativity. Cosmo strive to encourage diversity in workforce and believes in building the career of its employees through focussed interventions. Learning opportunities contribute to better employee engagement, increased productivity, reduced employee turnover and add to a more positive culture.

Labour relations remained conducive across all India operations. The plants in India created multiple opportunities to promote open and supportive work environment and enhance participative decision-making. We continued imparting teambuilding and collaboration training to our workmen to enhance the team cohesiveness.

The total employee strength as on 31st March, 2021 was 946.

14. Outlook

The Company plans to change the packaging landscape by creating sustainable and intelligent packaging solutions. We anticipate that at-home food consumption and snacking could remain at higher levels than prior to the coronavirus outbreak for several more months, as more people permanently join the home-office trend. Because of this, flexible packaging will continue to be the key end-use sector for BOPP film. Our Speciality portfolio covers 62% of the revenue and 18% of the growth in the last 3 years. The target for the speciality portfolio is to contribute 80% by year 2023. The Shift towards speciality will majorly de-commoditize the business model and also enhance the profitability. Newer growth areas for Speciality are Synthetic Paper, Master batches and Textile Applications & Adhesive.

Synthetic Paper is durable alternative to paper. There is immense potential to grow as the global market size is 100k MT and Indian market size is 6k MT. Cosmo Films plans to produce all Master batches for captive use and niche speciality focused for outside sale. The target set is to reach 10% of Company's consolidated revenue in three years from Master batches with 20%+ ROCE. The Company's subsidiary will soon start commercialization of textile chemicals developed through in-house R&D. The size of the Indian Speciality Chemicals – Textile Applications & Adhesive market is USD 1.4 Billion and the market is growing by 12% p.a. Cosmo plans to cater to niche speciality focused either to address current problem area for the Industry or significantly better product compared to currently available. The Adhesive segment is planned to kick start from FY2022. Our Sustainable solutions future pipeline include Direct Thermal Printable Film (first BOPP film producer to launch), Sustainable PVC free solutions for graphic applications, Heat reduction film, Shrink Label film

Pet Care

Pet care is scheduled to be launched in FY 22 under brand "Zigly" in a unique manner on Omni channel platform. Indian pet care industry is a growing market due to smaller families, rising income levels and limited social lives (especially post Covid-19). There are no large scale organized players in India offering end to end comprehensive solution to the customers. To tap the opportunity, Cosmo has planned a structured technology savvy platform to address all needs of pets.

The company is also investing in several new initiatives including Artificial Intelligence (AI), Data Mining, Cloud Computing etc. which should help to achieve automated paperless processes, lower the operating costs and provide superior service to the customers and other stakeholders.

15. Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

For Cosmo, maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. It is an article of faith, a way of life, and an integral part of the Company's core values. Your company is committed for adopting best global practice of Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of its entire shareholders. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

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

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

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-Executive Independent Directors headed by the Chairman. The strength of Board of Directors is 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 judgment of the Directors in any manner.

i. The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The structure of the Board and record of other Directorships, Committee memberships & Chairmanships and shareholding in the Company as on March 31, 2021 is as under:

Name of the Director	DIN	Category	Designation	No. of other Director-ships Held	Total No. of other Chairmanships/ Memberships of Board Level Committees			Shareholding (as on 31st March, 2021)
					Chairmanship	Membership	Total	
Mr. Ashok Jaipuria	00214707	Promoter Director	Chairman & Managing Director	2	Nil	Nil	Nil	323284
Mr. A. K. Jain	00027911	Executive Director	Whole Time Director	1	Nil	1	1	8390
Ms. Alpana Parida	06796621	Independent Non-Executive Director	Director	4	Nil	4	4	Nil
Mr. H. K. Agrawal	00260592	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	1000
Mr. H. N. Sinor	00074905	Independent Non-Executive Director	Director	1	Nil	1	1	Nil
Mr. Pratip Chaudhuri	00915201	Non-Independent Non- Executive Director	Director	7	2	6	8	Nil
Mr. Anil Wadhwa	08074310	Independent Non-Executive Director	Director	1	Nil	1	1	Nil
Mr. Rakesh Nangia	00147386	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	21480

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 Companies have been considered.

III. None of the Directors is a member of more than 10 Board-level committees of public Companies in which they are Directors, nor is chairman of more than 5 such committees.

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

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

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

Name of the Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Ashok Jaipuria	00214707	Somany Home Innovation Limited	Independent Non- Executive Director
Mr. A. K. Jain	00027911	-	-
Ms. Alpana Parida	06796621	GRP Limited	Independent Non- Executive Director
		Prime Securities Limited	Independent Non- Executive Director
Mr. H. K. Agrawal	00260592	-	-
Mr. H. N. Sinor	00074905	Themis Medicare Limited	Independent Non- Executive Director
Mr. Pratip Chaudhuri	00915201	CESC Limited	Independent Non- Executive Director
		Visa Steel Limited	Independent Non- Executive Director
		Firstsource Solutions Limited	Independent Non- Executive Director
		Muthoot Finance Limited	Independent Non- Executive Director
		Spencer's Retail Limited	Independent Non- Executive Director
Mr. Anil Wadhwa	08074310	HSIL Limited	Independent Non- Executive Director
Mr. Rakesh Nangia	00147386	-	-

iii. **Skills/Expertise/Competence of the Board Of Directors**

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with all the Board Members:

i) Knowledge on Company's businesses (Packaging and Lamination Films) policies and culture (including the Mission, Vision and Values) major risks/threats and potential opportunities and knowledge of the industry in which the Company operates

ii) Behavioral skills-attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company

iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

iv) Management and Financial skills

v) Technical / Professional skills and specialized knowledge in relation to Company's business.

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 Eight times on 4th June, 2020, 19th August, 2020, 1st September, 2020, 26th October, 2020, 10th November, 2020, 29th December, 2020, 27th January, 2021 & 9th March, 2021 during the Financial Year ended 31st March, 2021. The maximum time gap between any two meetings was not more than one hundred twenty days.

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

Name of the Director	Number of Board Meetings held during tenure of Directors and attended by them		Attendance at last AGM held on 7th August, 2020
	Held	Attended	
Mr. Ashok Jaipuria	8	8	Yes
Mr. A.K. Jain	8	8	Yes
Ms Alpana Parida	8	7	No
Mr. H.N. Sinor	8	8	Yes
Mr. H. K. Agrawal	8	6	No
Mr. Rajeev Gupta*	1	1	No
Mr. Pratip Chaudhuri	8	8	Yes
Dr. Vivek Nangia*	1	1	NA
Mr. Anil Wadhwa	8	8	Yes
Mr. Rakesh Nangia#	4	4	NA

Dr. Vivek Nangia and Mr. Rajeev Gupta ceased to be Director of the Company w.e.f. 25.06.2020 & 07.08.2020 respectively.

#Mr. Rakesh Nangia appointed as Director w.e.f .10.11.2020

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

The induction programme includes:

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

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

The details of the familiarisation programme may be accessed on the Company's website at www.cosmofilms.com under investor relations/ shareholders information/ Notification/ Notices link.

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. Stake Holders Relationship Committee
3. HR, Nomination and Remuneration Committee
4. Corporate Social Responsibility (CSR) 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, 2021 consisted of the five Directors who are eminent professionals and possess sound knowledge in finance:

Chairman : Mr. H.K. Agrawal
Members : Mr. Anil Wadhwa
Mr. H.N. Sinor
Mr. Pratip Chaudhuri
Mr. Rakesh Nangia*
Ms. Alpana Parida*

- **Meetings and attendance during the year**

The Audit Committee met Four times during the financial year from April 1, 2020 to March 31, 2021:

1. June 4, 2020	2. August 19, 2020
3. November 10, 2020	4. January 27, 2021

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 Members	Attended
Mr. H.K. Agrawal	4	2
Mr. Anil Wadhwa	4	4
Ms. Alpana Parida*	3	3
Mr. H.N. Sinor	4	4
Mr. Pratip Chaudhuri	4	4
Mr. Rakesh Nangia*	1	1

Mr. Rakesh Nangia appointed as member and Ms. Alpana Parida ceased to be member of the Committee w.e.f. 10.11.2020.

2. **STAKE HOLDERS 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 investor's complaints on transfer of shares, non receipt of declared dividends etc and redressal thereof.

To expedite the process of share transfers the Board has delegated the power of share transfer to M/s Alankit Assignments Limited viz. Registrar and Share Transfer Agents who attend the share transfer formalities at least once in a fortnight.

- **Composition of Stake Holders Relationship Committee**

The Stake Holders Relationship Committee is headed by an Independent Director and presently consisted of the following members as on March 31, 2021:

Chairman : Ms. Alpana Parida
Members : Mr. Anil Kumar Jain
Mr.Pratip Chaudhuri*
Dr. Vivek Nangia**
Mr. Rajeev Gupta**

- **Meetings and attendance during the year**

The Stakeholders Relationship Committee met four times during the financial year from April 1, 2020 to March 31, 2021:

1. June 4, 2020	2. August 19, 2020
3. November 10, 2020	4. January 27, 2021

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

Names of the Stakeholders Relationship Committee Members	Number of Meetings	
	Held during the tenure of Members	Attended
Ms. Alpana Parida	4	4
Mr. Pratip Chaudhuri*	3	3
Dr. Vivek Nangia**	1	1
Mr. Rajeev Gupta**	1	1
Mr. Anil Kumar Jain	4	4

**** Mr. Pratip Chaudhuri appointed as member of the committee w.e.f. 04.06.2020***

***** Dr. Vivek Nangia & Mr. Rajeev Gupta ceased to be member of the Committee w.e.f 25.06.2020 & 07.08.2020 respectively.***

- **Compliance Officer**

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

- ***Shareholders' Complaints etc. received during the FY- 2020-2021***

During the year from April 1, 2020 to March 31, 2021 the Company received 2 complaints from various Investors / Shareholders. The same were attended to the satisfaction of the Investors. At the end of March 31, 2021, no complaint was pending for redressal.

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, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The terms of the reference of HR, Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 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 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, 2021:

Chairman : Mr. H.N.Sinor
Members : Mr. Anil Wadhwa*
Mr. Ashok Jaipuria
Mr. Pratip Chaudhuri
Mr. H.K. Agrawal
Mr. Rakesh Nangia*

- **Meetings and attendance during the year**

  The HR, Nomination & Remuneration Committee met four times during the financial year from April 1, 2020 to March 31, 2021:

1. June 4, 2020	2. November 09, 2020
3. December 29, 2020	4. March 09, 2021

Names of the HR, Nomination and Remuneration Committee Members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. H.N. Sinor	4	4
Mr. H. K. Agrawal	4	3
Mr. Ashok Jaipuria	4	4
Mr. Pratip Chaudhuri	4	4
Mr. Anil Wadhwa*	2	2
Mr. Rakesh Nangia*	2	2

Mr. Rakesh Nangia appointed as member and Mr. Anil Wadhwa ceased to be member of the Committee w.e.f. 10.11.2020.

- **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 Commission and Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2020-2021 was ₹ 32.50 Lakhs. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

  B. Remuneration to Executive Directors

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

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

- **Remuneration Paid to Directors**

  Following tables gives the details of remuneration paid to directors, during the year from April 01, 2020 to March 31, 2021:

- **Remuneration to Non- Executive Directors**

S. No.	Name of Director	Sitting Fees (₹)	Commission (₹)
1.	Mr. H.K. Agrawal	4,25,000	27,00,000
2.	Mr. Rajeev Gupta*	75,000	-
3.	Mr. Pratip Chaudhuri	6,75,000	27,00,000
4.	Mr. H.N Sinor	6,00,000	27,00,000
5.	Ms. Alpana Parida	5,50,000	27,00,000
6.	Dr. Vivek Nangia*	75,000	-
7.	Mr. Anil Wadhwa	5,75,000	27,00,000
8.	Mr. Rakesh Nangia#	2,75,000	10,50,500

**** Dr. Vivek Nangia and Mr. Rajeev Gupta ceased to be Director of the Company w.e.f. 25.06.2020 & 07.08.2020 respectively.***

 # Mr. Rakesh Nangia appointed as Director w.e.f. 10.11.2020.

- **Remuneration to Executive Directors***

Sl. No.	Particulars	Designation	Salary (₹)	Commission (₹)	Contribution to provident & Superannuation Funds (₹)	Total Amount (₹)
1	Mr. Ashok Jaipuria	Chairman & Managing Director	4,57,50,000	16,63,92,946	1,23,52,500	22,44,95,446
2.	Mr. A. K. Jain	Whole time Director	2,73,58,164	-	13,51,738	2,87,09,902

***This does not include value of perquisites**

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- **Terms of reference**

  The terms of reference of the CSR Committee are:

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

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

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at www.cosmofilms.com.

- **Composition of CSR Committee**

In compliance with Section 135 of the Companies Act, 2013, the Company has a Corporate and Social Responsibility (CSR) Committee consists of the following members as on March 31, 2021:

Chairman : Mr. Anil Wadhwa*
Members : Mr. Ashok Jaipuria
: Ms. Alpana Parida
Mr. Anil Kumar Jain

- **Meetings and attendance during the year**

The Corporate and Social Responsibility Committee met once on 12th February, 2021 during the Financial Year from April 1, 2020 to March 31, 2021.

Names of the Corporate Social Responsibility Members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Anil Wadhwa*	1	1
Ms. Alpana Parida	1	1
Mr. Ashok Jaipuria	1	1
Mr. Anil Kumar Jain	1	1

**** Mr. Anil Wadhwa appointed as member and Chairman of the Committee w.e.f 10.11.2020***

E. INDEPENDENT DIRECTORS:

It is hereby confirmed that all the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and Companies Act, 2013 and all are independent of Management The Company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a) Training of Independent Directors

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

The appointment letters of Independent Directors has been placed on the Company's website at **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 9th March, 2021 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

I) Reviewed the performance of Executive Directors, non-independent directors and the Board as a whole;

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

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

F. GENERAL BODY MEETINGS

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

Year	Place	Date	Time	Special Resolution Passed
2017-18	Indian Corporate centre (ICC), J2B1 Extension, Mohan Cooperative, Mathura Road, New Delhi-110044	03/08/2018	11:30 A.M.	Special Resolutions were Passed

Year	Place	Date	Time	Special Resolution Passed
2018-19	Lakshmipat Singhania Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi 110016	25/07/2019	11:30 A.M.	Special Resolutions were Passed
2019-20	Through Video Conferencing (Deemed venue of the meeting: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025)	07/08/2020	3:00 P.M.	Special Resolutions were Passed

II. Postal Ballot

The Company has passed Special Resolution through Postal Ballot during the Financial Year 2020-21. Mr. Sanjiv Aggarwal, Practicing Chartered Accountant was appointed as scrutinizer to conduct the Postal Ballot only through e- voting process in fair and transparent manner. Pursuant to the provisions of section 110 of Companies Act, 2013 and Companies (Management and Administration) Rule, 2014, postal ballot notice was sent only by electronic means to those members whose name(s) appeared on the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (NSDL) /Central Depository Services (India) Limited (CDSL) as on cut-off date i.e. Friday, January 1, 2021.

Pursuant to the Companies (Management and Administration) Rules, 2014, the Company provided the facility to the members to exercise their votes only through e-voting and the e-voting portal of CDSL remained open from Tuesday, 12th January, 2021 (10.00 a.m.) to 10th February, 2021 (05.00 p.m.).

The scrutinizer submitted his report on E-voting on February 10, 2021. On the basis of the scrutinizer's report, Chairman declared the result of postal ballot through e-voting on February 10, 2021 and announced that all the Special Resolutions in the Postal Ballot Notice were duly passed by the requisite majority.

The Results declared along with the Scrutinizer's Report were placed on the website of the Company i.e. (www.cosmofilms.com) and on the website of Central Depository Services (India) Limited "CDSL" and simultaneously communicated to the Stock Exchanges.

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

Item no. in the Notice	Ordinary/ Special Resolution	Votes cast in favour of the Resolution	% of votes cast in favour	Votes cast against the Resolution	% of votes cast against	Invalid Votes	Status
1.	Special	8268002	94.51	480061	5.49	Nil	Passed as Special Resolution

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

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 there under and the Listing Regulations.

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

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

https://www.cosmofilms.com/uploads/policy/Policy_on_Related_Party_Transactions.pdf

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 2021. A declaration to this effect, signed by the Chief executive officer is annexed to this report.

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

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

http://www.cosmofilms.com/uploads/policy/Policy_For_Determining_Material_Subsidiaries.pdf

6. During the Financial Year ended 31st March, 2021 the Company did not engage in commodity hedging activities.

7. During the Financial Year ended 31st March, 2021, the Company did not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

8. During the Financial Year ended 31st March, 2021 Dr. Vivek Nangia (DIN: 07646933), who was appointed as the Director of the Company with effect from November 3, 2016 had resigned from the position of the "Non-Executive Independent Director" of the Company, due to new work assignment, with effect from June 25, 2020. The Board hereby confirms that as per the confirmation received from Dr. Vivek Nangia, there were no material reasons for his resignation other than those mentioned in his resignation letter dated June 25, 2020

9. During the Financial Year ended 31st March, 2021 the Company has not issued any debt instruments or fixed deposit programme involving mobilization of funds, whether in India or abroad.

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

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

12. Total fees of ₹ 73 Lakh for financial year 2020-2021, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

13. During the year from April 1, 2020 to March 31, 2021 the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. At the end of March 31, 2021, no complaint was pending for redressal.

14. The necessary certificate under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.

15. 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.

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

17. **Compliance Certificate from Practicing Company Secretary:** Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Part C of Schedule V of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.

18. Other disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given at relevant places in the Annual Report.

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

20. **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.**

21. **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 (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors.
- Financial Results are published in leading newspapers, one English newspaper and one Hindi newspaper.
- The financial results are also put up on Company's website at www.cosmofilms.com.
- Presentation(s) made to Institutional Investors or analysts are also put up on Company's website i.e. 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, 2020 to March 31, 2021 and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative)
Financial results for the 1st quarter ending June 30, 2021.	August, 2021
Financial results for the 2nd quarter and half year ending September 30, 2021	November, 2021
Financial results for the 3rd quarter and nine months ending December 31, 2021	February, 2022
Financial results for the last quarter and financial year ending March 31, 2022	May, 2022

4. WEBSITE

The address of the Company's web site is www.cosmofilms.com

5. DIVIDEND

The Board has declared Interim Dividend of ₹ 25/- per Equity Share for the Financial Year 2020-21 on January 27, 2021 which has been paid to the shareholders.

- **UNPAID/UNCLAIMED DIVIDENDS**

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

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

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

  In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹ 8,11,925 of unpaid / unclaimed dividend (unpaid since FY 2012-13) and 10,109 shares were transferred during the financial year 2020-21 to the Investor Education and Protection Fund.

6. **LISTING ON STOCK EXCHANGES**

The names of the stock exchanges at which Company's shares are listed as on 31st March, 2021 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 **INE757A01017**

8. **ANNUAL LISTING FEE**

Annual Listing Fee for the year 2020–21 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, 2021**

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, 2021		March 31, 2020	
	No. of Shares	% (Holding)	No. of Shares	% (Holding)
Promoters	8015670	44.11	8582246	44.15
Institutional Investors	929293	5.11	783231	4.03
Bodies Corporate	797934	4.39	976593	5.02
Others	8429818	46.39	9098006	46.80
Total	**18172715**	**100**	**19440076**	**100**

- **Distribution of shareholding according to the number of shares:**

Distribution of the Shareholding according to type of shareholders								
No. of Equity Shares	March 31, 2021				March 31, 2020			
	No. of Shareholders	% of Shareholders	No. of shares	% of share Capital	No. of Shareholders	% of Shareholders	No. of shares	% of share Capital
1-500	23899	90.41	2477612	13.63	21643	89.89	2564327	13.19
501-1000	1356	5.13	1017744	5.60	1286	5.34	986963	5.08
1001-2000	576	2.18	839322	4.62	573	2.38	850711	4.38
2001-3000	208	0.79	525275	2.89	183	0.76	472923	2.43
3001-4000	78	0.30	276077	1.52	83	0.34	298910	1.54
4001-5000	75	0.28	342810	1.89	68	0.29	313093	1.61
5001-10000	114	0.43	830183	4.57	114	0.47	812865	4.18
10001 and above	129	0.49	11863692	65.28	128	0.53	13140284	67.59
Total	**26435**	**100.00**	**18172715**	**100.00**	**24078**	**100.00**	**19440076**	**100.000**

10. MARKET PRICE DATA

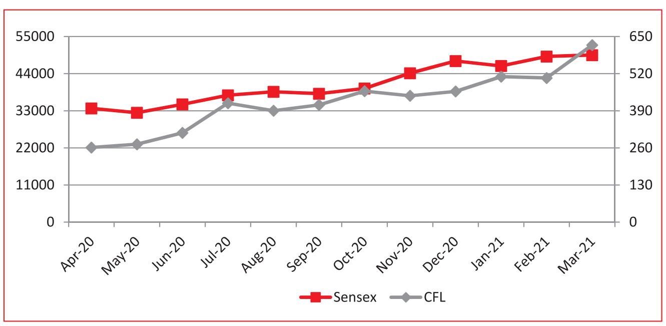
Monthly high and low prices of equity shares of the company traded at The Bombay Stock Exchange Limited and National Stock Exchange of India Limited are given below:

MONTH	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
Apr-20	285.00	202.95	298.00	201.60
May-20	279.70	238.30	280.00	239.25
Jun-20	329.40	273.00	329.65	272.95
Jul-20	426.55	302.00	426.80	306.00
Aug-20	491.00	385.80	491.40	385.00
Sep-20	427.00	371.20	427.90	375.00
Oct-20	481.35	396.10	484.00	395.00
Nov-20	465.50	429.00	466.20	428.20
Dec-20	470.40	420.00	471.90	416.10
Jan-21	533.05	430.20	533.80	430.95
Feb-21	549.15	467.15	548.80	467.30
Mar-21	697.85	503.75	698.90	504.00

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

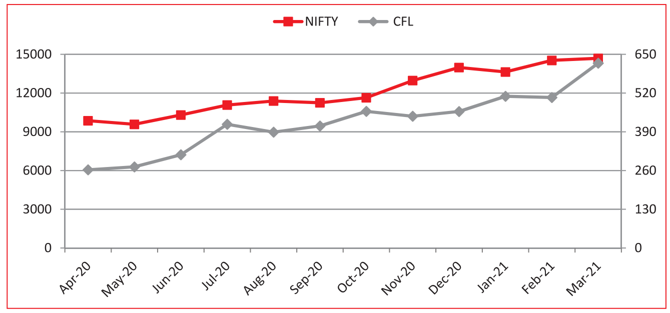
a. COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX

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 dematerialised form by all categories of investors. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. The National Securities Depositories Limited (NSDL) and the Central Depositories Service (India) Limited (CDSL).

As on March 31, 2021, 98.09% (i.e. 1,78,26,279 Equity Shares) of the total Equity Share Capital (i.e. 1,81,72,715 equity shares) were held in demat form.

13. OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

There were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments as at March 31, 2021.

14. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company has appointed a common Registrar i.e. Alankit Assignments Limited for share transfer and dematerialisation of shares. To expedite the process of share transfers the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in fortnight. Their contact details are as follows;

M/s Alankit Assignments limited
4E/2, Alankit House,
Jhandewalan Extension
New Delhi 110 055
Ph: +91 11 42541234
Fax: +91 11 011-42541967
Contact Person: Mr. Vijay Pratap Singh

15. PLANT LOCATIONS

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

16. 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
Ph: +91-11-49494949
Fax: +91-11-49494950

OR

To the Registrar and Share Transfer Agent i.e: Alankit Assignments Limited at the address mentioned 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

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 2020-21.

20th May 2021
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 31ST MARCH, 2021

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 2020-21 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 2020-21 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

20th May 2021
New Delhi

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 and Central Government as per the requirements.

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

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

(x) The company has also complied with other statutory requirements under the 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.

20th May 2021
New Delhi

Jyoti Dixit
Company Secretary

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of COSMO FILMS LIMITED having **CIN: L92114DL1976PLC008355** and having registered office at 1008, DLF Tower-A, Jasola District Centre, New Delhi 110025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment
1	ASHOK JAIPURIA	00214707	10/10/1976
2	ANIL KUMAR JAIN	00027911	24/05/2011
3	HOSHANG NOSHIRWAN SINOR	00074905	22/05/2015
4	HAR KISHANLAL AGRAWAL	00260592	13/01/2000
5	PRATIP CHAUDHURI	00915201	10/11/2014
6	ALPANA PARIDA SHAH	06796621	14/02/2014
7	ANIL WADHWA	08074310	23/05/2018
8	RAKESH KUMAR NANGIA	00147386	10/11/2020

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for BLAK & CO.
Company Secretaries

(Archana Bansal)
Mg. Partner
M.No. – A17865
COP No.- 11714
UDIN-A017865C000348021

Place : New Delhi
Date : 20/05/2021

BUSINESS RESPONSIBILITY REPORT ("BRR")

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2021 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) and the National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs, Government of India in March, 2019.

We at Cosmo Films believe that following National Guidance on Responsible Business Conduct results in long term value creation for all stakeholders. We understand that our operations have social and environmental impacts and the company is committed towards sustainable development, which requires caring for all stakeholders, maximizing the social impact of business and minimizing the environmental footprint.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L92114DL1976PLC008355
2	Name of the Company	Cosmo Films Limited
3	Registered address	1008, DLF Tower-A, Jasola District Centre, New Delhi 110025
4	Website	www.cosmofilms.com
5	E-mail id	investor.relations@cosmofilms.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Semi Finished Products of Plastics (i.e. Films)- NIC Code - 22201
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Packaging Films Lamination Films Label Films Industrial Films
9	Total number of locations where business activity is undertaken by the Company	
	A Number of International Locations (Provide details of major 5)	The Company has business activities in 9 international locations. The major one are USA, South Korea, Japan, Canada and Germany.
	B Number of National Locations	The Company has 3 state-of-the-art manufacturing facilities located at in the state of Maharashtra and Gujarat. The registered office of the company is located in Delhi and have 4 sales offices in India.
10	Markets served by the Company – Local/State/National/International	Company serves both national and international markets and export to more than 80 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹ 18.17 Crores
2	Total Turnover	₹ 2285 Crores
3	Total profit after taxes	₹ 237 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR for the financial year 2020-21 is ₹ 3.13 Crores, which is more than 2% of the average PAT for the last 3 years
5	List of activities in which expenditure in 4 above has been incurred	Cosmo Films is committed to sustainable development of all sections of society and preservation of Environment. During the year under review, the Company has carried out activities primarily related to : 1. Computer Literacy 2. GyanVihar Kendra 3. Basic English Learning 4. Life Skill Education 5. Green and Clean initiatives 6. Covid relief activities Details of CSR policy and activities under section 135 of The Companies Act, 2013 has been attached as Annexure in the Board's Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	Yes, Cosmo Films has 7 overseas subsidiaries including 6 step down subsidiaries and 1 Indian subsidiary
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):	Yes, all the subsidiary companies participate in BR initiatives as applicable to them. Our subsidiaries share our vision and values, are responsible businesses and adhere to the local laws applicable to them.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]:-	At present, the BR initiatives have been undertaken at company level. Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other entities. The Company promotes BR initiatives across its value chain.

SECTION D: BR INFORMATION

1. Details of Director/s responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

1	DIN Number	00027911
2.	Name	Anil Kumar Jain
3.	Designation	Director Corporate Affairs

b) Details of BR Head

1	DIN Number	00027911
2.	Name	Anil Kumar Jain
3.	Designation	Director Corporate Affairs
4.	Telephone number	011 43444106
5.	e-mail id	anil.jain@cosmofilms.com

PRINCIPLES OF RESPONSIBLE BUSINESS CONDUCT

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Policies Principle 1: Code of Conduct, Whistle Blower Policy

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Policies Principle 2: Sustainability Policy, Quality Policy, Product Safety and Hygiene Policy

Principle 3: Businesses should promote the wellbeing of all employees.
Policies Principle 3: HR Policy, POSH Policy

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Policies Principle 4: CSR Policy

Principle 5: Businesses should respect and promote human rights.
Policies Principle 5: Code of Conduct, HR Policy

Principle 6: Business should respect, protect, and make efforts to restore the environment.
Policies Principle 6: Sustainability Policy, Environmental Policy

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Policies Principle 7: Code of Conduct

Principle 8: Businesses should support inclusive growth and equitable development.
Policies Principle 8: CSR Policy

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.
Policies Principle 9: Quality Policy

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) **	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board ? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board/Director?	Y	-	Y	Y	Y	-	Y	Y	-
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Code of Conduct, Whistle Blower Policy, Sustainability line Policy and CSR policy are published on the Company's website. https://www.cosmofilms.com/code-of-conduct; https://www.cosmofilms.com/policies https://www.cosmofilms.com/sustainability Other policies are published on intranet or displayed internally								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies? ***	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency ****	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

* All the policies have been formulated in consultation with Internal stakeholders. While there may not be formal consultation with all the external stakeholders, relevant policies / procedures have been evolved over a period of time by taking inputs from concerned stakeholders.

** All policies conform to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Guidance on Responsible Business Conduct, ISO 9001: 2015 (Quality Management Systems), ISO 14001 : 2015 (Environmental Management System)

*** The Whistle Blower Mechanism adopted by the Company, provides employees / Customers / Vendors / contractors etc. to report any concerns or grievances pertaining to any potential or actual violation of Company's Code of Conduct or any unethical behavior.

**** The policies are evaluated internally. They are also evaluated for ISO and BRC Certification.

2 (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

2. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. BR performance is reviewed by the Director responsible for BR / BR Head annually and as and when required. In addition, CSR committee of the Board reviews the implementation of CSR projects/programs/activities at least once a year.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes the information on BR in Business Responsibility Reporting, which forms part of the Annual Report of the Company for the FY 2020-21.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Company has a "Code of Conduct Policy" (CODE) to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders. The Code of Conduct explicitly guides our people on ethical dealings with external stakeholders. The Code is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders. Whistle Blower Policy: The policy provides a platform for the employees and business associates of the Company for reporting any suspected violation of CODE and/or suspected improper activities. The policy has provisions to ensure protection of the whistleblower.

2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review, there were no cases on the violation of the Company's Code of Conduct or Whistle Blower Policy.

Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is a focused flexible packaging player offering products which can be used individually for single layer/duplex structures or in combination to form mono-material laminate provide better yield, less consumption of plastics, overall lower costs and are easily recycled. The Company has designed many BOPP films providing substitute for non-recyclable films/ structures and also aluminum foils. Today, the Company is partnering with leading global brands to offer structure rationalization and recyclability solutions. Cosmo's products comply with all the requirements of BRC Global Standard for Packaging and Packaging Materials for direct food contact and non-food applications.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):thereof, in about 50 words or so.	
A	Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Apart from providing films designed for recyclability, the Company follows a multi-pronged strategy to enable sustainable growth. This includes following Green Manufacturing practices, best Energy Management practices and well defined Environment Health and Safety systems.
B	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Structure rationalization, innovations in product portfolio and down gauging have helped customers in achieving lower plastic consumption, better recyclability and overall lower costs of laminates while maintaining the aesthetics and performance of the pack as well as the quality of the product inside the pack.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
A	If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.year through out the value chain?	The Company has procedures in place to support its suppliers towards green manufacturing practices. About 50% of wooden pallets and plastic cups used for packaging the Company's products are made from used wood/recycled plastic.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Most of packaging materials, engineering stores and spares and services like security, canteen, employee transportation, housekeeping, repairs & maintenance, material movement etc. are sourced from local vendors/contractors. Temporary and contractual hires are come from neighboring areas and are given training by the Company in various fields to improve their capabilities.

A	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?year throughout the value chain?	Most of packaging materials, engineering stores and spares and services like security, canteen, employee transportation, housekeeping, repairs & maintenance, material movement etc. are sourced from local vendors/contractors. Temporary and contractual hires are come from neighboring areas and are given training by the Company in various fields to improve their capabilities.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	About 95% of the waste, rejects and returns are recycled and bulk of it is consumed captively as input for production.

Principle 3

1	Please indicate the Total number of employees.	946		
2	Please indicate the Total number of employees hired on temporary/contractual/ casual basis.	1361		
3	Please indicate the Number of permanent women employees.	60		
4	Please indicate the Number of permanent employees with disabilities	0		
5	Do you have an employee association that is recognized by management.	Yes		
6	What percentage of your permanent employees is members of this recognized employee association?	10%		
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment has been received during the last financial year ending on March 31, 2021.		
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Category of Employees	Safety Training - % Employees covered	Skill Upgradation Training - % Employees covered
		(a) Permanent Employees	- 100%	- 100%
		(b) Permanent Women Employees	- 100%	- 100%
		(c) Casual/Temporary/ Contractual Employees	- 100%	- 100%
		(d) Employees with Disabilities	- 100%	- 100%

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	While no formal stakeholder mapping exercise has been done the company considers employees, customers, suppliers, investors and analysts, shareholders, regulatory bodies and community around our plants as stakeholders for the organization.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, the community around our plants particularly school going children, village youths and family belonging to under privileged section are identified as vulnerable and marginalised stakeholders by the organization. During Covid pandemic the stranded migrant laborers, daily wagers, migrant farm laborers, elderly abandoned, pregnant women, needy residents of red zone areas, construction workers, across villages in Gujarat and Maharashtra, Gurgaon, Haryana, New Delhi city and Kishangarh & Navalgarh of Rajasthan were considered disadvantaged, vulnerable and marginalised stakeholders
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company through CSR Policy addresses the socially disadvantaged sections of the society i.e. the organization touched lives of 10,000 students and 50,000 community members in the neighboring villages of Waluj and Karjan manufacturing units of Cosmo Films in Aurangabad District of Maharashtra and Vadodara District of Gujarat respectively. We are present in 42 Government schools located in 29 villages and extended our outreach to 111 villages. During Covid pandemic we touched 250,000 plus lives through distribution of cooked meals, grocery, masks, sanitizers, hygiene kits to stranded migrant laborers, daily wagers, migrant farm laborers, elderly abandoned, pregnant women, needy residents of red zone areas, construction workers, on field personnel of health, sanitation and police department across villages in Gujarat and Maharashtra, Gurgaon, Haryana, New Delhi city and Kishangarh & Navalgarh of Rajasthan.

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures /Suppliers/ Contractors/NGOs/Others?	The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. The Company strictly prohibits engagement of child or forced or involuntary labour in all its operations and through the entire value chain.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management in 50 words or so.	No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2020-21.

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / others.	Environment Policy covers all manufacturing sites and own employees and contractors of the Company. We encourage Suppliers and others in our value chain to adopt policies to minimize the environmental impact.

2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has strategies to address global environmental issues. Cosmo Films is an ISO 14001 accredited organization with long standing and well established Environment, Health and Safety systems. The Company also has a Environmental Management Policy, Quality Management System that covers the aspects of environment conservation. Various sustainability initiatives taken by the Company includes product innovation, process design, energy management, waste reduction, emission reduction, and water management.
3	Does the company identify and assess potential environmental risks? Y/N	Yes - The Company has a mechanism to identify and assess potential environmental risks at the plant level.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, continuous efforts are being made to reduce water usage, waste generation and GHG emissions. Our initiatives in innovations in product portfolio like oxo-biodegradable films, water based coatings, supporting water based printing and down gauging Monitoring & Management of plant environment parameters like noise, illumination, ventilation, air quality etc. shows our commitment towards sustainability. Cosmo Films is committed to be an energy efficient manufacturer and continuously reduce resources and power consumption through several initiatives. Combining effective strategy with practical measures is key to achieving successful energy management. We focus on reducing our energy consumption by being energy efficient. There are several initiatives that were undertaken during the reporting period in the Indian Operations which resulted in energy savings of more than 1 Crore kWh. We are continuously making efforts to achieve energy efficiency through improvements in our process design, conversion and retrofitting of equipment and use of energy efficient equipments. We have installed rooftop and on ground solar power plants and entered into wind power purchase agreement. We saved more than 60 lacs KWH from the solar power and more than 7 Lacs KWH from wind power. We have been replacing HPMV lamps with environmentally friendly and energy efficient light source like LED. Also, our plants are designed to maximize the natural light usage, resulting in lower power consumption. Other environment Initiatives are : • Rain water harvesting and effluent / sewage treatment plant (ETP & STP) are working in all manufacturing units. • 5000 fruit bearing saplings were planted in the farm lands of 9 farmers in Gangapur block, Aurangabad, Maharashtra which would improve the livelihood of the farmers along with post maintenance support for next three years.

		• 100 waste-bins were installed across seven villages which benefitted 5000 households. • Planted 118 saplings across Govt schools in Karjan. Maintained gardens at Karjan Highway and Aurangabad airport with an aim to promote green and clean environment and beautification of town.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company for financial year 2020-21 are within permissible limits given by CPCB/SPCB(s) of the respective units. The manufacturing locations of the company have obtained the respective state government consents to operate. The emissions of air, water and solids are covered in this consent. The company takes necessary steps to mitigate environment related aspects by a structured program.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No notices received

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Cosmo Films Limited is a member of following bodies : (a) Confederation of Indian Industry (CII) (b) Federation of Indian Chambers of Commerce & Industry (FICCI) (c) Organization of Plastics Processors of India (OPPI) (d) Label Manufacturers Association of India (LMAI)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic, Reforms Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. The Company has a Code of Conduct Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/ Industry bodies.

Principle 8

1	Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Cosmo Films acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business. We aim at balancing the needs and address the concerns of our stakeholders and endeavor to take into the consideration the impact we have on the environment, society and the community. We are committed to giving back to the society within which it operates and flourishes and as part of this principle, we have chosen our initiatives under our CSR Programs. The Company carries out various initiatives under the aegis of 'Corporate Social Responsibility' and are undertaken directly or through NGO or government entities. All the CSR initiatives are developed and

		implemented in participation of the local community to optimize the benefits where these are needed most. Details of the specified programs are available on the Company's website. https://www.cosmofilms.com/cosmo foundation-initiatives. Please refer to CSR Report in Annexure to the Board's Report for details on CSR activities.
2	Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Most of the programs are executed through own foundation namely Cosmo Foundation set up in 2008. Participation of external organizations is sought and taken on need basis. Please refer to the CSR Report which is annexed as Annexure to the Board's Report in this Annual Report
3	Have you done any impact assessment of your initiative?	Impact assessment of the projects/activities is done by our internal teams.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the financial year 2020-21, the Company spent ₹ 3.13 Crores towards CSR initiatives. Details of the projects are available in Annexure to the Board's Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Each of the projects is having an outcome which is acknowledged by the community. The Company works with partners who have a grass root understanding of the community that makes the projects successful, both in the short term and long term. Most of the Company's CSR programs are long term in nature and the Company also work with the Government in creating a sustainable engagement. Local community participation is fundamental to Cosmo Foundation programs. Almost all of Cosmo Foundation functionaries whether be computer teacher, Bal Mitras (teachers engaged in imparting basic education) or the program coordinators come from local villages. Many of them have been the past beneficiaries of Cosmo Foundation programs.

Principle 9

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	About 5% of customers' complaints were under analysis / resolution as on 31st March, 2021.
2	Does the company display product information on the product label, over and above whatis mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	The Company complies with disclosure requirements as per local laws. In addition, some other details are also displayed as per customers' requests and/or facilitate handling/transportation.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	This does not apply to the Company since its sales are to industrial users. Feedbcak from industrial users is ongoing activity and is monitored regularly.

Cosmo Foundation
A community outreach initiative of
Cosmo Films Limited

CSR at Cosmo Films

The year 2020-21 has been the most challenging year as the entire World experienced health, social, economic crisis due to global Covid-19 pandemic.

The year went of in addressing the global pandemic by organizing relief, restoration activities & digitalisation on war footing basis. In continuation to our existing programs of Computer Literacy, Gyan Vihar Kendra, Basic English Learning, Life skill education, Clean & Green initiatives, massive COVID awareness and behavioural change programs, awareness on how to download and use Arogya Setu App were aggressively conducted on digital platforms. Cosmo Foundation equipped team of teachers with appropriate gadgets and digital skills, digitalised content of English, Maths, Life Skills, Computer Literacy and shifted to blended learning.

The organization touched lives of 10,000 students and 50,000 community members in the neighbouring villages of Waluj and Karjan manufacturing units of Cosmo Films in Aurangabad District of Maharashtra and Vadodara District of Gujarat respectively. We are present in 42 Government schools located in 29 villages and extended our outreach to 111 villages.

Cosmo Educational Programs are managed under close guidance and inputs of Board of Trustees - Cosmo Foundation and CSR Committee of Cosmo Films. The program execution is taken care of by team of professionals and community-based youth trained and placed as teachers.

<u>Battle against COVID-19</u>

Cosmo touched

- 250,000 plus lives through distribution of cooked meals, grocery, masks, sanitizers, hygiene kits to stranded migrant laborers, daily wagers, migrant farm laborers, elderly abandoned, pregnant women, needy residents of red zone areas, construction workers, on field personnel of health, sanitation and police department across villages in Gujarat and Maharashtra, Gurgaon, Haryana, New Delhi city and Kishangarh & Navalgarh of Rajasthan.
- 2500 blankets were distributed with support of Delhi Police in Rain Basera of New Delhi area and Puri village of Maharashtra due to pandemic and hard-hitting chilled winter.
- 5000 rural students were provided masks, sanitisers, soaps, napkins, hand gloves and 25 schools were provided automatic hand sanitization machines.
- 12 BIPEP ventilators were donated to medical college Aurangabad, 50 beds, 50 vaporizers were donated to COVID Care centre, Karjan.

- Massive COVID Awareness and behaviour change programs with 50,000 plus students, parents, teachers, villagers, Panchayats on importance and correct methods of hand wash, mask, sanitization, social distancing, early identification of symptoms, preventive measures, mental-emotional wellness etc with wall paintings, puppet show, jingles, videos, quiz.

We have partnered with **ISKCON, Earth Savior Foundation, Annamitra Foundation, Smile India Foundation, Delhi Seva Langar Society, Vaishya Samaj Sudhar Samiti, Prayas, AK Foundation** and many for relief distribution**.**

Cosmo worked in close coordination with various implementing agencies in respective areas like the **MIDC, local area MLAs, Municipal Councillors', District-Block & Gram Panchayats, in Aanganwadis & Police Department**

<u>Education</u>

- Launched Cosmo Digi Pathshala- an online learning platform for rural students through WhatsApp and zoom classes. 70 community-based teachers reached to 8600 students in remote villages and facilitated digitalised learning sessions on Maths, English, Native Language, life skills, career awareness, educational counselling, COVID-19 awareness, inspirational and moral stories.
- Launched **"Cosmo Basic English Learning Capsule**" an online portal to learn Basic English communication for rural children, youth and teachers.
- Organized quiz and painting competitions, celebration of national days and festivals on virtual platforms. 3200 students participated.
- Sponsored 30 aspiring girls under Cosmo – Udayan Shalini Fellowship and Mentorship Program. 11 senior officials from Cosmo Films joined to mentor these girls under employee volunteering.
- 95 rural youth from Cosmo Foundation were trained by Leslie Swahhney Institute on the subjects viz. Leadership and Entrepreneurship, Environment Sustainability and Solid Waste Management, Ethical and Soft Skills, COVID Awareness and Health Management.
- Webinars were organized for rural teachers and community members on Importance of Technology, Cyber Security, child protection, importance of vaccination, Mental Emotional wellness during Pandemic.

<u>Environment</u>

- 5000 fruit bearing saplings were planted in the farm lands of 9 farmers in Gangapur block, Aurangabad, Maharashtra which would improve the livelihood of the farmers alongwith post maintenance support for next three years.
- 100 waste-bins were installed across seven villages which benefitted 5000 households.
- Planted 118 saplings across Govt schools in Karjan. Maintained gardens at Karjan Highway and Aurangabad airport with an aim to promote green and clean environment and beautification of town.

INDEPENDENT AUDITOR'S REPORT

To the Members of Cosmo Films Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cosmo Films Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), changes in equity and its cash flows and for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The Company has entered into various derivative contracts including foreign exchange forward contracts, currency options, cross currency swaps and interest rate swaps which are used to manage and hedge foreign currency exchange risks and interest rate risks. The Company has reported net derivative financial assets at fair value of ₹ 6.05 crores and net derivative financial liabilities at fair value of ₹ 2.87 crores as of 31 March 2021. The Company's accounting policy on derivatives is disclosed in note 1 (iii) k) (iii) and related disclosures are included in note 45. The Company's significant judgements in applying accounting policy are disclosed in note 1 (iv). The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Company measures the effectiveness thereof using	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments in order to verify existence and rights. • Reviewed the hedging strategy of the Company, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied. • Inspected the underlying agreements and deal confirmations for the derivatives. • Assessed whether the accounting policy is consistent with the requirements of Ind AS 109

valuation models, such as hypothetical derivative method. Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience. Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	'Financial Instruments'. • Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting. We have also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of derivatives are considered reasonable.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2020, were audited by predecessor auditor who expressed an unmodified opinion on those financial statements on 04 June 2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31 March

2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAABZ9839

Place: Noida
Date: 20 May 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo Films Limited on the standalone financial statements as of and for the year ended 31 March 2021)

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (comprising of property, plant and equipment and other intangible assets)

b) The fixed assets comprising of property, plant and equipment have been physically verified by the management during the previous year by engaging the outside expert and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and based on the examination of the title deeds and mortgage deed provided to us, we report that, the title deeds of all the immovable properties (which are included under the head of property, plant and equipment) are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) According to the information and explanations given to us, 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 and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) 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) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess, goods and services tax and other material statutory dues, as applicable, 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 become payable.

(b) According to the information and explanations given to us, the dues outstanding in respect of income-tax, duty of excise and service 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
Income-tax Act, 1961	Income tax	3.47	1.02	2012-13	Income Tax Appellate Tribunal
	Income tax	1.00	1.00	2011-12	Income Tax Appellate Tribunal
	Income tax	1.22	0.60	2010-11	Income Tax Appellate Tribunal
	Income tax	5.57	2.92	2009-10	Income Tax Appellate Tribunal
	Income tax	2.98	2.98	2008-09	Income Tax Appellate Tribunal
	Income tax	5.18	-	2007-08	Income Tax Appellate Tribunal
	Income tax	5.67	-	2006-07	Income Tax Appellate Tribunal
	Income tax	1.76	-	2005-06	High Court
	Income tax	0.68	-	2005-06	Income Tax Appellate Tribunal
	Income tax	0.82	-	2004-05	Income Tax Appellate Tribunal
	Income tax	0.61	-	2003-04	Income Tax Appellate Tribunal
	Income tax	4.71	4.71	2002-03	Hon'ble Supreme Court of India
	Income tax	1.40	-	1997-98	High Court
Central Excise Act, 1944	Excise duty	16.10	1.83	2005-06 to 2017-18	Appellate Tribunal
	Excise duty	0.75	-	2015-16 to 2017-18	Assistant Commissioner
	Service tax	1.37	0.19	2006-07, 2012-13 to 2017-18	Appellate Tribunal
	Service tax	1.27	0.03	2009-10 to 2014-15	Assistant Commissioner

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures or dues to government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year and the term loans taken by the Company have been applied for the purpose for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, 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 and according to the information and explanations given to us, managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAABZ9839

Place: Noida
Date: 20 May 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo Films Limited on the standalone financial statements as of and for the year ended 31 March 2021)

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

We have audited the internal financial controls with reference to financial statements of **Cosmo Films Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAABZ9839

Place: Noida
Date: 20 May 2021

STANDALONE BALANCE SHEET as at 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	964.88	973.49
b) Capital work-in-progress	3	16.45	15.96
c) Intangible assets	4	2.47	2.72
d) Financial assets			
(i) Investments	5	137.42	115.40
(ii) Loans	6	7.84	9.69
(iii) Other financial assets	7	2.58	1.80
e) Income tax assets (net)		12.41	14.51
f) Other non-current assets	8	62.06	52.14
		1,206.11	**1,185.71**
Current assets			
a) Inventories	9	271.56	170.60
b) Financial assets			
(i) Investments	10	202.01	145.51
(ii) Trade receivables	11	186.36	168.39
(iii) Cash and cash equivalents	12	35.39	4.24
(iv) Bank balance other than (iii) above	13	11.43	33.88
(v) Loans	14	1.72	1.77
(vi) Other financial assets	15	52.39	47.37
c) Other current assets	16	56.05	53.20
		816.91	**624.96**
Non-current assets classified as held for sale	2	2.50	5.53
TOTAL ASSETS		**2,025.52**	**1,816.20**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	18.17	19.44
b) Other equity	18	816.11	725.99
		834.28	**745.43**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	19	337.57	355.30
(ii) Other financial liabilities	20	0.06	0.57
b) Provisions	21	15.36	6.75
c) Deferred tax liabilities (net)	22	98.35	61.35
d) Other non-current liabilities	23	47.70	50.07
		499.04	**474.04**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	24	243.14	237.94
(ii) Trade payables			
(a) Total outstanding dues to micro and small enterprises	25	2.41	0.80
(b) Total outstanding dues to creditors other than micro and small enterprises	25	196.24	143.98
(iii) Other financial liabilities	26	207.20	187.85
b) Other current liabilities	27	30.97	22.97
c) Provisions	28	12.24	3.19
		692.20	**596.73**
TOTAL EQUITY AND LIABILITIES		**2,025.52**	**1,816.20**
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

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

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

STANDALONE STATEMENT OF PROFIT & LOSS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	29	2,082.91	2,032.12
Other income	30	35.51	19.91
Total income		**2,118.42**	**2,052.03**
Expenses			
Cost of materials consumed		1,350.18	1,394.87
Purchase of traded goods		-	1.98
Change in inventory of finished goods and stock in trade	31	(52.54)	(8.95)
Employee benefits expense	32	152.20	125.12
Depreciation and amortisation expense	34	52.50	49.57
Finance costs	33	39.71	49.39
Allowance for expected credit losses		1.06	-
Other expenses	35	269.88	276.59
Total expenses		**1,812.99**	**1,888.57**
Profit before tax		**305.43**	**163.46**
Tax expense			
- Current tax	36	53.66	28.63
- Deferred tax expense/(credit)		36.22	20.79
Total tax expense		**89.88**	**49.42**
Net profit for the year		**215.55**	**114.04**
Other comprehensive income			
1) Items that will not be reclassified to profit or loss			
- Remeasurements of net defined benefit plans		(7.61)	(0.68)
- Tax on above items		2.66	0.24
2) Items that will be reclassified to profit or loss			
- Effective portion of gain/(loss) on hedging instrument in cash flow hedge		2.01	(12.14)
- Net changes in fair value of financial instruments carried at fair value through other comprehensive income		9.38	(5.29)
- Tax on above items		(3.44)	6.09
Total other comprehensive income		**3.00**	**(11.78)**
Total comprehensive income		**218.55**	**102.26**
Earnings per equity share	37		
- Basic		115.57	59.51
- Diluted		114.39	59.51
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the statement of profit and loss referred to in our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

A. Equity share capital

Opening balance as at 1 April 2019	**19.44**
Changes during the year	**-**
Closing balance as at 31 March 2020	**19.44**
Changes during the year	**(1.27)**
Closing balance as at 31 March 2021	**18.17**

B. Other equity

	Reserves and surplus										
	Retained earnings	Securities premium	Shares options outstanding account	Capital reserve	General reserve	Treasury shares	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income	Treasury Shares	Total
Balance as at 1 April 2019	**347.84**	**31.26**	**5.23**	**3.32**	**290.08**	**-**	**6.58**	**-**	**-**	**(8.46)**	**675.85**
Profit for the year	114.04	-	-	-	-	-	-	-	-	-	**114.04**
Other comprehensive income for the year	(0.44)	-	-	-	-	-	(7.90)	-	(3.44)	-	**(11.78)**
Total comprehensive income for the year	**113.60**	**-**	**-**	**-**	**-**	**-**	**(7.90)**	**-**	**(3.44)**	**-**	**102.26**
Transaction with owners											
Equity dividend	(40.23)	-	-	-	-	-	-	-	-	-	**(40.23)**
Tax on equity dividend	(8.40)	-	-	-	-	-	-	-	-	-	**(8.40)**
Employee stock option expense	-	-	1.03	-	-	-	-	-	-	-	**1.03**
Acquisition in treasury shares	-	-	-	-	-	-	-	-	-	(4.52)	**(4.52)**
Balance as at 31 March 2020	**412.81**	**31.26**	**6.26**	**3.32**	**290.08**	**-**	**(1.32)**	**-**	**(3.44)**	**(12.98)**	**725.99**
Balance as at 1 April 2020	**412.81**	**31.26**	**6.26**	**3.32**	**290.08**	**-**	**(1.32)**	**-**	**(3.44)**	**(12.98)**	**725.99**
Profit for the year	215.55	-	-	-	-	-	-	-	-	-	**215.55**
Other comprehensive income for the year	(4.95)	-	-	-	-	-	1.31	2.55	4.09	-	**3.00**
Total comprehensive income for the year	**210.60**	**-**	**-**	**-**	**-**	**-**	**1.31**	**2.55**	**4.09**	**-**	**218.55**
Transaction with owners											
Buyback of equity share capital including expenses thereto	-	(31.26)	-	-	(58.02)	-	-	-	-	-	**(89.28)**
Transfer from general reserve on account of buyback of equity share capital	-	-	-	-	(1.27)	1.27	-	**-**			
Equity dividend	(44.53)	-	-	-	-	-	-	-	-	-	**(44.53)**
Employee stock option expense	-	-	0.52	-	-	-	-	-	-	-	**0.52**
Transfer from share option outstanding on exercise and lapse	-	2.36	(2.43)	-	0.07	-	-	-	-	-	**-**
Sale of treasury shares	-	1.94	-	-	-	-	-	-	-	2.92	**4.86**
Balance as at 31 March 2021	**578.88**	**4.30**	**4.35**	**3.32**	**230.86**	**1.27**	**(0.01)**	**2.55**	**0.65**	**(10.06)**	**816.11**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

This is the statement of changes in equity referred to in our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974

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

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

CASH FLOW STATEMENT for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	**305.43**	**163.46**
	Adjustment for		
	Depreciation and amortisation expense	52.50	49.57
	Finance costs	39.71	49.39
	Gain on investments carried at fair value through profit and loss	(2.64)	(1.51)
	Gain on investments carried at fair value through other comprehensive income	(3.71)	-
	Dividend income	(0.11)	-
	(Decrease)/ increase in allowance for expected credit losses	1.06	(0.29)
	Interest Income	(15.70)	(12.54)
	Grant income on export promotion capital goods	(2.90)	(2.89)
	Liabilities no longer required written back	(0.55)	(0.11)
	Loss on sale of property, plant and equipment	0.16	-
	Profit on disposal of non current assets held for sale	(6.13)	-
	Employee share based compensation	0.52	1.03
	Unrealised gain on exchange fluctuation	(1.12)	(4.18)
	Unrealised sales tax incentives	(14.99)	(17.15)
	Operating profit before working capital changes	**351.53**	**224.78**
	Adjustment for		
	Inventories	(100.97)	1.18
	Trade receivables	(17.51)	43.81
	Loans	(13.82)	0.34
	Other financial assets	2.18	13.54
	Other assets	9.11	(4.14)
	Trade payables	53.75	(47.12)
	Other financial liabilities	23.55	16.48
	Other liabilities and provisions	17.21	9.15
	Cash flow from operating activities post working capital changes	**325.03**	**258.02**
	Income tax paid (net)	(51.56)	(32.31)
	Net cash flow from operating activities (A)	**273.47**	**225.71**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets and capital work in progress (including capital advances)	(56.08)	(47.40)
	Sale of property, plant and equipment	0.63	0.09
	Proceeds from disposal of non current assets held for sale	10.58	-
	Purchase of current and non-current investments (net)	(62.36)	(67.48)
	Interest received	16.57	6.56
	Dividend received	0.11	-
	Investments in / (redemption of) fixed deposits (net)	20.94	1.38
	Advance received against non-current assets held for sale	0.82	3.85
	Net cash flow used in investing activities (B)	**(68.79)**	**(103.00)**
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	124.15	18.31
	Repayment of long term borrowings	(132.66)	(113.10)
	Proceeds from short term borrowings (net)	4.92	35.76
	Sale/(acquisition) of treasury shares	4.86	(4.52)
	Interest paid	(39.72)	(49.67)
	Dividend and tax thereon paid	(44.53)	(48.64)
	Buyback of equity shares including expenses and tax	(90.55)	-
	Net cash flow used in financing activities (C)	**(173.53)**	**(161.86)**
	(Decrease)/Increase in net cash and cash equivalents (A+B+C)	31.15	(39.15)
	Cash and cash equivalents at the beginning of the year (refer note 12)	4.24	43.39
	Cash and cash equivalents at the end of the year (refer note 12)	**35.39**	**4.24**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements

This is the statement of cash flow referred to in our report of even date

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974

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

Pratip Chaudhuri
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Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

1. Corporate information, basis of preparation and summary of significant accounting policies

i) Corporate Information

Cosmo Films Limited (the 'Company'), manufacturers of Bi-axially Oriented Polypropylene Films (BOPP) was incorporated in India in 1981, under the Companies Act, 1956. The Company is engaged in the production of flexible packaging films. Company's products majorly comprise of BOPP Films, Thermal Films and Coated Films. In India, the Company is currently having manufacturing facilities at Aurangabad and Shendra in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries operating in different countries.

ii) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2021 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors, along with these financial statements on 20 May 2021.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans – plan assets measured at fair value.

iii) Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life
Building – Factory	30 years
Building – Non factory	60 years
Continuous process plant and machinery	25 years
Other plant and machinery	15 years
Furniture and fittings	10 years
Vehicles	8 years
Office equipment	3-5 years

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

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or signiûcant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

c) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	Amortised over a period of 6 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Inventory

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined on the basis of weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of finished goods, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

g) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR or ₹) and are rounded to two decimal places of crores, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

As per the generally accepted accounting principles followed by the Company till 31 March 2017, exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. Exchange differences arising on other long-term foreign currency monetary items existing as on 31 March 2017 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. The Company has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2017, as allowed under Ind AS 101.

For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

h) Leases

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The Company as a lessee

The Company's leased asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Revenue recognition - Sale of products and services

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax.

Income in respect of service contracts, which are generally in the nature of providing job work services, are recognised in Statement of Profit and Loss on completion of performance obligation.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Balance Sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its Balance Sheet, depending on whether something other than the passage of time is required before the consideration is due.

k) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost –** a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

ii. **Investments in equity instruments of subsidiaries -** Investments in equity instruments of subsidiaries existing as at 1 April 2016, the date of transition to Ind AS, are accounted for at fair value at such date, as per the exemptions available in Ind AS 101. Other investments in equity instruments of subsidiaries are accounted for at their cost.

iii. **Financial assets at fair value**

- **Investments in equity instruments other than above –** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in profit or loss.

- **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Bonds –** All bonds are in scope of Ind-AS 109 and measured at fair value. Bonds which are held for the purpose of both collecting contractual cash flows and selling financial assets are classified as at fair value through other comprehensive income (FVOCI). Bonds which are held for the purpose of trading are classified as at fair value through profit and loss (FVTPL).
- **Derivative assets -** All derivative assets are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Hedge accounting

The Company enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates which are designated as cash flow hedges. Further, the Company has designated certain non-derivative financial instruments in cash flow hedging relationship to manage its exposure to risk arising from changes in foreign exchange rates.

At the inception of a hedge relationship, the Company documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the period under audit, the Company has designated certain forward currency contracts, cross currency swaps and foreign currency risk component of borrowings in foreign currencies as hedging instruments in cash flow hedge relationships. The forward currency contracts and cross currency swaps have been entered into to mitigate foreign currency exchange risk arising from financial liabilities denominated in foreign currencies. Further, foreign currency risk component of borrowings in foreign currencies are designated to hedge the foreign currency risk in certain highly probable sales transactions denominated in foreign currency.

Cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

(i) The cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) The cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the Balance Sheet. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the cash flow hedge reserve until the forecast transaction occurs.

m) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

i. For debtors that are not past due – The Company applies approach permitted by Ind AS 109 ‘Financial Instruments’, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime expected credit losses are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

   Life time expected credit losses are assessed and accounted based on company’s historical counter party default rates and forecast of macro-economic factors, by dividing receivables that are not considered to be individually significant by reference to the business segment of the counter party and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counter party default rates. The Company defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management’s expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

ii. For debtors considered past due – any enhancement in the accrual done for expected credit loss on individually significant receivables is made to recognise any additional expected credit loss on amount recoverable. The Company writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Company.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

n) Post- employment and other employee benefits

Defined contribution plan

Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees’ Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Superannuation fund

Superannuation is a post-employment benefit defined contribution plan under which the company pays specified contributions to the insurer. The company makes specified quarterly contributions to the superannuation fund. The contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

q) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognised to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

r) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

s) Non-current assets held for sale

An entity shall classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

t) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Company as a whole.

v) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

w) Employee share based payments

The Company has granted stock options/ restricted stock units under Cosmo Films Employees Stock Option Plan 2015/ Share Based Employee Benefit Scheme, 2021 to the employees of the Company and its subsidiaries. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in share options outstanding account. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share options outstanding account. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

(iv) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory – The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Useful lives of depreciable/ amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Contingent liabilities – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

(v) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Description	Own assets						Right of use assets	Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Land	
Gross carrying amount								
As at 1 April 2019	16.88	181.69	1,104.91	10.32	11.45	21.09	106.52	1,452.86
Additions	-	5.60	63.48	0.01	1.53	0.93	-	71.55
Disposals	-	-	(0.49)	-	(0.21)	-	-	(0.70)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(5.66)	(5.66)
Foreign exchange fluctuation	-	-	13.11	-	-	-	-	13.11
As at 31 March 2020	**16.88**	**187.29**	**1,181.01**	**10.33**	**12.77**	**22.02**	**100.86**	**1,531.16**
Additions	2.08	0.53	35.10	0.10	3.42	2.55	-	43.78
Disposals/adjustments	-	-	(1.93)	-	(1.80)	(0.24)	-	(3.97)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.12)	(0.12)
Foreign exchange fluctuation	-	-	1.49	-	-	-	-	1.49
As at 31 March 2021	**18.96**	**187.82**	**1,215.67**	**10.43**	**14.39**	**24.33**	**100.74**	**1,572.34**
Accumulated depreciation								
As at 1 April 2019	-	41.72	434.00	6.74	5.30	17.72	3.77	509.25
Charge for the year	-	5.17	39.18	0.86	1.17	1.23	1.55	49.16
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.13)	(0.13)
Disposals	-	-	(0.48)	-	(0.13)	-	-	(0.61)
As at 31 March 2020	**-**	**46.89**	**472.70**	**7.60**	**6.34**	**18.95**	**5.19**	**557.67**
Charge for the year	-	5.04	42.11	0.71	1.45	1.17	1.45	51.93
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.02)	(0.02)
Disposals/adjustments	-	-	-	-	(1.02)	(0.98)	(0.12)	(2.12)
As at 31 March 2021	**-**	**51.93**	**514.81**	**8.31**	**6.77**	**19.14**	**6.50**	**607.46**
Net carrying amount as at 31 March 2020	**16.88**	**140.40**	**708.31**	**2.73**	**6.43**	**3.07**	**95.67**	**973.49**
Net carrying amount as at 31 March 2021	**18.96**	**135.89**	**700.86**	**2.12**	**7.62**	**5.19**	**94.24**	**964.88**

Note:

a) Additions include ₹ 0.01 crores (31 March 2020: ₹ 1.90 crores) towards assets located at research and development facilities.

b) **Contractual obligation**

Refer note 38 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) **Property, plant and equipment pledged as security**

Refer note 19 and 24 for information on property, plant and equipment pledged as security by the Company.

d) During previous year ended 31 March 2020, the Company had executed an agreement for transfer of 5.145 acres (sellable area 16664.05 Sq Mtr) of land (classified under right of use assets) at B-14/10 MIDC Area, Waluj, Aurangabad, Maharashtra for a consideration of ₹ 15.43 crores and classified it as non current asset held for sale. Out of the aforesaid land, the Company has executed assignment deeds to the extent of 10,673.04 Sq. Mtr and completed the transfer during the current year. The Company has received advance amounting to ₹ 4.67 crores (previous year ₹ 3.85 crores) pursuant to the remaining 5,991.01 Sq. Mtr of land. The transfer of remaining land is subject to necessary approval from MIDC and execution of assignment deed which is expected to be completed within 12 months from the balance sheet date. The fair value of the land was determined using the agreed sale consideration which is a Level 2 measurement as per the fair value hierarchy.

Assets classified under assets held for sale includes:

Particulars	As at 31 March 2021	As at 31 March 2020
Leasehold land	2.55	5.66
Less: Accumulated depreciation	(0.05)	(0.13)
	2.50	**5.53**

e) Depreciation for the year has been included in “depreciation and amortisation expense” line item in statement of profit and loss.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

(₹ in crores)

Description	Amount
As at 1 April 2019	**39.96**
Add: Addition during the year	47.55
Less: Capitalisation during the year	(71.55)
As at 31 March 2020	**15.96**
Add: Addition during the year	44.27
Less: Capitalisation during the year	(43.78)
As at 31 March 2021	**16.45**

4 INTANGIBLE ASSETS

Description	Software	Total
Gross carrying value		
As at 1 April 2019	10.61	10.61
Additions	0.03	0.03
As at 31 March 2020	**10.64**	**10.64**
Additions	1.16	1.16
Disposals/Adjustment	0.19	0.19
As at 31 March 2021	**11.99**	**11.99**
Accumulated amortisation		
As at 1 April 2019	7.51	7.51
Charge for the year	0.41	0.41
As at 31 March 2020	**7.92**	**7.92**
Charge for the year	0.57	0.57
Disposals/Adjustment	1.03	1.03
As at 31 March 2021	**9.52**	**9.52**
Net carrying amount as at 31 March 2020	**2.72**	**2.72**
Net carrying amount as at 31 March 2021	**2.47**	**2.47**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

5 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Carried at cost		
Investments in equity instruments		
Investment in subsidiaries (unquoted):		
2,836,415 (31 March 2020: 2,836,415) equity shares of EUR 10 each fully paid up in CF (Netherlands) Holdings Limited BV	115.34	115.34
2,020,000 (31 March 2020: 10,000) equity shares of ₹ 10 each fully paid up in Cosmo Speciality Chemicals Private Limited	2.02	0.01
Investments in preference shares		
20,000,000 (31 March 2020: Nil) non-cumulative optionally convertible preference shares of ₹ 10 each fully paid up in Cosmo Speciality Chemicals Private Limited	20.00	-
Carried at fair value through profit and loss		
Investment in equity instruments		
Other (unquoted):		
2,615,000 (31 March 2020: 2,615,000) equity shares of ₹ 0.19 each fully paid up in OPGS Power Gujarat Private Limited	0.05	0.05
7,57,000 (31 March 2020: Nil) equity shares of ₹ 0.19 each fully paid up in Bhardreshwar Vidyut Private Limited	0.01	-
	137.42	**115.40**
Aggregate amount of unquoted investments	137.42	115.40

6 NON- CURRENT LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans considered good - secured*		
- Loans to officer	5.47	7.17
Loans considered good - unsecured		
- Loans to employees	0.68	0.72
- Security deposit	1.69	1.80
	7.84	**9.69**

*Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

7 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with bank (with remaining maturity more than 12 months)	0.17	-
Derivative assets	2.41	1.80
	2.58	**1.80**

Note: The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

8 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	35.03	28.15
Prepaid expenses	1.70	2.87
Recoverable from statutory authorities	25.33	21.12
	62.06	**52.14**

9 INVENTORIES

Particulars	As at 31 March 2021	As at 31 March 2020
(At lower of cost and net realisable value)		
Raw material (refer note a below)	134.30	83.53
Finished goods (refer note b below)	117.06	64.52
Stores and spares	20.20	22.55
	271.56	**170.60**

Note:

a) including goods in transit ₹ 42.37 crores (31 March 2020: ₹ 13.99 crores)

b) including goods in transit ₹ 41.92 crores (31 March 2020: ₹ Nil crores)

10 CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Investments in mutual funds (quoted) (refer note a below)	0.09	7.03
Investments in equity instruments (quoted) (refer note a below)	2.83	-
Investment carried at fair value through other comprehensive income		
Investments in perpetual bonds & mutual funds (quoted) (refer note a below)	145.49	138.48
Investments in equity instruments (unquoted) (refer note a below)	12.43	-
Investments in market linked debentures (quoted) (refer note a below)	41.17	-
	202.01	**145.51**
a) Details of investments are as follows:		
Investments carried at fair value through profit and loss		
Investments in mutual funds (quoted)		
ICICI Prudential Ultra Short Term Fund Direct Plan Growth**	-	5.44
TFG1Z Tata Ultra Short Term Fund Direct Plan- Growth	0.09	0.09
Axis Bluechip Fund-Direct Plan Growth	-	1.50
	0.09	**7.03**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

10 CURRENT INVESTMENTS (Contd...)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in equity instruments (quoted)		
HDFC Life Insurance Company Limited	0.59	-
ICICI Lombard General Insurance Company Limited	0.32	-
HDFC Bank Limited	0.32	-
HDFC Asset Management Company Limited	0.25	-
Kotak Mahindra Bank Limited	0.25	-
ICICI Bank Limited	0.29	-
Britannia Industries Limited	0.17	-
Bata India Limited	0.16	-
Infosys Limited	0.18	-
Reliance Industries Limited	0.30	-
	2.83	**-**
Investments carried at fair value through other comprehensive income		
Investments in perpetual bonds & mutual funds (quoted)		
State Bank of India Series 1 NCD Perpetual Bond	-	20.34
HDFC Bank Limited SR-1 Perpetual Bond	-	21.40
ICICI Bank Limited SR-DDE18AT BD Perpetual Bond	10.97	34.61
State Bank of India Series 1 BD Perpetual Bond	21.50	20.70
State Bank of India Series II BD Perpetual Bond	20.95	20.74
Bank of Baroda Series IX Basel III Additional Tier-I NC Perpetual Bond	10.44	10.03
ICICI Bank Limited SR-DMR18AT BD Perpetual Bond	5.54	10.66
Whitespace Alpha Debt Fund	2.60	-
Axis Bank Limited SR-28 NCD Perpetual Bond	10.77	-
Union Bank of India PERP XX	20.00	-
Bank of Baroda SR XIII PP-Perpetual	15.85	-
State Bank of India Series II Perpetual Bond	10.24	-
Tata Motors E-26 Bond	11.27	-
Tata Steel Reset Perpetual Bond	5.36	-
	145.49	**138.48**
Investments in market linked debentures (quoted)		
L&T Infra, FRN 1 Jul 2022, INR (C)	21.57	-
Muthoot Finance IA Option I	11.02	-
Edelweiss Finance & Investments Limited -Secured Market Linked Non Convertible Debentures	4.58	-
Ambit Finvest Private Limited BR NCD 23 Jul-23 FVRS1LAC	4.00	-
	41.17	**-**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

10 CURRENT INVESTMENTS (Contd...)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in unlisted equity instruments (unquoted)		
National Stock Exchange of India Limited	8.07	-
50,000 (31 March 2020: Nil) equity shares of ₹ 1 each fully paid up		
HDB Financial Services Limited	3.94	-
40,000 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up		
Tata Technologies Limited	0.42	-
2500 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up		
	12.43	**-**

*During previous year, investments in above debt securities (perpetual bonds) had been reclassified from fair value through profit and loss (FVTPL) to fair value through other comprehensive income (FVOCI) due to a change in the business model from previously held for trading to a business model whose objective is achieved by both collecting contractual cash flows and selling those debt securities. The date of such reclassification was 1 January 2020.

Particulars	
Debt securities reclassified from FVTPL to FVOCI on the date of reclassification (₹ in crores)	127.97
Interest income recognised on debt securities till the date of reclassification (₹ in crores)	4.08
Effective interest rate on debt securities as at the date of reclassification (% ranging from)	8.21%-8.55%

**Investments in mutual funds amounting to ₹ Nil crores (31 March 2020: ₹ 5.44) is pledged as margin money for foreign currency hedges.

11 TRADE RECEIVABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables considered good - unsecured	186.36	168.39
Trade receivables- credit impaired	3.53	2.47
	189.89	**170.86**
Less: Allowance for expected credit losses	(3.53)	(2.47)
	186.36	**168.39**

Note:

a) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

b) Refer note 19 and 24 for trade receivables pledged as security for liabilities.

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- in current accounts	35.35	4.08
Cash on hand	0.04	0.16
	35.39	**4.24**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

13 OTHER BANK BALANCES

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks in current accounts		
- Unclaimed dividend account	1.65	1.40
Pledged deposits (refer note a and b below)	9.57	32.48
Deposits with bank (with original maturity more than 3 months but remaining maturity less than 12 months)	0.21	-
	11.43	**33.88**

Note:

a) Pledged deposits include deposits amounting to ₹ 4.57 crores (31 March 2020: ₹ 4.67 crores) pledged as margin money for issue of letter of credit and bank guarantees.

b) Deposit amounting to ₹ 5.00 crores (31 March 2020: ₹ 27.81 crores) are pledged against overdraft facility.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

14 CURRENT LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans to officer, considered good- secured*	0.96	0.96
Loans considered good- unsecured		
- Loans to employees	0.48	0.53
- Security deposit	0.28	0.28
	1.72	**1.77**

*Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral.

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

15 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Discount recoverable	4.78	6.07
Export benefits recoverable	29.64	16.98
Derivative assets	3.64	21.24
Due from related parties	11.36	-
Others	2.97	3.08
	52.39	**47.37**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

16 OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advance to suppliers	21.45	11.01
Balances with statutory authorities	20.26	33.27
Prepaid expenses	8.18	6.64
Others	6.16	2.28
	56.05	**53.20**

17 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
25,000,000 equity shares of ₹ 10 each (31 March 2020 : 25,000,000 equity shares of ₹ 10 each)	25.00	25.00
Issued, subscribed and fully paid up		
18,172,715 equity shares of ₹ 10 each (31 March 2020 : 19,440,076 equity shares of ₹ 10 each)	18.17	19.44
	18.17	**19.44**

	As at 31 March 2021		As at 31 March 2020	
	No of shares	Amount	No of shares	Amount
Reconciliation of number of shares				
Equity shares at the beginning of the year	19,440,076	19.44	19,440,076	19.44
Changes during the year	(1,267,361)	(1.27)	-	-
Equity shares at the end of the year	**18,172,715**	**18.17**	**19,440,076**	**19.44**

Notes:

(i) Of the above 242,051 shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation in the financial year 2002-03. No shares has been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(ii) Of the above 8,486,705 shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account in the financial year 2002-03. No shares have been issued as bonus shares in the current reporting year and in last five years immediately preceding the current reporting year.

(iii) The Board of Directors of the Company at their meeting held on 26 October 2020 has approved Buyback of 12,67,361 equity shares (6.52% of equity capital) of the Company, through the "Tender Offer" route for an aggregate amount of upto ₹ 73 crores at a price of ₹ 576 per equity share. The said equity shares bought back were extinguished on 24 December 2020. An amount of [1] 90.55 crores (including income tax and direct buyback costs) has been utilized from the other equity for the aforesaid buyback including creation of capital redemption reserve account of ₹ 1.27 crores (representing the nominal value of the equity shares bought back). Consequent to the buyback, the paid-up equity share capital has reduced from ₹ 19.44 crores to ₹ 18.17 crores consisting of 1,81,72,715 equity shares of ₹ 10 each.

(iv) During the year, the Board of Directors declared an interim dividend of ₹ 25 per equity share, (31 March 2020: ₹ 15 per equity shares)

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

During the year ended 31 March 2021 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 25 per share (31 March 2020: ₹ 21 per share).

(v) Terms and rights attached to equity shares:

The Company has only one class of equity shares having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors, if any, is subject to approval of shareholders in Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2021		As at 31 March 2020	
	No of shares	**% holding**	**No of shares**	**% holding**
Mr. Ashok Jaipuria*	7,355,616	40.48%	7,903,377	40.66%

** it includes shares of 7,032,332 (31 March 2020: 7,508,216) registered under name of Mr. Ashok Jaipuria where beneficial owner is Gayatri and Annapurna (partnership firm).*

(vii) Shares reserved for issue under options

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
	No. of shares	**No. of shares**
Under the Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015), equity share of ₹ 10 each, at an exercise price as decided by management on case to case basis	335,082	491,982

These shares are held as treasury shares under other equity (refer note 18).

For terms and details refer note 40.

18 OTHER EQUITY

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Retained earnings	578.88	412.81
General reserve	230.86	290.08
Capital reserve	3.32	3.32
Security premium account	4.30	31.26
Treasury Shares	(10.06)	(12.98)
Share options outstanding account	4.35	6.26
Effective portion of cash flow hedges	(0.01)	(1.32)
Debt instruments through other comprehensive income	0.65	(3.44)
Equity instruments through other comprehensive income	2.55	-
Capital redemption reserve	1.27	-
Total other equity	**816.11**	**725.99**

Nature and purpose of reserves

(i) Capital reserve

Capital reserve was created under financial statements prepared in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP') out of the profit earned from a specific transaction of capital nature.

(ii) Securities premium account

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

(iii) General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iv) Share options outstanding account

The reserve is used to recognize the grant date fair value of the options issued to employees under Company's employee stock option plan.

(v) Treasury shares

This reserve represents Company's own equity shares held by the Cosmo ESOP Trust which is created under the Employee Stock Option Plan, 2015.

(vi) Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(vii) Debt instruments through other comprehensive income

The Company has classified investments in perpetual bonds as at fair value through other comprehensive income (FVOCI) since:(a) perpetual bonds are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those bonds; and (b) the contractual terms of perpetual bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.This reserve represents changes in fair value of perpetual bonds from the date of such classification to the reporting date. When the perpetual bonds are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(viii) Equity instruments through other comprehensive income

The Company has classified investments in unquoted equity shares as at fair value through other comprehensive income (FVOCI) since these investments are held for long term value accretion and not being actively traded. This reserve represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified, if any, to retained earnings when those instruments are disposed of.

(ix) Capital redemption reserve

This reserve represents a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

19 NON-CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2021	As at 31 March 2020
Foreign currency loans (refer note A below)*		
- from banks	222.23	285.08
- from others	82.16	80.72
Rupee term loans (refer note B below)		
- from banks	138.75	87.24
- from others	18.65	26.67
Vehicle loans (refer note C below)	4.78	3.23
	466.57	**482.94**
Less:- Current maturities disclosed under other financial liabilities (refer note 26)	129.00	127.64
	337.57	**355.30**

*include hedged foreign currency borrowings of ₹ 190.01 crores (31 March 2020: ₹ 221.37 crores)

Notes:

	As at 31 March 2021	As at 31 March 2020
(A) Foreign currency loans comprises of :		
(i) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13, 2013-14 and 2014-15 and carries interest based upon Euribor plus 105 bps per annum. The loan is repayable in 17 equal semi-annual instalments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.	20.94	30.40
(ii) Loan of USD 3,581,148 (₹ 25 crores) taken from ICICI Bank Limited during the financial year 2019-20 and carries interest rate based upon 3 month USD libor plus 3.31% per annum. The loan is repayable in 12 quarterly instalments starting at the end of first fiscal quarter from the first drawdown date. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	15.07	22.95

(iii)	Loan of USD 9,729,936 taken from Export-Import Bank (EXIM) of India during the financial year 2015-16 , 2016-17 and 2017-18 and carries interest rate based upon Libor plus 275 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	38.56	51.97
(iv)	Loan of EUR 14,614,201 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16, 2016-17 and 2017-18 and carries interest rate based upon Euribor plus 60 bps per annum. The loan is repayable in 20 equal semi-annual instalments from the date of 28 February 2018. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.	81.54	91.08
(v)	Loan of ₹ 60 crores taken from State Bank of India and carries interest rate base rate plus 230 bps. During the financial year 2019-20 and 2020-21 this loan has been converted into hedged FCNR loan. The tenure of facilities remain in-line with the original sanction. Outstanding amount of loan is fully repayable in next financial year. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	2.42	13.54
(vi)	Loan of EURO 4,586,555 (₹ 35 crores) taken from Yes Bank Limited during the financial year 2017-18 and carries interest rate based on 6 months Euribor plus 280 bps per annum. During the financial year 2018-19 this loan has been converted into hedged FCNR loan. The tenure of the facility remain in-line with the original sanction. The loan is repayable in 10 equal half yearly instalments starting from December 2017. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	11.81	19.05

(vii) Loan of EURO 4,700,510 (₹ 35 crores) taken from Infrastructure Development Finance Company (IDFC) during the financial year 2017-18 and carries interest rate Euribor plus 245 bps. The loan is repayable in 8 equal semi annual instalments after moratorium of 18 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	20.17	29.29
(viii) Loan of USD 5,200,594 (₹ 35 crores) taken from IndusInd Bank during the financial year 2016-17 and carries interest rate based upon Mibor plus 465 bps per annum. The loan is repayable in 17 equal quarterly instalments after moratorium of 12 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	4.48	13.84
(ix) Loan of ₹ 27.76 crores taken from IDBI Bank Limited (IDBI) during the financial year 2014-15 and 2015-16 and carries interest based upon base rate plus 2.5% per annum. The loan is repayable in 10 structured half yearly instalments starting from 31 March 2018. During the financial year 2019-20 and 2020-21, this loan has been converted into fully hedged FCNR loan. The tenure of facilities remain in-line with the original sanction. **Security** The above loan is secured against (i) Demand Promissory Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (iii) Second pari passu charge on current assets of the company both present and future.	8.37	14.65
(x) Loan of EUR 4,752,270 (₹ 40 crores) taken from Yes Bank Limited during the financial year 2018-19 and carries interest rate based on 6 months Euribor plus 310 bps per annum. The loan is repayable in 9 equal half yearly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first paripassu charge by way of hypothecation on movable and by way of equitable mortgage over all immovable fixed assets (both present and future) except those are exclusively charged to other lenders (ii) second pari-passu charge by way of hypothecation on current assets of the borrower (both present and future).	22.66	30.71

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

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	(xi) Loan of USD 6,768,043 (₹ 50 crores) taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	43.40	48.93
	(xii) Loan of USD 4,900,000 (₹ 40 crores)taken from Export-Import Bank (EXIM) of India during the financial year and carries interest rate based upon USD 6 month libor plus 325 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 24 months from the date of first disbursement. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	35.85	-
B	**Rupee term loans comprises of :**		
	(i) Loan of ₹ 50 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2020-21 and carries interest rate PLR less 5 bps per annum. The loan is repayable in 84 months inclusive of 24 months moratorium period. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	49.81	-
	(ii) Loan of ₹ 60 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2016-17 and 2017-18 and carries interest rate based upon SBI's 6 month MCLR plus 165 bps per annum to be reset on quarterly basis. The loan is repayable in 21 equal after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	20.71	32.76

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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	(iii) Loan of ₹ 40 crores taken from Bajaj Finance Limited during the financial year 2017-18 and carries interest rate linked to SBI's one year MCLR to be reset quarterly . The loan is repayable in 60 equal monthly instalments after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	18.67	26.67
	(iv) Loan of ₹ 60 crores taken from IndusInd Bank during the financial year 2018-19 and carries interest rate based upon Mibor plus 250 bps per annum. .The loan is repayable in 22 equal quarterly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	43.64	54.55
	(v) Loan of ₹ 25 crores taken from State Bank of India during the financial year 2020-21 and carries interest rate based on 6 months MCLR plus 100 bps per annum. The loan is repayable in 14 half yearly installment after a moratorium of one year from the date of first disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	25.00	-
C.	**Vehicle loans taken from Union Bank of India carries interest @ 7.4% - 9.0% per annum. This loan is repayable in 3 years** **Security** Vehicle loans from Union Bank of India are secured against hypothecation of respective vehicles.	4.78	3.23
	Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(1.31)	(0.68)
		466.57	**482.94**

Note:

Refer note 26 - current maturities of long term borrowings are disclosed under the head other current financial liabilities.

Refer note 44 and 45 for disclosure of fair values in respect financial liabilities measured at amortised cost and analysis of maturity profile.

Refer note 48 for reconciliation of liabilities arising from financing activities.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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20 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Derivative liabilities	0.06	0.57
	0.06	**0.57**

21 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (refer note 41)	15.36	6.75
	15.36	**6.75**

22 DEFERRED TAX LIABILITIES (NET)#

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of:		
Cash flow hedge reserve	-	0.64
Expenses deductible in future years under Income tax Act, 1961	9.67	4.74
Minimum alternative tax credit entitlement	48.07	89.06
	57.74	**94.44**
Deferred tax liability arising on account of:		
Property, plant and equipment and other intangible assets -depreciation and amortisation	156.01	155.79
Cash flow hedge reserve	0.08	-
	156.09	**155.79**
	98.35	**61.35**

#Refer note 36 for movement in deferred tax balances.

23 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income on export promotion capital goods scheme	47.70	50.07
	47.70	**50.07**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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24 CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand		
from banks	-	30.68
Other loans		
Cash credit and other working capital facilities	243.14	207.26
	243.14	**237.94**

Note: Cash credits and other working capital facilities are secured by hypothecation of inventories, trade receivable and second charge on fixed assets secured to financial institutions except assets exclusively carved out.

25 TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
- total outstanding dues to micro and small enterprises	2.41	0.80
- total outstanding dues to other than micro and small enterprises	121.17	95.10
Acceptances	75.07	48.88
Total	**198.65**	**144.78**

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31 March 2021	31 March 2020
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	2.00	0.80
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	0.41	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

26 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 19)	129.00	127.64
Interest accrued but not due on borrowings	0.91	1.22
Security deposits	0.88	0.89
Unpaid dividend	1.65	1.40
Other accrued liabilities	46.31	32.93
Employee related liabilities	25.64	17.96
Derivative liabilities	2.81	5.81
	207.20	**187.85**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

27 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	9.68	2.30
Advance received from customers	13.71	13.93
Deferred income on export promotion capital goods scheme	2.91	2.89
Advance received against non-current asset held for sale	4.67	3.85
	30.97	**22.97**

28 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (refer note 41)	2.89	2.34
Provision for compensated absences	9.35	0.85
	12.24	**3.19**

29 REVENUE FROM OPERATIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Operating revenue (refer note a below)		
Sale of products-domestic	1,152.02	1,114.58
Sale of products-export	874.28	853.25
	2,026.30	1,967.83
Other operating revenue		
Export benefit income	33.29	35.16
Sales tax incentive	14.99	17.15
Job work charges	3.32	4.14
Scrap sales	4.05	5.19
Others	0.96	2.65
Revenue from operations	**2,082.91**	**2,032.12**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Note:

a) The Company applies Indian Accounting Standard 115, 'Revenue from Contracts with Customers' ('Ind AS 115'). Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

(i) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Year ended 31 March 2021

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,152.02	8.33	1,160.35
Export	874.28	-	874.28
Total	**2,026.30**	**8.33**	**2,034.63**
Revenue by time			
Revenue recognised at point in time			2,034.63
Revenue recognised over time			-
Total			**2,034.63**

*excludes export benefit income of ₹ 33.29 crores and sales tax incentive of ₹ 14.99 crores

Year ended 31 March 2020

Revenue from operations	Goods	Other operating revenue	Total
Revenue by geography			
Domestic	1,114.58	11.98	1,126.56
Export	853.25	-	853.25
Total	**1,967.83**	**11.98**	**1,979.81**
Revenue by time			
Revenue recognised at point in time			1,979.81
Revenue recognised over time			-
Total			**1,979.81**

* excludes export benefit income of ₹ 35.16 crores and sales tax incentive of ₹ 17.15 crores

(ii) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	12.52	8.16
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(iii) Assets and liabilities related to contracts with customers

Description	As at 31 March 2021	As at 31 March 2020
Contract liabilities related to sale of goods		
Advance from customers	13.71	13.93

(iv) Reconciliation of revenue recognised in statement of profit and loss with contract price

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	2,120.77	2,061.71
Less: Discount, rebates, credits etc.	86.14	81.90
Revenue from operations as per Statement of Profit and Loss *	**2,034.63**	**1,979.81**

*excludes export benefit income of ₹ 33.29 crores (31 March 2020 : ₹ 35.16 crores) and sales tax incentive of ₹ 14.99 crores (31 March 2020 : ₹ 17.15 crores)

b) Details of products sold

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Manufactured goods		
- Packaging films	2,026.30	1,967.83
Total	**2,026.30**	**1,967.83**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

30 OTHER INCOME

Particulars	As at 31 March 2021	As at 31 March 2020
Interest income from:		
- Fixed deposit with banks:	0.80	4.66
- Other financial assets carried at amortised cost	1.50	1.57
- Investment in perpetual bonds carried at fair value through other comprehensive income	13.83	3.05
- Investment in perpetual bonds carried at fair value through profit and loss	-	4.08
- Others	1.71	-
Gain on investments carried at fair value through profit and loss	2.64	1.51
Gain on investments carried at fair value through other comprehensive income	3.71	-
Reversal of allowance for expected credit losses	-	0.29
Insurance and other claims	1.03	1.73
Rent	0.60	0.02
Grant income on export promotion capital goods	2.90	2.89
Dividend income	0.11	-
Liabilities no longer required written back	0.55	0.11
Profit on disposal of non current assets held for sale	6.13	-
	35.51	**19.91**

31 CHANGE IN INVENTORY

Particulars	As at 31 March 2021	As at 31 March 2020
Opening stock		
Finished goods	64.52	55.57
Closing stock		
Finished goods	117.06	64.52
	(52.54)	**(8.95)**
Note:		
Finished goods		
- Packaging films	117.06	64.52
Total	**117.06**	**64.52**

32 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Salaries, wages, allowances and bonus	131.04	106.70
Employee stock option expense	0.52	1.03
Contribution to provident and other funds	15.74	14.11
Staff welfare expenses	4.90	3.28
	152.20	**125.12**

33 FINANCE COSTS

Particulars	As at 31 March 2021	As at 31 March 2020
Interest on		
Term loans	16.09	18.90
Cash credit and short term loans	11.84	12.53
Others	1.66	1.37
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	5.18	8.45
Other borrowings costs	4.94	8.14
	39.71	**49.39**

The finance costs shown above is net of borrowing costs capitalised during the year ended 31 March 2021 of ₹ 0.56 crores at 9.00% (31 March 2020: ₹ 0.64 crores at 5.48%).

34 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation on property, plant and equipment	51.93	49.16
Amortisation of intangible assets	0.57	0.41
	52.50	**49.57**

35 OTHER EXPENSES

Particulars	As at 31 March 2021	As at 31 March 2020
Rent	2.89	3.44
Rates and taxes	1.71	1.19
Stores, spare parts and packing materials consumed	82.75	70.19
Insurance	3.96	2.46
Repairs and maintenance		
- Building	0.91	1.03
- Machinery	13.59	13.22
- Others	2.33	3.36
Power and fuel	125.10	126.79
Other manufacturing expenses	1.18	1.86
Printing and stationary	0.33	0.42
Training and recruitment expenses	1.54	0.78
Travelling and conveyance	0.88	6.12
Vehicle running and maintenance	7.47	6.27
Communication expenses	0.71	1.07
Legal and professional charges	8.93	8.25
Foreign exchange loss (net)	0.27	9.58
Corporate social responsibility (CSR) expenditure (refer note b below)	3.13	2.38
Freight and forwarding	2.08	2.18
Other selling expenses	3.95	4.04
Grant from government authorities written off	-	4.51
Payment to auditors (refer note a below)	0.52	0.63
Miscellaneous expenses	5.65	6.82
	269.88	**276.59**

Note: Other expenses includes research and development expenses (refer note 40)

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

a) Payment to auditors (exclusive of goods and service tax)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
As auditor		
- Audit fee	0.45	0.56
- Tax audit fee	0.03	0.03
In other capacity		
- Certification and other matters	0.03	0.02
- Reimbursement of out of pocket expenses	0.01	0.02
Total	**0.52**	**0.63**
b) Details of corporate social responsibility expenditure		
(a) Amount required to be spent by the Company	2.12	1.76
(b) Amount spent during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.13	2.38

36 INCOME TAX

Particulars	As at 31 March 2021	As at 31 March 2020
The income tax expense consists of the following :		
Current tax expense	53.66	28.63
Deferred tax expense/(credit)	36.22	20.79
Total income tax	**89.88**	**49.42**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:		
Profit before tax	305.43	163.46
At India's statutory income tax rate of 34.94 % (31 March 2020: 34.94%)	106.73	57.12
Adjustments in respect of current income tax		
Income exempted from income taxes	(12.41)	(7.96)
Additional allowance on revenue and capital expenses	-	(1.92)
Taxes for earlier years	(1.09)	(0.23)
Other adjustments	(3.35)	2.41
Total income tax expense	**89.88**	**49.42**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Movement of net deferred tax assets and liabilities for the year ended 31 March 2021 is as follows:

	Opening balance	Deferred tax credit/ charge in profit and loss	Deferred tax credit/ charge in other comprehensive income	Closing balance
Deferred tax liabilities (net)				
Deferred tax asset arising on account of:				
Cash flow hedge reserve	0.64	-	(0.64)	-
Expenses deductible in future years under Income tax Act, 1961	4.74	4.99	(0.06)	9.67
Minimum alternative tax credit entitlement	89.06	(40.99)	-	48.07
	94.44	**(36.00)**	**(0.70)**	**57.74**
Deferred tax liability arising on account of:				
Cash flow hedge reserve	-	-	0.08	0.08
Property, plant and equipment and other intangible assets -depreciation and amortisation	155.79	0.22	-	156.01
	155.79	**0.22**	**0.08**	**156.09**
	61.35	**36.22**	**0.78**	**98.35**

Movement of net deferred tax assets and liabilities for the year ended 31 March 2020 is as follows:

	Opening balance	Deferred tax credit/ charge in profit and loss	Deferred tax credit/ charge in other comprehensive income	Closing balance
Deferred tax liabilities (net)				
Deferred tax asset arising on account of:				
Cash flow hedge reserve	-	-	0.64	0.64
Expenses deductible in future years under Income tax Act, 1961	-	2.67	2.08	4.74
Unabsorbed business losses	3.94	(3.94)	-	-
Minimum alternative tax credit entitlement	95.94	(6.88)	-	89.06
	99.88	**(8.15)**	**2.72**	**94.44**
Deferred tax liability arising on account of:				
Cash flow hedge reserve	3.61	-	(3.61)	-
Property, plant and equipment and other intangible assets -depreciation and amortisation	142.59	13.20	-	155.79
Income taxable in future years under Income tax act, 1961	0.56	(0.56)	-	-
	146.76	**12.64**	**(3.61)**	**155.79**
	46.88	**20.79**	**(6.33)**	**61.35**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

37 EARNINGS PER SHARE

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year (₹ in crores)	**215.55**	**114.04**
Weighted average number of equity shares outstanding for the purpose of basic earnings per share	18,650,460	19,164,811
Effect of potential ordinary shares on share options outstanding	193,537	-
Weighted average number of equity shares outstanding for the purpose of diluted earnings per share	18,843,997	19,164,811
Earnings per equity share (face value ₹ 10.00 per share)		
Basic	115.57	59.51
Diluted	114.39	59.51

38 CONTINGENCIES AND COMMITMENTS

	Particulars	As at 31 March 2021	As at 31 March 2020
(A)	**Contingent liabilities**		
I	Claims against the Company not acknowledged as debt	0.24	0.16
II	Disputed demand for Income tax (refer note (a) below)	8.09	9.81
III	Pending duty obligation under Export Promotion Capital Goods licenses	3.30	1.54
IV	Disputed demand for Excise duty and Service tax	17.05	20.18
V	Disputed demands for labour/employee dispute	10.88	9.96

Notes:

a) Disputed demand for income tax includes a dispute of ₹ 4.71 crores (31 March 2020: ₹ 4.83) between the Company and income tax department over computation of deduction under Section 80HHC of the Income-tax Act, 1961. The Company has filed a special leave petition against the order of Hon'ble Delhi High Court which has been accepted by the Hon'ble Supreme Court of India and is pending. Based on the legal opinion taken from an independent expert, the management is of the view that it is more likely than not that matter will be decided in favour of the Company.

(B) Commitments

	Particulars	As at 31 March 2021	As at 31 March 2020
a)	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	183.17	132.98
b)	**Others**		
	Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	56.03	35.12

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

(C) Disclosure as per Section 186(4) of the Companies Act, 2013 :

Particulars	31 March 2021		31 March 2020	
	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year
Corporate guarantee given for subsidiary company				
- Cosmo Films Inc., USA	-	46.85	45.99	49.81
Total	**-**	**46.85**	**45.99**	**49.81**

Corporate guarantee is given for working capital facility obtained by the subsidiary.

39 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditures incurred by the Company during the financial year are mentioned below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Research and development capital expenditure (gross)	0.01	1.90
Research and development revenue expenditure		
- Material and consumables	3.32	1.70
- Employee benefits expense	3.50	2.80
- Other expenses	0.77	0.78
	7.60	**7.18**
Sales for the year	**2,026.30**	**1,967.83**
Total research and development expenditure / sales	0.38%	0.36%

Assets purchased/capitalised for research and development centres

Description	R & D Centre
Gross carrying value	
As at 31 March 2019	**7.55**
Additions	1.90
As at 31 March 2020	**9.45**
Additions	0.01
As at 31 March 2021	**9.46**
Accumulated depreciation	
As at 31 March 2019	**2.45**
Depreciation for the year	0.35
As at 31 March 2020	**2.80**
Depreciation for the year	0.71
As at 31 March 2021	**3.51**
Net carrying amount as at 31 March 2020	**6.65**
Net carrying amount as at 31 March 2021	**5.95**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

40 1. EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the shareholders, the Company has introduced Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) which supersedes earlier Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015) to provide share based incentive to the eligible employees of the Company and its subsidiaries. However, Options already granted under CF ESOP 2015 will continue to be governed in accordance with the said Plan. The plan is implemented via trust route which will acquire the equity shares of the Company by secondary market acquisition, however, in case of any shortfall the Company will issue new shares as required. When exercisable, each option is convertible into one equity share.

A) Details of options granted under the CF ESOP 2015 are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise Period	Exercise price per share
CF Employees Stock Option Scheme 2015:					
Option I	13-Jan-16	193,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 300.05
Option II	13-Jul-16	250,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 351.40
Option III	07-Jul-17	200,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 433.20
Option IV	02-Jun-18	225,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 237.70

B) Movement of options granted

Particulars	Year ended 31 March 2021	Weighted average exercise price	Year ended 31 March 2020	Weighted average exercise price
Options outstanding at the beginning of the year	739,200	327.86	765,600	328.06
Options exercised during the year	(214,700)	355.33	-	-
Options cancelled during the year	(44,500)	293.06	(26,400)	333.93
Options outstanding at the end of the year	**480,000**	**318.80**	**739,200**	**327.86**

The weighted average remaining contractual life outstanding as at 31 March 2021 was 9.15 years (31 March 2020: 9.96 years). The weighted average exercise price of options outstanding as at 31 March 2021 was ₹ 318.80 (31 March 2020: ₹ 327.86).

The weighted average share price at the date of exercise for options exercise during the year ended 31 March 2021 was ₹ 494.75.

(All amounts in ₹ crores, unless otherwise stated)

C) The fair value of options used to compute performa 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:

	Option-I	Option-II	Option-III	Option-IV
Grant Date	13-Jan-16	13-Jul-16	07-Jul-17	02-Jun-18
Market Price (₹)	300.05	351.40	433.20	237.70
Exercise Price (₹)	300.05	351.40	433.20	237.70
Expected Volatility (%) $	57.70	39.55	27.70	31.91
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil
Expected life (years)*	3	3	3	3
Dividend yield (%)	1.17	2.85	2.31	2.52
Risk free interest rate (%)	7.59	7.50	6.54	7.83
Fair value on grant date ([1])	128.25	103.45	98.60	62.46

$ The expected volatility was determined based on historical volatility data.
**Options life is considered on the basis of earliest possible exercise after vesting*

2. RESTRICTED STOCK UNITS:

A) Details of options granted under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise Period	Exercise price per share
Cosmo Films Share Based Employee Benefit Scheme 2021:					
Option I	09-Mar-21	25,000	On completion of 3 year of service from the date of grant	One year from the date of vesting	₹ 10.00
Option II	09-Mar-21	105,000	On completion of 4 year of service from the date of grant	One year from the date of vesting	₹ 10.00
Option III	09-Mar-21	25,000	On completion of 5 year of service from the date of grant	One year from the date of vesting	₹ 10.00
Option IV	09-Mar-21	105,000	On completion of 7 year of service from the date of grant	One year from the date of vesting	₹ 10.00

B) Movement of options granted

Particulars	Year ended 31 March 2021	Weighted average exercise price	Year ended 31 March 2020	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	260,000	10.00	-	-
Options outstanding at the end of the year	**260,000**	10.00	**-**	-

The weighted average remaining contractual life outstanding as of 31 March 2021 was 6.15 years (31 March 2020: Nil years). The weighted average exercise price of options outstanding as of 31 March 2021 was ₹ 10.00 (31 March 2020: ₹ Nil).

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

C) The fair value of options used to compute performa net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

Particulars	All Options
Grant Date	09-Mar-21
Market Price (₹)	643.25
Exercise Price (₹)	10.00
Expected Volatility (%) $	59.23
Expected forfeiture on each vesting date (%)	Nil
Expected life (years)*	3-7 years
Dividend yield (%)	3.89
Risk free interest rate (%)	6.22
Fair value on grant date (₹)	510.43

$ The expected volatility was determined based on historical volatility data.
**Options life is considered on the basis of earliest possible exercise after vesting*

41 EMPLOYEE BENEFIT OBLIGATIONS

1) Gratuity

The Company makes contribution towards gratuity to a defined retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation. The expected contribution to the plan for next annual reporting period amounts to ₹ 2.84 crores (31 March 2020: ₹ 2.33 crores).

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4 years (31 March 2020: 5 years).

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Present value obligation as at the end of the year	30.51	22.75
Fair value of plan assets as at the end of the year	(12.26)	(13.66)
Net liability /(assets) recognised in Balance Sheet	**18.25**	**9.09**

b. Changes in defined benefit obligation

	Year ended 31 March 2021	Year ended 31 March 2020
Present value obligation as at the start of the year	22.75	13.33
Interest cost	1.55	1.02
Current service cost	1.03	0.83
Past service cost	-	7.58
Benefits paid	(2.33)	(0.64)
Actuarial loss on obligations	7.51	0.63
Present value obligation as at the end of the year	**30.51**	**22.75**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

c. Table showing changes in the fair value of plan assets

	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets at beginning of year	13.66	13.27
Interest income on plan assets	0.93	1.02
Return on plan assets excluding interest income	(0.10)	(0.05)
Contributions	0.10	0.06
Benefits paid	(2.33)	(0.64)
Fair value of plan assets at the end of year	**12.26**	**13.66**

d. Amount recognised in the Statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	1.03	0.83
Past service cost	-	7.58
Interest cost	1.55	1.02
Expected return on plan asset	(0.93)	(1.02)
Amount recognised in the Statement of Profit and Loss	**1.65**	**8.41**

e. Other Comprehensive Income

	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/loss on arising from change in financial assumption	(0.02)	0.69
Actuarial loss/(gain) on arising from experience adjustment	7.53	(0.06)
Return on plan assets excluding interest income	0.10	0.05
Unrecognised actuarial loss at the end of the year	**7.61**	**0.68**

f. Actuarial assumptions

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.85%	6.83%
Future salary increase	7.00%	7.00%

g. Demographic Assumption

	As at 31 March 2021	As at 31 March 2020
Retirement age (Years)	58	58
Mortality rates inclusive of provision for disability	Indian Assured Lives Mortality (2006-08)	

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

h. Sensitivity analysis for gratuity liability

	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	30.51	22.75
a) Impact due to increase of 0.50%	(0.42)	(0.41)
b) Impact due to decrease of 0.50%	0.45	0.44
Impact of the change in salary increase		
Present value of obligation at the end of the year	30.51	22.75
a) Impact due to increase of 0.50%	0.45	0.43
b) Impact due to decrease of 0.50%	(0.43)	(0.41)

i. Maturity Profile of Defined Benefit Obligation

	As at 31 March 2021	As at 31 March 2020
April 2020 to March 2021	-	9.46
April 2021 to March 2022	17.44	1.44
April 2022 to March 2023	1.20	1.91
April 2023 to March 2024	2.69	2.72
April 2024 to March 2025	1.92	1.89
April 2025 onwards	17.63	15.10

j. Investment Details

	As at 31 March 2021		As at 31 March 2020	
	(₹ in crore)	% invested	(₹ in crore)	% invested
Insurance funds	12.26	100	13.66	100

2) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to Provident Fund	3.94	3.58
Employer's contribution to Superannuation Fund	1.29	1.17
Employer's contribution to labour welfare fund and employee state insurance	0.20	0.17

42 LEASES

The Company has leases for office building, warehouses and related facilities for which the Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. On adoption of this standard, based on the exception of short term leases or lease of low value underlying assets, none of the lease has been identified for which right-of-use asset and a lease liability is required to be created.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Short-term leases	2.89	3.42
Leases of low value assets	-	0.02
Total	**2.89**	**3.44**

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 2.89 crores (31 March 2020: ₹ 3.44 crores) .

43 RELATED PARTY DISCLOSURES

In accordance with the required Indian Accounting Standard (IndAS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties and relationships:

A. Subsidiary company

a) CF (Netherlands) Holdings Limited BV., Netherlands
b) Cosmo Speciality Chemicals Private Limited (incorporated on 2 March 2020)

B. Step-down subsidiary companies

a) Cosmo Films Inc., USA
b) Cosmo Films Japan (GK), Japan
c) Cosmo Films Korea Limited, Korea
d) CF Investment Holding Private (Thailand) Company Limited, Thailand
e) Cosmo Films (Singapore) Pte. Limited, Singapore
f) Cosmo Films Poland Sp Z.O.O, Poland

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

a) Sunrise Manufacturing Company Limited
b) Pravasi Enterprises Limited
c) Cosmo Foundation
d) Gayatri & Annapurana (Partnership firm)
e) Nangia & Company LLP
f) Fawkes Management Private Ltd

D. Key management personnel

a) Mr. Ashok Jaipuria, Chairman and Managing Director of Company
b) Mr. Anil Kumar Jain, Director of corporate affairs
c) Mr. H. K. Agrawal, Independent Director
d) Mr. Rajeev Gupta, Non-Independent Director (resigned w.e.f. 7 August 2020)
e) Mrs. Alpana Parida, Independent Director
f) Mr. Rakesh Nangia, Independent Director (joined w.e.f. 10 November 2020)
g) Mr. Pratip Chaudhuri, Non-Independent Director
h) Mr. H. N. Sinor, Independent Director
i) Mr. Vivek Nangia, Independent Director (resigned w.e.f. 25 June 2020)
j) Mr. Anil Wadhwa, Independent Director
k) Mr. Ashish Kumar Guha, Independent Director (resigned w.e.f. 25 July 2019)

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

l) Mr. Pankaj Poddar, Chief Executive Officer
m) Mr. Neeraj Jain, Chief Financial Officer
n) Mrs. Jyoti Dixit, Company Secretary

E. Relative of key management personnel

a) Mrs. Yamini Kumar
b) Mrs. Aanchal Jaipuria Bhandari
c) Mr. Ambrish Jaipuria
d) Mrs. Abha Jaipuria

Particulars	Subsidiaries and step-down subsidiary companies		Key management personnel and their Relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Transactions during the year								
1 **Investment made**								
Cosmo Speciality Chemicals Private Limited	22.01	0.01	-	-	-	-	**22.01**	**0.01**
2 **Purchase of goods**								
Cosmo Speciality Chemicals Private Limited	21.09	-	-	-	-	-	**21.09**	**-**
3 **Sales**								
Cosmo Films Inc., USA	144.71	149.78	-	-	-	-	**144.71**	**149.78**
Cosmo Films Korea Limited, Korea	56.27	36.11	-	-	-	-	**56.27**	**36.11**
Cosmo Films Japan (GK), Japan	5.39	2.62	-	-	-	-	**5.39**	**2.62**
CF (Netherlands) Holdings Limited BV., Netherlands	36.68	26.05	-	-	-	-	**36.68**	**26.05**
Cosmo Speciality Chemicals Private Limited	20.48	-	-	-	-	-	**20.48**	**-**
4 **Sales return**								
Cosmo Films Korea Limited, Korea	-	0.14	-	-	-	-	**-**	**0.14**
Cosmo Films Inc., USA	4.14	8.64	-	-	-	-	**4.14**	**8.64**
CF (Netherlands) Holdings Limited BV., Netherlands	0.60	0.65	-	-	-	-	**0.60**	**0.65**
5 **Purchase of property, plant and equipment**								
Cosmo Films Inc., USA	-	0.20	-	-	-	-	**-**	**0.20**
6 **Sales of property, plant and equipment**								
Cosmo Speciality Chemicals Private Limited	11.36	-	-	-	-	-	**11.36**	**-**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars		Subsidiaries and step-down subsidiary companies		Key management personnel and their Relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
7	**Other operating revenues**								
	Cosmo Films Inc., USA	0.55	0.66	-	-	-	-	**0.55**	**0.66**
	Cosmo Films Korea Limited, Korea	0.27	0.29	-	-	-	-	**0.27**	**0.29**
	Cosmo Films Japan (GK), Japan	0.19	0.20	-	-	-	-	**0.19**	**0.20**
8	**Reimbursement received for expenses paid (net)**								
	Cosmo Films Inc., USA	0.10	0.04	-	-	-	-	**0.10**	**0.04**
	Cosmo Speciality Chemicals Private Limited	1.03	-	-	-	-	-	**1.03**	**-**
9	**Expenses incurred**								
	Cosmo Films Japan (GK), Japan	1.84	2.20	-	-	-	-	**1.84**	**2.20**
	CF (Netherlands) Holdings Limited BV., Netherlands	1.20	1.02	-	-	-	-	**1.20**	**1.02**
10	**Rent received**								
	Sunrise Manufacturing Company Limited	-	-	-	-	0.01	0.02	**0.01**	**0.02**
	Parvasi Enterprises Limited	-	-	-	-	0.02	-	**0.02**	**-**
	Cosmo Speciality Chemicals Private Limited	0.55	-	-	-	-	-	**0.55**	**-**
11	**Professional fees paid**								
	Mrs. Yamini Kumar	-	-	1.24	-	-	-	**1.24**	**-**
	Nangia & Company LLP	-	-	-	-	0.18	-	**0.18**	**-**
12	**Corporate guarantee**								
	Cosmo Films Inc., USA	-	75.41	-	-	-	-	**-**	**75.41**
13	**Commission received on corporate guarantee**								
	Cosmo Films Inc., USA	0.35	0.71	-	-	-	-	**0.35**	**0.71**
14	**Short term employee benefits**	-	-	35.55	18.64	-	-	**35.55**	**18.64**
15	**Post employment benefits***	-	-	0.76	0.54	-	-	**0.76**	**0.54**
16	**Share based payments**	-	-	0.32	0.35	-	-	**0.32**	**0.35**
17	**Buyback of shares**								
	Mr. Ashok Jaipuria	-	-	1.26	-	-	-	**1.26**	**-**
	Mr. Anil Kumar Jain	-	-	0.09	-	-	-	**0.09**	**-**
	Mr. Rakesh Nangia	-	-	0.11	-	-	-	**0.11**	**-**
	Mr. Pankaj Poddar	-	-	0.04	-	-	-	**0.04**	**-**
	Mr. Ambrish Jaipuria	-	-	1.29	-	-	-	**1.29**	**-**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Subsidiaries and step-down subsidiary companies		Key management personnel and their Relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Mrs. Aanchal Jaipuria Bhandari	-	-	0.33	-	-	-	**0.33**	**-**
Mrs. Yamini Kumar	-	-	0.19	-	-	-	**0.19**	**-**
Mrs Abha Jaipuria	-	-	0.09	-	-	-	**0.09**	**-**
Gayatri & Annapurana	-	-	-	-	27.41	-	**27.41**	**-**
Fawkes Management Private Ltd	-	-	-	-	0.74	-	**0.74**	**-**
Parvasi Enterprises Limited	-	-	-	-	0.02	-	**0.02**	**-**
18 **Sitting fee/commission paid**								
Mr. H. K. Agrawaal	-	-	0.31	0.21	-	-	**0.31**	**0.21**
Mr. Rajeev Gupta	-	-	0.01	0.18	-	-	**0.01**	**0.18**
Mrs. Alpana Parida	-	-	0.33	0.22	-	-	**0.33**	**0.22**
Mr. Ashish Kumar Guha	-	-	-	0.01	-	-	**-**	**0.01**
Mr. Pratip Chaudhuri	-	-	0.34	0.21	-	-	**0.34**	**0.21**
Mr. H. N. Sinor	-	-	0.33	0.22	-	-	**0.33**	**0.22**
Mr. Vivek Nangia	-	-	0.01	0.20	-	-	**0.01**	**0.20**
Mr. Anil Wadhwa	-	-	0.33	0.22	-	-	**0.33**	**0.22**
Mr. Rakesh Nangia	-	-	0.13	-	-	-	**0.13**	**-**
19 **(Repayment received)/ loan given**								
Mr. Pankaj Poddar	-	-	(2.04)	0.25	-	-	**(2.04)**	**0.25**
20 **Interest income on loan given**								
Mr. Pankaj Poddar	-	-	0.39	0.30	-	-	**0.39**	**0.30**
21 **Corporate social responsibility expenditure**								
Contribution to Cosmo Foundation	-	-	-	-	3.13	2.38	**3.13**	**2.38**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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Particulars	Subsidiaries and step-down subsidiary companies		Enterprises owned or significantly influenced by key management personnel or their relatives		Key management personnel and their Relatives		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Outstanding balances								
1 **Trade receivables**								
Cosmo Films Inc., USA	33.04	-	-	-	-	-	**33.04**	**-**
Cosmo Films Korea Limited, Korea	18.69	21.86	-	-	-	-	**18.69**	**21.86**
Cosmo Films Japan (GK), Japan	2.06	-	-	-	-	-	**2.06**	**-**
CF (Netherlands) Holdings Limited BV., Netherlands	12.22	13.20	-	-	-	-	**12.22**	**13.20**
2 **Trade payables**								
Cosmo Films Inc., USA	-	6.45	-	-	-	-	**-**	**6.45**
Cosmo Films Japan (GK), Japan	-	0.70	-	-	-	-	**-**	**0.70**
Cosmo Speciality Chemicals Private Limited	4.27	-	-	-	-	-	**4.27**	**-**
3 **Advance received against sale of goods**								
Cosmo Films Inc., USA	-	1.57	-	-	-	-	**-**	**1.57**
4 **Receivables against sale of property, plant and equipment**								
Cosmo Speciality Chemicals Private Limited	11.36	-	-	-	-	-	**11.36**	**-**
5 **Corporate guarantee**								
Cosmo Films Inc., USA	-	45.99	-	-	-	-	**-**	**45.99**
6 **Remuneration/ commission payable**	-	-	-	-	18.10	9.07	**18.10**	**9.07**
7 **Loan outstanding**								
Mr. Pankaj Poddar	-	-	-	-	7.61	9.65	**7.61**	**9.65**
8 **Interest receivable**								
Mr. Pankaj Poddar	-	-	-	-	0.08	-	**0.08**	**-**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

44 FAIR VALUE MEASUREMENTS

A) Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	2.97	199.09	-
(ii) Trade receivables	-	-	186.36
(iii) Cash and cash equivalents	-	-	35.39
(iv) Other bank balances	-	-	11.43
(v) Loans	-	-	9.56
(vi) Derivative assets	6.05	-	-
(vii) Others financial assets	-	-	48.92
Total	**9.02**	**199.09**	**291.66**
Financial liabilities			
(i) Borrowings	-	-	710.62
(ii) Trade payables	-	-	198.65
(iii) Derivative liabilities	2.87	-	-
(iv) Other financial liabilities	-	-	74.48
Total	**2.87**	**-**	**983.75**

As at 31 March 2020	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	7.08	138.48	-
(ii) Trade receivables	-	-	168.39
(iii) Cash and cash equivalents	-	-	4.24
(iv) Other bank balances	-	-	33.88
(v) Loans	-	-	11.46
(vi) Derivative assets	23.04	-	-
(vii) Others financial assets	-	-	26.13
Total	**30.12**	**138.48**	**244.10**
Financial liabilities			
(i) Borrowings	-	-	722.10
(ii) Trade payables	-	-	144.78
(iii) Derivative liabilities	6.38	-	-
(iv) Other financial liabilities	-	-	57.03
Total	**6.38**	**-**	**923.91**

Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B) Fair value hierarchy

The different levels of fair value have been defined below:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B) (i) Financial assets and liabilties measured at fair value - recurring fair value measurements

(₹ in crores)

As at 31 March 2021	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	5 and 10	189.57	-	12.49
(ii) Derivative assets	7 and 15	-	6.05	-
Total financial assets		**189.57**	**6.05**	**12.49**
Financial liabilities				
(i) Derivative liabilities	20 and 26	-	2.87	-
Total financial liabilities		**-**	**2.87**	**-**

As at 31 March 2020	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	5 and 10	145.51	-	0.05
(ii) Derivative assets	7 and 15	-	23.04	-
Total financial assets		**145.51**	**23.04**	**0.05**
Financial liabilities				
(i) Derivative liabilities	20 and 26	-	6.38	-
Total financial liabilities		**-**	**6.38**	**-**

Valuation process and technique used to determine fair values

(i) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors. The fair value of investments in bonds is based on last traded price on stock exchange as at reporting date.

(ii) Fair value for derivatives contracts is determined using observable forward and option exchange rates and yield curves as at the balance sheet date.

(iii) In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:

a) Asset approach - Net assets value method

b) Income approach - Discounted cash flows ("DCF") method

c) Market approach - Enterprise value/Sales multiple method

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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B) (ii) Fair value of financial assets and liabilities measured at amortised cost

The fair values of loans are not materially different from the amortised cost thereof. Further, the management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other current financial assets (excluding derivative assets), current borrowings, trade payables and other current financial liabilities (excluding derivative liabilities) approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

The fair value measurements disclosed in respect of financial assets and liabilities measured at amortised cost fall within Level 3 of fair value hierarchy.

45 RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis Credit ratings	Diversification of bank deposits, collateral credit limits and letter of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flowforecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Foreign currency forwards Foreign currency options Cross currency swaps
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in mutual funds and debt securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date
B: Moderate credit risk
C: High credit risk

(All amounts in ₹ crores, unless otherwise stated)

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Life time expected credit loss or fully provided for

As the Company's trade receivables do not contain a significant financing component, it measures the loss allowance in respect thereof at an amount equal to lifetime expected credit losses

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company or debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

Credit risk exposure

Credit rating	Particulars	As at 31 March 2021	As at 31 March 2020
A: Low credit risk	Cash and cash equivalents	35.39	4.24
	Other bank balances	11.43	33.88
	Loans	9.56	11.46
	Other financial assets	54.97	49.17
	Investments*	202.06	145.56
B: Medium credit risk	-	-	-
C: High credit risk	-	-	-

*Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due. Company obtains the credit insurance for export debtors from Export Credit Guarantee Corporation (ECGC) of India and for domestic debtors from insurance company.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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Investments

The Company invests only in quoted debt securities and mutual funds with very low credit risk. The Company's debt instruments comprised solely of quoted bonds that are graded in the top investment category by the good credit rating agency and, therefore, are considered to be low credit risk investments.

Derivative instruments

Credit risk related to derivative instruments is managed by the Company by doing transactions with highly rated banks. Further, management has established limits for use of derivative instruments to minimise the concentration of risks and therefore mitigate financial loss through counterparties potential failure to make payments.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Provision for expected credit losses

a) **Expected credit losses for financial assets other than trade receivables**

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Company is in possession of the underlying asset. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties.

The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

b) **Expected credit loss for financial assets under simplified approach**

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Customer discounts amounting to ₹ 34.16 crores (31 March 2020 : ₹ 12.12 crores) were not considered for the purpose of computation of expected credit losses under simplified approach. Based on such simplified approach, an allowance of ₹ 3.53 crores and ₹ 2.47 crores as at 31 March 2021 and 31 March 2020 has been recognised respectively

Age of receivables	As at 31 March 2021	As at 31 March 2020
Not due	191.73	131.08
0-180 days past due	29.33	46.95
181-360 days past due	0.11	1.43
More than 360 days past due	2.88	3.52
Total	**224.05**	**182.98**

(All amounts in ₹ crores, unless otherwise stated)

Reconciliation of loss provision – lifetime expected credit losses

Reconciliation of loss allowance	Amount
Loss allowance as on 1 April 2019	**3.26**
Reversal of allowance for expected credit losses	(0.29)
Amounts written off	(0.50)
Loss allowance on 31 March 2020	**2.47**
Allowance for expected credit losses	1.06
Loss allowance on 31 Marc h 2021	**3.53**

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

Floating rate	As at 31 March 2021	As at 31 March 2020
Expiring within one year (cash credit and other facilities)	405.26	455.08
Expiring beyond one year (bank loans - floating rate)	166.28	-

Contractual maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity grouping based on their undiscounted contractual maturities (including interest).

31 March 2021	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	389.08	132.52	168.22	59.47	749.29
(ii) Trade payables	198.65	-	-	-	198.65
(iii) Other financial liabilities	74.48	-	-	-	74.48
(iv) Derivative liabilities	2.81	0.06	-	-	2.87
Total	**665.02**	**132.58**	**168.22**	**59.47**	**1,025.29**

31 March 2020	Less than and equal to 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
(i) Borrowings	382.20	133.68	210.65	30.59	757.12
(ii) Trade payables	144.78	-	-	-	144.78
(iii) Other financial liabilities	57.03	-	-	-	57.03
(iv) Derivative liabilities	5.81	0.57	-	-	6.38
Total	**589.82**	**134.25**	**210.65**	**30.59**	**965.31**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
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C. Market risk

Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Company's exposure to interest rate risk on borrowings is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate	709.71	722.10
Fixed rate	-	-
Total	**709.71**	**722.10**

The following table illustrates the sensitivity of profit after tax and equity to a possible change in interest rates of +/- 1% in current year (31 March 2020: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year+1%	Profit for the year-1%
As at 31 March 2021	(4.62)	4.62
As at 31 March 2020	(4.70)	4.70

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP, Euro and JPY. Fluctuations in foreign currency exchange rates may have an impact on profit or loss and the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through a hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company's policy is to hedge material foreign exchange risk associated with borrowings, highly probable forecast sales and purchases transactions denominated in foreign currencies. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company uses forward exchange contracts, currency swaps, other derivatives and non-derivative instruments to hedge the effects of movements in exchange rates on foreign currency denominated assets, liabilities and highly probable forecast transactions. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies and as well as financing transactions and loans denominated in foreign currencies. The Company is also exposed to foreign exchange risk on its highly probable forecasted sales and purchases. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the profit or loss or other comprehensive income. Instruments designated in hedging relationship and hedge accounting disclosures are include in section "Derivative financial instruments and hedge accounting".

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Forex exposure	As at 31 March 2021		As at 31 March 2020	
	Foreign Currency	INR (in crores)	Foreign Currency	INR (in crores)
Financial assets				
USD	13,489,856	98.71	10,119,823	76.31
GBP	1,022,337	10.31	1,446,719	13.47
EUR	2,627,762	22.56	3,985,289	33.11
JPY	30,419,634	2.01	4,437,238	0.31
Financial liabilities				
USD	42,653,439	312.10	49,527,729	373.47
GBP	12,123	0.12	12,123	0.11
EUR	23,365,097	200.57	26,724,263	222.05
JPY	-	-	327,140	0.02
Derivative contracts				
USD	(21,659,620)	(158.48)	(39,089,771)	(294.78)
EUR	(8,316,780)	(71.39)	(12,928,619)	(107.42)
Forward contracts for forecasted transactions				
EUR/USD	-	-	7,188,550	(4.35)
USD/INR	-	-	6,674,251	(50.33)
EUR/INR	-	-	2,000,000	(16.62)

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	As at 31 March 2021	As at 31 March 2020
USD	73.17	75.41
GBP	100.86	93.12
JPY	0.66	0.70
EURO	85.84	83.09

Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and non-derivative financial instruments designated as cash flow hedges.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD sensitivity				
INR/USD increase by 5.00% (31 March 2020- 5.45%)	(6.94)	(10.54)	-	(1.78)
INR/USD decrease by 5.00%% (31 March 2020- 5.45%)	6.94	10.54	-	1.78
GBP sensitivity				
INR/GBP increase by 5.00% (31 March 2020- 10.26%)	0.33	0.89	-	-
INR/GBP decrease by 5.00% (31 March 2020- 10.26%)	(0.33)	(0.89)	-	-
EUR sensitivity				
INR/EUR increase by 5.00% (31 March 2020- 7.57%)	(5.79)	(9.30)	-	(1.03)
INR/EUR decrease by 5.00% (31 March 2020 7.57%%)	5.79	9.30	-	1.03
JPY sensitivity				
INR/JPY increase by 5.00% (31 March 2020- 10.65%)	0.07	0.02	-	-
INR/JPY decrease by 5.00% (31 March 2020- 10.65%)	(0.07)	(0.02)	-	-

Derivative financial instruments

The fair value of the Company's open derivative positions recorded within financial instruments (derivative) is as follows:

	As at 31 March 2021		As at 31 March 2020	
	Liability	Assets	Liability	Assets
Cash flow hedges				
- Forward foreign currency contracts	1.32	2.83	0.68	9.66
- Options	0.36	2.87	-	10.15
- Interest rate swaps	0.18	-	0.18	-
- Currency swaps	1.01	0.35	5.52	3.23
Total	**2.87**	**6.05**	**6.38**	**23.04**

**Refer statement of profit and loss and statements of change in equity for the change in the fair value of cash flow hedges.*

The Company uses foreign currency forward contracts, foreign currency options contracts and non-derivative financial instruments (i.e. foreign currency borrowings) to mitigate exchange rate exposure arising from forecast sales and purchase in USD, EUR and GBP. Also, the Company uses foreign currency options contracts, cross currency swap contracts and interest rate swap contracts to mitigate exchange rate exposure and interest rate exposure arising from foreign currency borrowings.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instrument to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards and cross currency swaps entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

(All amounts in ₹ crores, unless otherwise stated)

In hedges of foreign currency borrowings and forecast transaction, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness in the hedges have been disclosed.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Other derivatives, which have not been designated in hedging relationship, are considered by management to be part of economic hedge arrangements but have not been formally designated.

Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price	Changes in fair value of the hedging instrument	'Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31 March 2021								
<u>Derivative instruments</u>								
(i) Foreign exchange forward contracts	USD 24,881,595	2.16	2.22	June 2021- November 2021	1:1	USD/INR- 75.39	(0.06)	0.06
	EUR 7,347,375	0.62	0.44	April 2021- February 2022	1:1	EUR/INR- 87.88	0.18	(0.18)
	USD 1,500,000	0.35	-	April 2021- June 2021	1:1	-	0.35	(0.35)
	EUR 8,000,000	2.16	-	October 2021- December 2022	1:1	-	2.16	(2.16)
	EUR 3,000,000	0.25	-	May 2022- December 2022	1:1	-	0.25	(0.25)
(ii) Cross currency swap contracts	USD 611,835	0.35	-	April 2021- August 2021	1:1	USD/ INR 67.30	0.35	(0.35)
<u>Non-derivative instruments</u>								
(i) Foreign currency borrowings*	EUR 3,726,220	-	31.99	April 2020- July 2023	1:1	EUR/INR- 79.87	0.07	(0.07)
	USD 2,059,161		15.07	April 2021- May 2022	1:1	USD/JPY 111.27	(0.13)	0.13

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price	Changes in fair value of the hedging instrument	'Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
As at 31 March 2020								
Derivative instruments								
(i) Foreign exchange forward contracts	USD 17,845,311.15	1.22	0.60	April 2020 - June 2022	1:1	USD/INR 75.31	0.62	(0.62)
	EUR 2,732,630	0.18	0.08	April 2020 - June 2022	1:1	EUR /INR 90.64	0.09	(0.09)
	EUR 8,000,000	6.34	-	December 20- February 2021	1:1	EUR/USD - 1.20	6.34	(6.34)
	GBP 500,000	0.14	-	September 2020	-		0.14	(0.14)
(ii) Cross currency swap contracts	USD 1,835,503	1.36	-	April 2020- August 2021	1:1	USD/ INR 67.30	1.36	(1.36)
	USD 3,043,976	-	0.57	April 2020- May 2022	1:1	USD/JPY 111.27	(0.57)	0.57
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 5,818,660	-	48.35	April 2020- July 2023	1:1	EUR/INR -79.85	0.04	(0.04)

* represents outstanding balance of loans designated under natural hedge

Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2021

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	(1.84)	-	2.41	Finance cost and other expenses/ income
(ii) Cross currency swap contracts	(0.79)	-	1.49	Finance cost and other expenses/income
(iii) Foreign currency borrowings	0.62	-	0.13	Finance cost and other expenses/income

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

For the year ended 31 March 2020

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	8.30	-	(14.56)	Revenue, Cost of material consumed, finance cost and other expenses/ income
(ii) Cross currency swap contracts	0.63	-	(2.90)	Finance cost and other expenses/income
(iii) Foreign currency borrowings	(4.09)	-	0.48	Revenue and other expenses/income

Price risk

Exposure

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period :

Particulars	Impact on profit after tax		Impact on other components of equity	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investments*				
Net asset value - increase by 1%	0.02	0.05	1.30	0.90
Net asset value - decrease by 1%	(0.02)	(0.05)	(1.30)	(0.90)

*Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence,not presented here.

46. CAPITAL MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarised as follows:

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

The Company monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, tax, depreciation and amortisation (EBITDA)

Debt equity ratio

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	710.62	720.88
Less: Investments	(202.01)	(145.51)
Less: Cash and cash equivalents	(35.39)	(4.24)
Less: Pledged deposits	(9.57)	(32.48)
Less: Deposits with bank	(0.38)	-
Net debt	**463.27**	**538.65**
Total equity	834.28	745.43
Net debt to equity ratio	**55.53%**	**72.26%**

Ratio of net debt to EBIDTA

Particulars	As at 31 March 2021	As at 31 March 2020
Profit before exceptional items and tax*	305.43	163.46
Add: Depreciation and amortisation expenses	52.50	49.57
Add: Finance cost	39.71	49.39
EBIDTA	**397.64**	**262.42**
Net debt	463.27	538.65
Ratio of net debt to EBIDTA	**1.17**	**2.05**

*Includes other income

Gearing ratio

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt	463.27	538.65
Total equity	834.28	745.43
Equity and net debt	1,297.55	1,284.08
Gearing ratio	**35.70%**	**41.95%**

Dividend paid	As at 31 March 2021	As at 31 March 2020
Equity shares		
Final dividend for the year ended 31 March 2020 ₹ Nil (31 March 2019: ₹ 6 per share) (including dividend distribution tax)	-	14.06
Interim dividend for the year ended 31 March 2021 of ₹ 25 per share (31 March 2020: ₹ 15 per share) (including dividend distribution tax)	44.53	35.15

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

47 SEGMENT REPORTING

In accordance with Ind AS 108, the Board of Directors being the Chief operating decision maker of the Company have determined its only one business segment of packaging films. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below:

a) Revenue as per geographical markets:

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Packaging films	1,152.02	1,114.58	874.28	853.25
Total	**1,152.02**	**1,114.58**	**874.28**	**853.25**

b) There are no customer who has contributed of 10% or more in the revenue.

48 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening balance as at 1 April 2020	**482.94**	**237.94**	**720.88**
Cash flow:			
- Proceeds	124.15	4.92	**129.07**
- Repayment	(132.66)	-	**(132.66)**
Non cash			
- Finance cost adjustment for effective interest rate	0.30	-	**0.30**
- Foreign exchange difference	(8.16)	0.28	**(7.88)**
Closing balance as at 31 March 2021	**466.57**	**243.14**	**709.71**

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening balance as at 1 April 2019	**539.66**	**202.18**	**741.84**
Cash flow:			
- Proceeds	18.31	35.76	**54.07**
- Repayment	(113.10)	-	**(113.10)**
Non cash			
- Finance cost adjustment for effective interest rate	0.38	-	**0.38**
- Foreign exchange difference	37.69	-	**37.69**
Closing balance as at 31 March 2020	**482.94**	**237.94**	**720.88**

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

49 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.

50 The Company continues to closely monitor the impact of the Covid-19 pandemic on all aspects of its business. The Company is engaged in the business of flexible packaging films which is part of essential commodities, and therefore, the pandemic had marginal impact on the business operations of the Company. The management has exercised due care in concluding significant accounting judgements and estimates, inter-alia, recoverability of receivables, impairment assessment of financial and non-financial assets, realisability of Inventory and accordingly noted no significant impact on its financial results. Further, management believes that the Company will be able to discharge the liabilities as and when falling due. The Company will continue to monitor current and future conditions and impact thereof on Company's operations.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Place : Noida
Date : 20 May 2021

Pankaj Poddar
Chief Executive Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

INDEPENDENT AUDITOR'S REPORT

To the Members of Cosmo Films Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Cosmo Films Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2021, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
Derivative financial instruments The group has entered into various derivative contracts including foreign exchange forward contracts, currency options, cross currency swaps and interest rate swaps which are used to manage and hedge foreign currency exchange risks and interest rate risks. The Group has reported net derivative financial assets at fair value of ₹ 6.05 crores and net derivative financial liabilities at fair value of ₹2.87 crores as of 31 March 2021. The Group's accounting policy on derivatives is disclosed in note 1 (iv) I) (iii) and related disclosures are included in note 48. The Group's significant judgements in applying accounting policy are disclosed in note 1 (v).	We assessed the design and implementation and tested the operating effectiveness of the key controls over management's processes for valuation of derivative financial instruments. Our audit procedures included, but were not limited to, the following substantive procedures: • Obtained independent direct confirmations from banks to confirm the outstanding financial instruments in order to verify existence and rights. • Reviewed the hedging strategy of the Group, economic relationship and hedge ratio between hedged items and hedging instruments to assess the hedge effectiveness of derivative contracts to the extent hedge accounting is applied.

The fair value of the derivative financial instruments is based on year-end quotes received from counterparty banks. In respect of designated hedging relationships, the Group measures the effectiveness thereof using valuation models, such as hypothetical derivative method. Testing the fair valuation of derivative instruments and effectiveness of hedging relationships, where applicable, are complex exercises and hence required substantial involvement of senior personnel on the audit engagement with relevant experience. Accordingly, valuation of the derivative financial instruments and hedge accounting is determined to be a key audit matter.	• Inspected the underlying agreements and deal confirmations for the derivatives. • Assessed whether the accounting policy is consistent with the requirements of Ind AS 109 'Financial Instruments'. • Evaluated the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting. We have also obtained written representations from management and those charged with governance on whether the significant assumptions used in valuation of derivatives are considered reasonable.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets (after eliminating intra-group balances) of ₹ 219.62 crores as at 31 March 2021, total revenue of

₹ 296.84 crores, net profit after tax of ₹ 15.58 crores, total comprehensive income of ₹ 18.03 crores (after eliminating intra-group transactions) and net cash inflows of ₹ 2.21 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Further, these subsidiaries are located outside India and their financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

2. We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets (after eliminating intra-group balances) of ₹ 70.15 crores as at 31 March 2021, total revenues of ₹ 124.87 crores, total net profit after tax of ₹ 5.43 crores, total comprehensive income of ₹ 5.67 crores (after eliminating intra-group transactions) and net cash inflows of ₹ 3.64 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

3. The consolidated financial statements of the Group for the year ended 31 March 2020, were audited by predecessor auditor who expressed an unmodified opinion on those financial statements on 4 June 2020.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and on the basis of the written representations received from the directors of one subsidiary company covered under the Act, none of the directors of the Holding Company and such subsidiary company covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in “Annexure A’.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. Further, one subsidiary company, which is covered under the Act, has not paid or provided for any managerial remuneration during the year.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2021.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACA4917

Place: Noida
Date: 20 May 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Cosmo Films Limited on the consolidated financial statements as of and for the year ended 31 March 2021)

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

In conjunction with our audit of the consolidated financial statements of Cosmo 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 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACA4917

Place: Noida
Date: 20 May 2021

CONSOLIDATED BALANCE SHEET as at 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	1,002.53	1,001.17
b) Capital work-in-progress	3	20.23	15.96
c) Investment property	4	15.44	18.85
d) Intangible assets	5	2.47	2.72
e) Financial assets			
(i) Investments	6	0.21	0.20
(ii) Loans	7	7.84	9.69
(iii) Other financial assets	8	2.58	1.80
f) Deferred tax assets (net)	23	4.95	4.97
g) Income tax assets (net)		10.74	14.34
h) Other non-current assets	9	63.91	53.76
		1,130.90	**1,123.46**
Current assets			
a) Inventories	10	374.79	275.34
b) Financial assets			
(i) Investments	11	247.24	145.51
(ii) Trade receivables	12	188.51	193.14
(iii) Cash and cash equivalents	13	63.46	26.48
(iv) Bank balances other than (iii) above	14	11.43	33.88
(v) Loans	15	2.12	2.97
(vi) Other financial assets	16	41.03	47.37
c) Other current assets	17	63.35	56.54
		991.93	**781.23**
Non-current assets classified as held for sale	2	2.50	5.53
TOTAL ASSETS		**2,125.33**	**1,910.22**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	18	18.17	19.44
b) Other equity	19	835.69	721.48
		853.86	**740.92**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	20	337.57	355.30
(ii) Other financial liabilities	21	0.06	0.57
b) Provisions	22	21.36	11.88
c) Deferred tax liabilities (net)	23	98.42	61.35
d) Other non-current liabilities	24	47.70	50.08
		505.11	**479.18**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	25	293.72	306.51
(ii) Trade payables			
(a) Total outstanding dues to micro and small enterprises	26	2.41	0.80
(b) Total outstanding dues to creditors other than micro and small enterprises	26	201.29	156.31
(iii) Other financial liabilities	27	225.70	194.65
b) Other current liabilities	28	31.00	28.66
c) Provisions	29	12.24	3.19
		766.36	**690.12**
TOTAL EQUITY AND LIABILITIES		**2,125.33**	**1,910.22**
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

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

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974

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

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue			
Revenue from operations	30	2,285.18	2,203.53
Other income	31	37.74	19.46
Total income		**2,322.92**	**2,222.99**
Expenses			
Cost of materials consumed		1,436.06	1,484.50
Purchase of traded goods		0.62	3.56
Change in inventory of finished goods and stock in trade	32	(36.34)	(16.46)
Employee benefits expenses	33	193.04	162.57
Finance costs	34	41.68	52.57
Depreciation, amortisation and impairment expense	35	59.22	65.05
Allowance for expected credit losses		1.12	0.66
Other expenses	36	298.78	307.70
Total expenses		**1,994.18**	**2,060.15**
Profit before tax		**328.74**	**162.84**
Tax expense	37		
- Current tax		55.65	29.01
- Deferred tax expense		36.19	20.39
Total tax expense		**91.84**	**49.40**
Net profit for the year		**236.90**	**113.44**
Other comprehensive income			
1) Items that will not be reclassified to profit or loss			
- Remeasurements of net defined benefit plans		(7.61)	(0.68)
- Tax on above items		2.66	0.24
2) Items that will be reclassified to profit or loss			
- Effective portion of gain/(loss) on hedging instrument in cash flow hedge		2.56	(11.75)
- Net changes in fair value of financial instruments carried at fair value through other comprehensive income		13.32	(5.29)
- Foreign currency translation reserve		(1.62)	10.84
- Tax on above items		(3.62)	5.96
Total other comprehensive income		**5.69**	**(0.68)**
Total comprehensive income		**242.59**	**112.76**
Earnings per equity share	38		
- Basic		127.02	59.19
- Diluted		125.72	59.19
Summary of significant accounting policies	1		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated Statement of Profit and Loss referred to in our report of even date.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Place : Noida
Date : 20 May 2021

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

A. Equity share capital

Opening balance as at 1 April 2019	**19.44**
Changes during the year	-
Closing balance as at 31 March 2020	**19.44**
Changes during the year	(1.27)
Closing balance as at 31 March 2021	**18.17**

B. Other Equity

Particulars	Reserves and Surplus						Items of other comprehensive income				Treasury shares	Total
	Retained earnings	Securities premium	Shares options outstanding account	Capital reserve	General reserve	Capital redemption reserve	Currency translation reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
Balance as at 1 April 2019	**340.46**	**31.26**	**5.23**	**4.10**	**278.11**	**-**	**3.45**	**6.65**	**-**	**-**	**(8.46)**	**660.80**
Profit for the year	113.44	-	-	-	-	-	-	-	-	-	-	113.44
Other comprehensive income/(expense)	(0.44)	-	-	-	-	-	10.84	(7.64)	-	(3.44)	-	(0.68)
Total comprehensive income for the year	**113.00**	**-**	**-**	**-**	**-**	**-**	**10.84**	**(7.64)**	**-**	**(3.44)**	**-**	**112.76**
Transaction with owners												
Equity dividend	(40.24)	-	-	-	-	-	-	-	-	-	-	(40.24)
Tax on equity dividend	(8.40)	-	-	-	-	-	-	-	-	-	-	(8.40)
Employee share-based compensation	-	-	1.03	-	-	-	-	-	-	-	-	1.03
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	(4.52)	(4.52)
Movement during the year	0.05	-	-	-	-	-	-	-	-	-		0.05
Balance as at 31 March 2020	**404.87**	**31.26**	**6.26**	**4.10**	**278.11**	**-**	**14.29**	**(0.99)**	**-**	**(3.44)**	**(12.98)**	**721.48**
Balance as at 1 April 2020	**404.87**	**31.26**	**6.26**	**4.10**	**278.11**	**-**	**14.29**	**(0.99)**	**-**	**(3.44)**	**(12.98)**	**721.48**
Profit for the year	236.90	-	-	-	-	-	-	-	-	-	-	236.90
Other comprehensive (expense)/income	(4.95)	-	-	-	-	-	(1.62)	1.68	2.55	8.03	-	5.69
Total comprehensive income for the year	**231.95**	**-**	**-**	**-**	**-**	**-**	**(1.62)**	**1.68**	**2.55**	**8.03**	**-**	**242.59**
Transaction with owners												
Buyback of equity share capital including expenses thereto	-	(31.26)	-	-	(58.02)	-	-	-	-	-	-	(89.28)
Transfer from general reserve on account of buyback of equity share capita	-	-	-	-	(1.27)	1.27	-	-	-	-	-	-
Equity dividend	(44.53)	-	-	-	-	-	-	-	-	-	-	(44.53)
Employee share-based compensation	-	-	0.52	-	-	-	-	-	-	-	-	0.52
Transfer from share option outstanding on exercise and lapse	-	2.36	(2.43)	-	0.07	-	-	-	-	-	-	(0.00)
Movement during the year	0.05	-	-	-	-	-	-	-	-	-	-	0.05
Sale of treasury shares	-	1.94	-	-	-	-	-	-	-	-	2.92	4.86
Balance as at 31 March 2021	**592.34**	**4.30**	**4.35**	**4.10**	**218.89**	**1.27**	**12.67**	**0.69**	**2.55**	**4.59**	**(10.06)**	**835.69**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

This is the consolidated Statement of Changes in Equity referred to in our report of even date.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974

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

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	328.74	162.84
Adjustment for		
Depreciation and amortisation expenses	59.22	65.05
Finance costs	41.68	52.57
Gain on investments carried at fair value through profit and loss	(2.64)	(1.51)
Gain on investments carried at fair value through other comprehensive income	(3.71)	-
Increase in allowance for expected credit losses	1.12	0.66
Dividend income	(0.11)	-
Interest income	(17.12)	(12.54)
Grant income on export promotion capital goods	(2.90)	(2.89)
Liabilities no longer required written back	(0.55)	(0.11)
Loss on sale of property, plant and equipment	0.75	(0.14)
Profit on disposal of non current assets held for sale	(6.13)	-
Employee share based compensation	0.52	1.03
Unrealised (gain)/loss on exchange fluctuation	(1.12)	(4.18)
Unrealised sales tax incentives	(14.99)	(17.15)
Operating profit before working capital changes	**382.76**	**243.63**
Adjustment for		
Inventories	(99.65)	2.52
Trade receivables	4.86	24.61
Loans	(1.94)	0.60
Other financial assets	2.87	14.59
Other assets	5.02	(1.60)
Trade payables	46.19	(43.10)
Other financial liabilities	35.16	18.59
Other liabilities	1.41	2.18
Provisions	10.91	10.91
Cash flow from operating activities post working capital changes	**387.59**	**272.93**
Income tax paid (net)	(52.11)	(32.53)
Net cash flow from operating activities (A)	**335.48**	**240.40**
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and capital work in progress (including capital advances)	(74.57)	(49.97)
Sale of property, plant and equipment	0.74	(0.05)
Proceeds from disposal of non current assets held for sale	10.58	-
Purchase of investments (net)	(81.62)	(67.50)
Interest received	17.99	6.56
Dividend received	0.11	-
Investments in / (redemption of) fixed deposits (net)	20.94	1.38
Advance received against non-current assets held for sale	0.82	3.85
Net cash flow used in investing activities (B)	**(105.01)**	**(105.73)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	124.15	18.31
Repayment of long term borrowings	(132.66)	(113.10)
(Repayment of) /proceeds from short term borrowings (net)	(13.07)	34.89
Sale/ (acquisition) of treasury shares	4.86	(4.52)
Interest paid	(41.69)	(52.38)
Dividend and tax thereon paid	(44.53)	(48.64)
Buyback of Equity shares including expenses and taxes	(90.55)	-
Net cash flow used in financing activities (C)	**(193.49)**	**(165.44)**
Increase/ (decrease) in net cash and cash equivalents (A+B+C)	**36.98**	**(30.77)**
Cash and cash equivalents at the beginning of the year (refer note 13)	26.48	57.25
Cash and cash equivalents at the end of the year (refer note 13)	**63.46**	**26.48**

Summary of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

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

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

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

Rajeev Kumar Saxena
Partner
Membership No.: 077974

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
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Chief Executing Officer
Membership No.: 096861
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Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2021

(All amounts in ₹ crores, unless otherwise stated)

1. Corporate information, basis of preparation, basis of consolidation and summary of significant accounting policies

i) Corporate information

Cosmo Films Limited (the 'Holding Company'), manufacturers of Bi-axially Oriented Polypropylene Films (BOPP) was incorporated in India in 1981, under the Companies Act, 1956. The Holding Company is engaged in the production of flexible packaging films. Company's products majorly comprise of BOPP Films, Thermal Films and Coated Films. In India, the Holding Company is currently having manufacturing facilities at Aurangabad and Shendra in Maharashtra and at Karjan in Gujarat. It also has its subsidiaries operating in different countries.

ii) Basis of preparation

The consolidated financial statements ('financial statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The consolidated financial statements for the year ended 31 March 2021 were approved for issue by the Board of Directors on 20 May 2021.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans – plan assets measured at fair value.

iii) Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Holding Company can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Holding Company. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its separate financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Company and its subsidiaries (jointly referred to as the 'Group' herein under) are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

iv) Significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Group:

Tangible assets	Useful life
Building – Factory	30 years
Building – Non factory	60 years
Continuous process plant and machinery	25 years
Other plant and machinery	15 years
Furniture and fittings	10 years
Vehicles	8 years
Office equipment	3-5 years

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

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

c) Investment property

Recognition and initial measurement

Investment properties are measured initially at cost, including transaction costs and where applicable, borrowing costs. Following initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Subsequent measurement (depreciation and useful lives)

Subsequent to initial recognition, an expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated over the useful economic life and assessed for impairment whenever there is an indication that the investment properties may be impaired.

De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	Amortised over a period of 6 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest method that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Inventory

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes direct expenses and is determined on the basis of weighted average method.
- Stores and spares cost includes direct expenses and is determined on the basis of weighted average method.
- In case of finished goods, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

h) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR or ₹) and are rounded to two decimal places of crores, which is also the Holding Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency by applying the spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items as at reporting date are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

As per the generally accepted accounting principles followed by the Group till 31 March 2017, exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. Exchange differences arising on other long-term foreign currency monetary items existing as on 31 March 2017 are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. The Group has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2017 as allowed under Ind AS 101.

For this purpose, the Group treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date and the equity is translated at historical rate. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to the statement of profit or loss and are recognised as part of the gain or loss on disposal.

i) Leases

Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The group as a lessee

The Group's leased asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The group as a lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k) Revenue recognition – sale of products and services

Sales (including scrap sales) are recognised when control of products is transferred to the buyer as per the terms of the contract and are accounted for net of returns and rebates. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Sales, as disclosed, are exclusive of goods and services tax.

Income in respect of service contracts, which are generally in the nature of providing job work services, are recognised in statement of profit and loss on completion of performance obligation.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. No element of financing is deemed present as the sales are largely made on advance payment terms or with credit term of not more than one year.

The transaction price is allocated by the Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

l) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. Effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

ii. Investments in equity instruments of subsidiaries - Investments in equity instruments of subsidiaries existing as at 1 April 2016, the date of transition to Ind AS, are accounted for at fair value at such date, as per the exemptions available in Ind AS 101. Other investments in equity instruments of subsidiaries are accounted for at their cost.

iii. Financial assets at fair value

- **Investments in equity instruments other than above –** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Bonds -** All bonds are in scope of Ind-AS 109 and measured at fair value. Bonds which are held for the purpose of both collecting contractual cash flows and selling financial assets are classified as at fair value through other comprehensive income (FVOCI). Bonds which are held for the purpose of trading are classified as at fair value through profit and loss (FVTPL).
- **Derivative assets -** All derivative assets are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Hedge accounting

The Group enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates which are designated as cash flow hedges. Further, the Group has designated certain non-derivative financial instruments in cash flow hedging relationship to manage its exposure to risk arising from changes in foreign exchange rates.

At the inception of a hedge relationship, the Group documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the period under audit, the Group has designated certain forward currency contracts, cross currency swaps and foreign currency risk component of borrowings in foreign currencies as hedging instruments in cash flow hedge relationships. The forward currency contracts and cross currency swaps have been entered into to mitigate foreign currency exchange risk arising from financial liabilities denominated in foreign currencies. Further, foreign currency risk component of borrowings in foreign currencies are designated to hedge the foreign currency risk in certain highly probable sales transactions denominated in foreign currency.

Cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

(i) The cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) The cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the cash flow hedge reserve until the forecast transaction occurs.

n) Impairment of financial assets

All financial assets except for those at FVTPL and investments in equity instruments measured at FVOCI are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

i. For debtors that are not past due – The Group applies approach permitted by Ind AS 109 'Financial Instruments', which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime expected credit losses are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

   Life time expected credit losses are assessed and accounted based on Group's historical counter party default rates and forecast of macro-economic factors, by dividing receivables that are not considered to be individually significant by reference to the business segment of the counter party and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counter party default rates. The Group defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

ii. For debtors considered past due – any enhancement in the accrual done for expected credit loss on individually significant receivables is made to recognise any additional expected credit loss on amount recoverable. The Group writes off trade receivables when there is no objective evidence that such amounts would not be recovered. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

o) Post-employment and other employee benefits

Defined contribution plan

Provident fund

The Group makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Superannuation fund

Superannuation is a post-employment benefit defined contribution plan under which the Group pays specified contributions to the insurer. The Group makes specified quarterly contributions to the superannuation fund. The contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee.

Defined benefit plans

The Holding Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

p) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognised to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Group will pay normal income tax during the specified period.

s) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

t) Non-current assets held for sale

An entity shall classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation

u) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

w) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

x) Employee share based payments

The Group has granted stock options / restricted stock units under Cosmo Films Employees Stock Option Plan 2015 / Share Based Employee Benefit Scheme, 2021 to the employees of the Group and its subsidiaries. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in share options outstanding account. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share options outstanding account. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Group's accounting policies and that may have the most significant effect on the amounts recognised in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory – The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Useful lives of depreciable/ amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Contingent liabilities – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

vi) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Description	Own assets						Right of use assets	Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Land	
Gross carrying value								
As at 1 April 2019	**29.61**	**194.96**	**1,132.91**	**11.12**	**12.20**	**22.12**	**106.78**	**1,509.70**
Additions	-	5.60	56.47	0.01	1.83	0.93	-	64.84
Disposals	-	-	(0.75)	-	(0.55)	-	-	(1.30)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(5.66)	(5.66)
Foreign exchange fluctuation	0.19	0.27	14.22	0.01	0.02	0.04	-	14.75
As at 31 March 2020	**29.80**	**200.83**	**1,202.85**	**11.14**	**13.50**	**23.09**	**101.12**	**1,582.33**
Additions	2.08	0.53	47.11	0.10	3.54	2.57	-	55.93
Disposals/adjustments	-	(0.76)	(2.42)	-	(1.80)	(0.24)	-	(5.22)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.12)	(0.12)
Foreign exchange fluctuation	0.56	0.60	2.34	(0.01)	0.01	0.01	-	3.51
As at 31 March 2021	**32.44**	**201.20**	**1,249.88**	**11.23**	**15.25**	**25.43**	**101.00**	**1,636.43**
Accumulated depreciation								
As at 1 April 2019	**-**	**44.59**	**449.90**	**6.95**	**5.67**	**18.17**	**3.77**	**529.05**
Charge for the year	-	5.61	41.88	0.88	1.19	1.30	1.55	52.41
Disposals	-	-	(0.67)	-	(0.36)	-	-	(1.03)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.13)	(0.13)
Foreign exchange fluctuation	-	0.07	0.71	0.02	0.04	0.02	-	0.86
As at 31 March 2020	**-**	**50.27**	**491.82**	**7.85**	**6.54**	**19.49**	**5.19**	**581.16**
Charge for the year	-	5.49	44.38	0.71	1.56	1.26	1.46	54.86
Disposals/adjustments	-	0.30	0.36	-	(1.02)	(0.98)	(0.12)	(1.46)
Transferred to assets classified as held for sale	-	-	-	-	-	-	(0.02)	(0.02)
Foreign exchange fluctuation	-	(0.14)	(0.50)	0.01	-	(0.01)	-	(0.64)
As at 31 March 2021	**-**	**55.92**	**536.06**	**8.57**	**7.08**	**19.76**	**6.51**	**633.90**
Net carrying amount as at 31 March 2020	**29.80**	**150.56**	**711.03**	**3.29**	**6.96**	**3.60**	**95.93**	**1,001.17**
Net carrying amount as at 31 March 2021	**32.44**	**145.28**	**713.82**	**2.66**	**8.17**	**5.67**	**94.49**	**1,002.53**

Note:

a) Additions include ₹ 0.01 crores (31 March 2020: ₹ 1.90 crores) towards assets located at research and development facilities.

b) Contractual obligation

Refer note 39 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Property, plant and equipment pledged as security

Refer note 20 and 25 for information on property, plant and equipment pledged as security by the Group.

d) During previous year ended 31 March 2020, the Group had executed an agreement for transfer of 5.145 acres (sellable area 16664.05 Sq Mtr) of land (classified under right of use assets) at B-14/10 MIDC Area, Waluj, Aurangabad, Maharashtra for a consideration of ₹ 15.43 crores and classified it as non current asset held for sale. Out of the aforesaid land, the Group has executed assignment deeds to the extent of 10673.04 Sq. Mtr and completed the transfer during the current year. The Group has received advance amounting to ₹ 4.67 crores (previous year ₹ 3.85 crores) pursuant to the remaining 5991.01 Sq. Mtr of land. The transfer of remaining land is subject to necessary approval from MIDC and execution of assignment deed which is expected to be completed within 12 months from the balance sheet date. The fair value of the land was determined using the agreed sale consideration which is a Level 2 measurement as per the fair value hierarchy.

Assets classified under assets held for sale includes:

Particulars	As at 31 March 2021	As at 31 March 2020
Leasehold land	2.55	5.66
Less: Accumulated depreciation	(0.05)	(0.13)
	2.50	**5.53**

e) Depreciation for the year has been included in “depreciation and amortisation expense” line item in statement of profit and loss.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

Description	Amount
As at 1 April 2019	**32.33**
Add: Addition during the year	48.47
Less: Capitalisation during the year	(64.84)
As at 31 March 2020	**15.96**
Add: Addition during the year	60.20
Less: Capitalisation during the year	(55.93)
As at 31 March 2021	**20.23**

4 INVESTMENT PROPERTY

Description	Building	Total
Gross carrying value		
As at 1 April 2019	32.46	**32.46**
Foreign exchange	1.62	**1.62**
As at 31 March 2020	**34.08**	**34.08**
Foreign exchange	0.38	**0.38**
As at 31 March 2021	**34.46**	**34.46**
Accumulated depreciation		
As at 1 April 2019	3.00	**3.00**
Charge for the year	1.21	**1.21**
Impairment losses	11.02	**11.02**
As at 31 March 2020	**15.23**	**15.23**
Charge for the year	0.79	**0.79**
Impairment losses	3.00	**3.00**
As at 31 March 2021	**19.02**	**19.02**
Net carrying amount as at 31 March 2020	**18.85**	**18.85**
Net carrying amount as at 31 March 2021	**15.44**	**15.44**

(i) Amount recognised in Statement of Profit and loss for investment properties

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income	-	-
Impairment losses	(3.00)	(11.02)
Profit from investment properties before depreciation	-	-
Depreciation	(0.79)	(1.21)
Loss from investment property	**(3.79)**	**(12.23)**

The Group's investment property consists real estate property in Thailand. The Group is holding the property for the purpose of capital appreciation.

* During the previous year, there were certain amendments to existing local laws and regulations governing real estate properties in Thailand which imposed certain restrictions on usage of such properties resulting in a decline in fair value of investment properties.

The management of the Group compared the carrying amount of ₹ 18.44 crores (31 March 2020: ₹ 29.87 crores) of investment property with the recoverable amount of ₹ 15.44 crore (31 March 2020: ₹ 18.85 crore) (i.e. the fair value less cost of disposal) and accordingly, recorded an impairment loss of ₹ 3.00 crores (31 March 2020: ₹ 11.02 crores) on account of permanent diminution in the value of investment property.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Impairment loss has been included under 'depreciation, amortisation and impairment expense' under Statement of Profit and Loss.

(ii) Fair value

	As at 31 March 2021	As at 31 March 2020
Investment property	15.44	18.85

Estimation of fair value

The fair value of investment property has been determined by an accredited independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The fair valuation approach used by the independent valuer is market approach. The best evidence for fair value is current prices in an active market for similar properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group obtains independent valuations for its investment property and fair value measurement in its entirety has been categorised as Level 3 of the fair value hierarchy.

(iii) Description of key inputs to valuation on investment properties

The main inputs used for determination of fair valuation of investment properties are mentioned below.

	31 March 2021	31 March 2020
Comparable prices of the properties (refer note a)	₹ 274,674 per sq. mt.	₹ 334,944 per sq. mt.
Discounts rates based on comparable transactions	40%	40%

Note (a): comparable prices of the properties represents price adjusted post adjustment of discount rate.

Under market approach, fair value is estimated based on the comparable prices after applying appropriate discounts rates based on comparable transactions.

5 INTANGIBLE ASSETS

Description	Software	Total
Gross carrying value		
As at 1 April 2019	10.61	**10.61**
Additions	0.03	**0.03**
As at 31 March 2020	**10.64**	**10.64**
Additions	1.16	**1.16**
Disposals/adjustment	0.19	**0.19**
As at 31 March 2021	**11.99**	**11.99**
Accumulated amortisation		
As at 1 April 2019	7.51	**7.51**
Charge for the year	0.41	**0.41**
As at 31 March 2020	**7.92**	**7.92**
Charge for the year	0.57	**0.57**
Disposals/adjustment	1.03	**1.03**
As at 31 March 2021	**9.52**	**9.52**
Net carrying amount as at 31 March 2020	**2.72**	**2.72**
Net carrying amount as at 31 March 2021	**2.47**	**2.47**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

6 NON-CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Carried at fair value through profit and loss		
Investments in equity instruments		
Others (unquoted):		
2,615,000 (31 March 2020: 2,615,000) equity shares of ₹ 0.19 each fully paid up in OPGS Power Gujarat Private Limited	0.05	0.05
7,57,000 (31 March 2020: Nil) equity shares of ₹ 0.19 each fully paid up in Bhardreshwar Vidyut Private Limited	0.01	-
6,445 (31 March 2020: 6,445) equity shares of THB 100 each fully paid up in Naithon Beach Limited	0.15	0.15
	0.21	**0.20**
Aggregate amount of unquoted investments	0.21	0.20

7 NON-CURRENT LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Loans considered good - secured*		
- Loans to officer	5.47	7.17
Loans considered good - unsecured		
- Loans to employees	0.68	0.72
- Security deposit	1.69	1.80
	7.84	**9.69**

*Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

8 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with bank (with remaining maturity more than 12 months)	0.17	-
Derivative assets	2.41	1.80
	2.58	**1.80**

Note:

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

9 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	35.79	28.15
Recoverable from statutory authorities	25.33	21.12
Prepaid expenses	2.79	3.99
Others	-	0.50
	63.91	**53.76**

10 INVENTORIES

Particulars	As at 31 March 2021	As at 31 March 2020
(At lower of cost and net realisable value)		
Raw material (refer note a below)	157.37	91.89
Finished goods (refer note b below)	197.13	160.78
Stores and spares	20.29	22.67
	374.79	**275.34**

Note:

a) including goods in transit ₹ 47.07 crores (31 March 2020: ₹ 19.40 crores)

b) including goods in transit ₹ 73.64 (31 March 2020: ₹ 29.35 crores)

c) refer note 20 and 25 for inventories pledged as security for liabilities

11 CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Investments in mutual funds (quoted) (refer note a below)	0.09	7.03
Investments in equity instruments (quoted) (refer note a below)	2.83	-
Investment carried at fair value through other comprehensive income		
Investments in perpetual bonds & mutual funds (quoted) (refer note a below)	190.72	138.48
Investments in equity instruments (unquoted) (refer note a below)	12.43	-
Investments in market linked debentures (quoted) (refer note a below)	41.17	-
	247.24	**145.51**
a) Details of investments are as follows:		
Investments carried at fair value through profit and loss		
Investments in mutual funds (quoted)		
ICICI Prudential Ultra Short Term Fund Direct Plan Growth**	-	5.44
TFG1Z Tata Ultra Short Term Fund Direct Plan- Growth	0.09	0.09
Axis Bluechip Fund-Direct Plan Growth	-	1.50
	0.09	**7.03**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

11 CURRENT INVESTMENTS *(CONTD.)*

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in equity instruments (quoted)		
HDFC Life Insurance Company Limited	0.59	-
ICICI Lombard General Insurance Company Limited	0.32	-
HDFC Bank Limited	0.32	-
HDFC Asset Management Company Limited	0.25	-
Kotak Mahindra Bank Limited	0.25	-
ICICI Bank Limited	0.29	-
Britannia Industries Limited	0.17	-
Bata India Limited	0.16	-
Infosys Limited	0.18	-
Reliance Industries Limited	0.30	-
	2.83	**-**
Investments carried at fair value through other comprehensive income		
Investments in perpetual bonds & mutual funds (quoted)		
State Bank of India Series 1 NCD Perpetual Bond	-	20.34
HDFC Bank Limited SR-1 Perpetual Bond	-	21.40
ICICI Bank Limited SR-DDE18AT BD Perpetual Bond	10.97	34.61
State Bank of India Series 1 BD Perpetual Bond	21.50	20.70
State Bank of India Series II BD Perpetual Bond	20.95	20.74
Bank of Baroda Series IX Basel III Additional Tier-I NC Perpetual Bond	10.44	10.03
ICICI Bank Limited SR-DMR18AT BD Perpetual Bond	5.54	10.66
Whitespace Alpha Debt Fund	2.60	-
Axis Bank Limited SR-28 NCD Perpetual Bond	10.77	-
Union Bank of India PERP XX	20.00	-
Bank of Baroda SR XIII PP-Perpetual	15.85	-
State Bank of India Series II Perpetual Bond	10.24	-
Tata Motors E-26 Bond	11.27	-
Tata Steel Reset Perpetual Bond	5.36	-
ABJA Investment Co. PTE Ltd.	15.21	-
HPCL-Mittal Energy Ltd REGS	9.61	-
HPCL-Mittal Energy Ltd REGS	9.01	-
JSW Steel Ltd REGS	3.82	-
JSW Steel Ltd REGS	2.88	-
Tata Motors REGS	4.70	-
	190.72	**138.48**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

11 CURRENT INVESTMENTS *(CONTD.)*

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in market linked debentures (quoted)		
L&T Infra, FRN 1 Jul 2022, INR (C)	21.57	-
Muthoot Finance IA Option I	11.02	-
Edelweiss Finance & Investments Limited -Secured	4.58	-
Market Linked Non Convertible Debentures		
Ambit Finvest Private Limited BR NCD 23 Jul-23 FVRS1LAC	4.00	-
	41.17	**-**
Investments in unlisted equity instruments		
National Stock Exchange of India Limited	8.07	-
50,000 (31 March 2020: Nil) equity shares of ₹ 1 each fully paid up		
HDB Financial Services	3.94	-
40,000 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up		
Tata Technologies Limited	0.42	-
2500 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up		
	12.43	**-**

* During previous year, investments in above debt securities (perpetual bonds) had been reclassified from fair value through profit and loss (FVTPL) to fair value through other comprehensive income (FVOCI) due to a change in the business model from previously held for trading to a business model whose objective is achieved by both collecting contractual cash flows and selling those debt securities. The date of such reclassification was 1 January 2020.

Particulars	
Debt securities reclassified from FVTPL to FVOCI on the date of reclassification (₹ in crores)	127.97
Interest income recognised on debt securities till the date of reclassification (₹ in crores)	4.08
Effective interest rate on debt securities as at the date of reclassification (% ranging from)	8.21%-8.55%

** Investments in mutual funds amounting to ₹ Nil crores (31 March 2020: ₹ 5.44) is pledged as margin money for foreign currency hedges.

12 TRADE RECEIVABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables considered good- unsecured	188.51	193.14
Trade receivables- credit impaired	6.84	5.82
	195.35	**198.96**
Less: Allowance for expected credit losses	(6.84)	(5.82)
	188.51	**193.14**

Note:

a) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

b) Refer note 20 and 25 for trade receivables pledged as security for liabilities

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

13 CASH AND BANK BALANCES

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- in current accounts	63.38	26.32
Cheques in hand	0.01	-
Cash on hand	0.07	0.16
	63.46	**26.48**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

14 OTHER BANK BALANCES

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks in current accounts		
- Unclaimed dividend account	1.65	1.40
Pledged bank deposits (refer note a and b below)	9.57	32.48
Deposits with bank (with original maturity more than 3 months but remaining maturity less than 12 months)	0.21	-
	11.43	**33.88**

Note:

a) Pledged deposits include deposits amounting to ₹ 4.57 crores (31 March 2020: ₹ 4.67 crores) pledged as margin money for issue of letter of credit and bank guarantees.

b) The deposit of ₹ 5.00 crores (31 March 2020: ₹ 27.81 crores) pledged against overdraft facility.

c) The carrying amounts of these financial instruments are reasonable approximation of their fair values.

15 CURRENT LOANS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans to officer considered good- secured*	0.96	0.96
Loans considered good- unsecured		
- Loans to employees	0.48	0.53
- Security deposit	0.32	0.32
- Others	0.36	1.16
	2.12	**2.97**

* Loans to officer as mentioned above are secured by equitable mortgage, being first charge on property. There were no significant changes in the quality of the collateral

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
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16 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Discount recoverable	4.78	6.07
Export benefit recoverable	29.64	16.98
Derivative assets	3.64	21.24
Others	2.97	3.08
	41.03	**47.37**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

17 OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advance to supplier	21.59	11.04
Balances with statutory authorities	23.25	34.07
Prepaid expenses	12.23	10.17
Others	6.28	1.26
	63.35	**56.54**

18 SHARE CAPITAL

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
25,000,000 equity shares of ₹ 10 each (31 March 2020 : 25,000,000 equity shares of ₹ 10 each)	25.00	25.00
Issued, subscribed and fully paid up		
18,172,715 equity shares of ₹ 10 each (31 March 2020 : 19,440,076 equity shares of ₹ 10 each)	18.17	19.44
	18.17	**19.44**

(a) Reconciliation of number of shares

	As at 31 March 2021		As at 31 March 2020	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	19,440,076	19.44	19,440,076	19.44
Changes during the year	(1,267,361)	(1.27)	-	-
Equity shares at the end of the year	**18,172,715**	**18.17**	**19,440,076**	**19.44**

(i) Of the above 242,051 shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation in the financial year 2002-03. No shares have been issued for consideration other than cash in the current reporting year and in last five years immediately preceding the current reporting year.

(ii) Of the above 8,486,705 shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account in the financial year 2002-03. No shares have been issued as bonus shares in the current reporting year and in last five years immediately preceding the current reporting year.

(iii) The Board of Directors of the Company at their meeting held on 26 October 2020 has approved Buyback of 12,67,361 equity shares (6.52% of equity capital) of the Company, through the "Tender Offer" route for an aggregate amount of upto ₹ 73 crores at a price of 576 per equity share. The said equity shares bought back were extinguished on 24 December 2020. An amount of ₹ 90.55 crores (including income tax and direct buyback costs) has been utilized from the other equity for the aforesaid buyback including creation of capital redemption reserve account of ₹ 1.27 crores (representing the nominal value of the equity shares bought back). Consequent to the buyback, the paid-up equity share capital has reduced from ₹ 19.44 crores to ₹ 18.17 crores consisting of 1,81,72,715 equity shares of ₹ 10 each.

(iv) During the year, the Board of Directors declared an interim dividend of ₹ 25 per equity share, (31 March 2020: ₹ 15 per equity shares)

During the year ended 31 March 2021 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 25 per share (31 March 2020: ₹ 21 per share).

(v) Terms and rights attached to equity shares:

The Company has only one class of equity shares having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors, if any, is subject to approval of shareholders in Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2021		As at 31 March 2020	
	No of shares	**% holding**	**No of shares**	**% holding**
Mr. Ashok Jaipuria*	7,355,616	40.48%	7,903,377	40.66%

** it includes shares of 7,032,332 (31 March 2020: 7,508,216) registered under name of Mr. Ashok Jaipuria where beneficial owner is Gayatri and Annapurna (partnership firm)*

(vii) Shares reserved for issue under options

Particulars	As at 31 March 2021	As at 31 March 2020
	No. of shares	**No. of shares**
Under the Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015), equity share of ₹ 10 each, at an exercise price as decided by management on case to case basis	335,082	491,982

These shares are held as treasury shares under other equity (refer note 19)
For terms and details refer note 41

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

19 OTHER EQUITY

Particulars	As at 31 March 2021	As at 31 March 2020
Retained earnings	592.34	404.87
General reserve	218.89	278.11
Capital reserve	4.10	4.10
Securities premium	4.30	31.26
Effective portion of cash flow hedges	0.69	(0.99)
Currency translation reserve	12.67	14.29
Shares options outstanding account	4.35	6.26
Treasury shares	(10.06)	(12.98)
Debt instruments through other comprehensive income	4.59	(3.44)
Equity instruments through other comprehensive income	2.55	-
Capital redemption reserve	1.27	-
Total other equity	**835.69**	**721.48**

Nature and purpose of reserves

(i) Capital reserve

Capital reserve was created under financial statements prepared in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP') out of the profit earned from a specific transaction of capital nature.

(ii) Securities premium account

Securities premium account represents premium received on issue of shares. The account is utilised in accordance with the provisions of the Companies Act 2013.

(iii) General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iv) Share options outstanding account

The account is used to recognize the grant date fair value of the options issued to employees under Company's Employee stock option plan.

(v) Treasury shares

Treasury shares represent Company's own equity shares held by the Cosmo Films ESOP 2015 Trust which is created under the Employee Stock Option Plan.

(vi) Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(vii) Debt instruments through other comprehensive income

The Company has classified investments in perpetual bonds as at fair value through other comprehensive income (FVOCI) since:

(a) perpetual bonds are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those bonds; and

(b) the contractual terms of perpetual bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This reserve represents changes in fair value of perpetual bonds from the date of such classification to the reporting date. When the perpetual bonds are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

viii) Equity instruments through other comprehensive income

The Company has classified investments in unquoted equity shares as at fair value through other comprehensive income (FVOCI) since these investments are held for long term value accretion and not being actively traded.

This reserve represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified, if any, to retained earnings when those instruments are disposed of.

(ix) Capital redemption reserve

This reserve represents a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

(x) Currency translation reserve

The Group recognised exchange differences on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

20 NON- CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2021	As at 31 March 2020
Foreign currency loans (refer note A below)*		
- from banks	222.23	285.08
- from others	82.16	80.72
Rupee term loans (refer note B below)		
- from banks	138.75	87.24
- from others	18.65	26.67
Vehicle loans (refer note C below)	4.78	3.23
	466.57	**482.94**
Less:- Current maturities disclosed under other financial liabilities (refer note 27)	129.00	127.64
	337.57	**355.30**

*include hedged foreign currency borrowings of ₹ 190.01 crores (31 March 2020: ₹ 221.37 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
(A) Foreign currency loans comprises of :		
(i) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13, 2013-14 and 2014-15 and carries interest based upon Euribor plus 105 bps per annum. The loan is repayable in 17 equal semi-annual instalments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production.	20.94	30.40

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

	Security The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.		
(ii)	Loan of USD 3,581,148 (₹ 25 crores) taken from ICICI Bank Limited during the financial year 2019-20 and carries interest rate based upon 3 month USD libor plus 3.31% per annum. The loan is repayable in 12 quarterly instalments starting at the end of first fiscal quarter from the first drawdown date. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	15.07	22.95
(iii)	Loan of USD 9,729,936 taken from Export-Import Bank (EXIM) of India during the financial year 2015-16 , 2016-17 and 2017-18 and carries interest rate based upon Libor plus 275 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 18 months from scheduled commercial operation date or actual commercial operation date whichever is earlier. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	38.56	51.97
(iv)	Loan of EUR 14,614,201 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2015-16, 2016-17 and 2017-18 and carries interest rate based upon Euribor plus 60 bps per annum. The loan is repayable in 20 equal semi-annual instalments from the date of 28 February 2018. **Security** The above loan is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Aurangabad.	81.54	91.08
(v)	Loan of ₹ 60 crores taken from State Bank of India and carries interest rate base rate plus 230 bps. During the financial year 2019-20 and 2020-21 this loan has been converted into hedged FCNR loan. The tenure of facilities remain in-line with the original sanction. Outstanding amount of loan is fully repayable in next financial year. **Security** The above loan is secured against (i) first pari passu charge over	2.42	13.54

	the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.		
(vi)	Loan of EURO 4,586,555 (₹ 35 crores) taken from Yes Bank Limited during the financial year 2017-18 and carries interest rate based on 6 months Euribor plus 280 bps per annum. During the financial year 2018-19 this loan has been converted into hedged FCNR loan. The tenure of the facility remain in-line with the original sanction. The loan is repayable in 10 equal half yearly instalments starting from December 2017. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	11.81	19.05
(vii)	Loan of EURO 4,700,510 (₹ 35 crores) taken from Infrastructure Development Finance Company (IDFC) during the financial year 2017-18 and carries interest rate Euribor plus 245 bps. The loan is repayable in 8 equal semi annual instalments after moratorium of 18 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	20.17	29.29
viii)	Loan of USD 5,200,594 (₹ 35 crores) taken from IndusInd Bank during the financial year 2016-17 and carries interest rate based upon Mibor plus 465 bps per annum. The loan is repayable in 17 equal quarterly instalments after moratorium of 12 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	4.48	13.84
(ix)	Loan of ₹ 27.76 crores taken from IDBI Bank Limited (IDBI) during the financial year 2014-15 and 2015-16 and carries interest based upon base rate plus 2.5% per annum. The loan is repayable in 10 structured half yearly instalments starting from 31 March 2018. During the financial year 2019-20 and 2020-21, this loan has been converted into fully hedged FCNR loan. The tenure of facilities remain in-line with the original sanction.	8.37	14.65

	Security The above loan is secured against (i) Demand Promissory Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (iii) Second pari passu charge on current assets of the company both present and future.		
(x)	Loan of EUR 4,752,270 (₹ 40 crores) taken from Yes Bank Limited during the financial year 2018-19 and carries interest rate based on 6 months Euribor plus 310 bps per annum. The loan is repayable in 9 equal half yearly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first paripassu charge by way of hypothecation on movable and by way of equitable mortgage over all immovable fixed assets (both present and future) except those are exclusively charged to other lenders (ii) second pari-passu charge by way of hypothecation on current assets of the borrower (both present and future).	22.66	30.71
(xi)	Loan of USD 6,768,043 (₹ 50 crores) taken from ICICI Bank Limited (ICICI) during the financial year 2018-19 and carries interest rate based upon Euribor plus 4.113% per annum. The loan is repayable in 18 quarterly instalments starting from 31 December 2018. **Security** The above loan is secured against (i) First pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) Second pari passu charge on current assets of the company both present and future.	43.40	48.93
(xii)	Loan of USD 4,900,000(₹ 40 crores)taken from Export-Import Bank (EXIM) of India during the financial year and carries interest rate based upon USD 6 month libor plus 325 bps per annum. The loan is repayable in 24 equal quarterly instalments commencing after a moratorium of 24 months from the date of first disbursement. **Security** The above loan is secured against (i) first pari passu charge over the movable and immovable fixed assets of the company both present and future, other than assets specifically carved out. (ii) second pari passu charge on current assets of the company both present and future.	35.85	-
(B)	**Rupee term loans comprises of :**		
(i)	Loan of ₹ 50 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2020-21 and carries interest rate PLR less 5 bps per annum. The loan is repayable in 84 months inclusive of 24 months moratorium period.	49.81	-

	Security The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.		
(ii)	Loan of ₹ 60 crores taken from Shyam Rao Vithal Co-operative Bank Limited during the financial year 2016-17 and 2017-18 and carries interest rate based upon SBI's 6 month MCLR plus 165 bps per annum to be reset on quarterly basis. The loan is repayable in 21 equal after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.	20.71	32.76
(iii)	Loan of ₹ 40 crores taken from Bajaj Finance Limited during the financial year 2017-18 and carries interest rate linked to SBI's one year MCLR to be reset quarterly. The loan is repayable in 60 equal monthly instalments after moratorium of 12 months from the date of disbursement. **Security** The above loan is secured against (i) first paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	18.67	26.67
(iv)	Loan of ₹ 60 crores taken from IndusInd Bank during the financial year 2018-19 and carries interest rate based upon Mibor plus 250 bps per annum. The loan is repayable in 22 equal quarterly instalments after moratorium of 6 months from the first date of disbursement. **Security** The above loan is secured against (i) first pari-passu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) second pari-passu charge on current assets of the company both present and future.	43.64	54.55
(v)	Loan of ₹ 25 crores taken from State Bank of India during the financial year 2020-21 and carries interest rate based on 6 months MCLR plus 100 bps per annum. The loan is repayable in 14 half yearly installment after a moratorium of one year from the date of first disbursement.	25.00	-

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

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Security The above loan is secured against (i) First paripassu charge over movable and immovable fixed assets of the Company both present and future, other than assets specifically carved out. (ii) Second pari-passu charge on current assets of the company both present and future.		
(C) Vehicle loans taken from Union Bank of India carries interest @ 8% - 9% per annum. This loan is repayable in 3 years		
Security		
Vehicle loans from Union Bank of India are secured against hypothecation of respective vehicles.	4.78	3.23
Less: Adjustment for processing fees on long term loans recognised using effective interest rate	(1.31)	(0.68)
	466.57	**482.94**

Current maturities of long term borrowings are disclosed under note-27- other current financial liabilities.

Refer notes 46 and 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses.

Refer note 51 for reconciliation of liabilities arising from financing activities.

21 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Derivative liabilities	0.06	0.57
	0.06	**0.57**

22 PROVISIONS

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Provision for retirement benefits	5.99	5.13
Provision for gratuity (refer note 42)	15.37	6.75
	21.36	**11.88**

23 DEFERRED TAX LIABILITIES (NET)#

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
On temporary difference between the book base & tax base		
Deferred tax liabilities		
Property, plant and equipment and other intangible assets - depreciation and amortisation	156.26	155.78
Cash flow hedge reserve	0.44	-
Gross deferred tax liabilities	**156.70**	**155.78**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
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23 DEFERRED TAX LIABILITIES (NET)# *(CONTD.)*

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Cash flow hedge reserve	-	0.54
Unabsorbed business losses	2.59	2.72
Expenses deductible in future years under Income tax Act, 1961	12.57	7.08
Minimum alternative tax credit entitlement	48.07	89.06
Gross deferred tax assets	**63.23**	**99.40**
Deferred tax liabilities (net)	**93.47**	**56.38**
Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise. Accordingly the net deferred tax (assets) / liability has been disclosed in the Balance Sheet as follows :		
Deferred tax assets	4.95	4.97
Deferred tax liabilities	98.42	61.35
Deferred tax liabilities (net)	**93.47**	**56.38**

#Refer note 37 for movement in deferred tax balances

24 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income on export promotion capital goods	47.70	50.08
	47.70	**50.08**

25 CURRENT BORROWINGS (SECURED)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand		
from banks	-	30.68
Other loans		
Cash credit and other working capital facilities	293.72	275.83
	293.72	**306.51**

Notes:

(a) Cash credits and other working capital facilities are secured by hypothecation of inventories, trade receivable and second charge on fixed assets secured to financial institutions except assets exclusively carved out.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

26 TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
- total outstanding dues to micro and small enterprises	2.41	0.80
- total outstanding dues to other than micro and small enterprises	126.22	107.43
Acceptances	75.07	48.88
Total	**203.70**	**157.11**

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars		
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	2.00	0.80
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	0.41	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

27 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer note 20)	129.00	127.64
Interest accrued and but not due on borrowings	0.91	1.22
Security deposits	0.89	0.89
Unpaid dividend	1.65	1.40
Employee related payables	28.46	20.46
Other accrued liabilities	61.98	37.23
Derivative liabilities	2.81	5.81
	225.70	**194.65**

The carrying amounts of these financial instruments are reasonable approximation of their fair values.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

28 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	9.71	2.31
Advance received from customers	13.71	19.61
Advance received from customer against assets held for sale	4.67	3.85
Deferred income on export promotion capital goods scheme	2.91	2.89
	31.00	**28.66**

29 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (refer note 42)	2.89	2.34
Provision for compensated absences	9.35	0.85
	12.24	**3.19**

30 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Operating revenue (refer note a below)		
Sale of products-domestic	1,280.43	1,432.20
Sale of products-export	947.57	704.15
	2,228.00	**2,136.35**
Other operating revenue		
Export benefit income	33.29	35.16
Sales tax incentive	14.99	17.15
Job work charges	3.32	4.14
Scrap sales	4.05	5.19
Others	1.53	5.54
Revenue from operations	**2,285.18**	**2,203.53**

Note:

a) Company applies Indian Accounting Standard 115 'Revenue from Contracts with Customers' ("Ind AS 115"). Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(i) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Year ended 31 March 2021

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,280.43	8.90	1,289.33
Export	947.57	-	947.57
Total	**2,228.00**	**8.90**	**2,236.90**
Revenue by time			
Revenue recognised at point in time			2,236.90
Revenue recognised over time			-
Total			**2,236.90**

* excludes export benefit income of ₹ 33.29 crores and sales tax incentive of ₹ 14.99 crores

Year ended 31 March 2020

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,432.20	14.87	1,447.07
Export	704.15	-	704.15
Total	**2,136.35**	**14.87**	**2,151.22**
Revenue by time			
Revenue recognised at point in time			2,151.22
Revenue recognised over time			-
Total			**2,151.22**

* excludes export benefit income of ₹ 35.16 crores and sales tax incentive of ₹ 17.15 crores

(ii) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	18.20	12.12
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(iii) Assets and liabilities related to contracts with customers

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract liabilities related to sale of goods		
Advance from customers	13.71	19.61

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

(iv) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	2,333.71	2,238.97
Less: Discount, rebates, credits etc.	96.81	87.75
Revenue from operations as per Statement of Profit and Loss*	**2,236.90**	**2,151.22**

* excludes export benefit income of ₹ 33.29 crores (31 March 2020: ₹ 35.16 crores) and sales tax incentive of ₹ 14.99 crores (31 March 2020: ₹ 17.15 crores)

b) Details of products sold

Particulars		
Manufactured goods		
- Packaging films	2,225.99	2,133.32
- Others	2.01	3.03
Total	**2,228.00**	**2,136.35**

31 OTHER INCOME

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income from:		
- Fixed deposit with banks	0.80	4.66
- Other financial assets carried at amortised cost	1.50	0.88
- Investments in perpetual bonds carried at fair value through other comprehensive income	15.25	3.05
- Investments in perpetual bonds carried at fair value through profit & loss	-	4.08
- Others	1.71	-
Gain on Investments carried at fair value through profit & loss	2.64	1.51
Gain on investments carried at fair value through other comprehensive income	3.71	-
Insurance and other claims	1.12	1.78
Grant income on export promotion capital goods	2.90	2.89
Liabilities no longer required written back	0.55	0.11
Profit on disposal of non current assets held for sale & property, plant and equipment	6.13	0.14
Foreign exchange gain (net)	0.88	-
Dividend income	0.11	-
Miscellaneous income	0.44	0.36
	37.74	**19.46**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

32 CHANGE IN INVENTORY

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Finished goods	160.79	144.33
Closing stock		
Finished goods	197.13	160.79
	(36.34)	**(16.46)**
Note:		
Details of finished goods		
Finished goods		
- Packaging films	197.13	160.79
Total	**197.13**	**160.79**

33 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages, allowances and bonus	170.39	142.73
Employee stock option expense	0.52	1.03
Contribution to provident and other funds (refer note 42)	16.45	14.75
Staff welfare expenses	5.68	4.06
	193.04	**162.57**

34 FINANCE COSTS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest:		
- Term loans	16.09	18.90
- Cash credit and short term loans	13.36	15.37
- Others	1.66	1.37
Foreign exchange fluctuation to the extent regarded as an adjustment to borrowing costs	5.18	8.45
Other borrowings cost	5.39	8.48
	41.68	**52.57**

The finance cost shown above is net of borrowing costs capitalised during the year ended 31 March 2021 amounting to ₹ 0.56 crores at 9.00% (31 March 2020: ₹ 0.64 crores at 5.48%).

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

35 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment and investment property	55.65	53.62
Amortisation of intangible assets	0.57	0.41
Impairment loss on investment property	3.00	11.02
	59.22	**65.05**

36 OTHER EXPENSES

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rent	11.71	11.99
Rates and taxes	2.77	1.89
Stores, spare parts and packing materials consumed	86.88	74.30
Insurance	5.66	3.93
Repairs and maintenance		
Building	0.99	1.05
Machinery	15.17	14.63
Others	4.38	5.43
Power and fuel expenses	127.68	128.79
Other manufacturing expenses	1.57	2.52
Printing and stationary	0.68	0.79
Training and recruitment expenses	1.56	1.03
Travelling and conveyance	3.17	10.69
Vehicle running and maintenance	7.73	6.50
Communication expenses	0.59	0.79
Legal and professional charges	11.50	10.18
Foreign exchange fluctuation loss (net)	-	11.46
Corporate social responsibility (CSR) expenditure (refer note b below)	3.13	2.38
Freight and forwarding	2.86	3.15
Other selling expenses	3.11	3.26
Payment to auditors (refer note a below)	0.73	0.84
Grant from government authorities written off	-	4.51
Loss on sale of assets	0.75	-
Miscellaneous expenses	6.16	7.59
	298.78	**307.70**

Note:

Other expenses includes research and development expenses (refer note 40)

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a)	**Payment to auditors (exclusive of goods and services tax)**		
	As auditor		
	- Audit fee	0.66	0.77
	- Tax audit fee	0.03	0.03
	In other capacity		
	- Certification and other matters	0.03	0.02
	- Reimbursement of out of pocket expenses	0.01	0.02
	Total	**0.73**	**0.84**
b)	**Details of corporate social responsibility expenditure**		
	(a) Amount required to be spent by the group	2.12	1.76
	(b) Amount spent during the year		
	(i) Construction or acquisition of any asset	-	-
	(ii) On purposes other than (i) above	3.13	2.38

37 INCOME TAX

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
The income tax expense consists of the following :		
Current tax expense	55.65	29.01
Deferred tax benefit	36.19	20.39
Total income tax	**91.84**	**49.40**
The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Profit before tax	328.74	162.84
At India's statutory income tax rate of 34.94 % (31 March 2020: 34.94%,)	114.87	56.90
Adjustments in respect of current income tax		
Income exempted from Income taxes	(12.41)	(7.95)
Additional allowance on revenue and capital expenses	-	(1.92)
Taxes earlier years	(1.09)	(0.23)
Effect of different tax rate	(0.23)	(0.35)
Utilisation of unabsorbed business losses	(8.95)	-
Others adjustments	(0.35)	2.95
Total income tax expense	**91.84**	**49.40**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Movement of net deferred tax assets and liabilities for the year ended 31 March 2021 is as follows:

Deferred tax liabilities (net)	Opening balance	Recognised/ Reversed through Profit and Loss	Recognised/ Reversed through Other Comprehensive Income	Closing balance
Deferred tax assets arising on account of :				
Cash flow hedge reserve	0.54	(0.08)	(0.46)	-
Expenses deductible under Income tax Act	7.08	5.49	-	12.57
Minimum alternative tax credit entitlement	89.06	(40.99)	-	48.07
Unabsorbed business losses	2.72	(0.13)	-	2.59
	99.40	**(35.71)**	**(0.46)**	**63.23**
Deferred tax liabilities in relation to :				
Property, plant and equipment and other intangible assets -depreciation and amortisation	155.78	0.48	-	156.26
Cash flow hedge reserve	-	-	0.44	0.44
	155.78	**0.48**	**0.44**	**156.70**
Net deferred tax liabilities	**56.38**	**36.19**	**0.90**	**93.47**

Movement of net deferred tax assets and liabilities for the year ended 31 March 2020 is as follows:

Deferred tax liabilities (net)	Opening balance	Recognised/ Reversed through Profit and Loss	Recognised/ Reversed through Other Comprehensive Income	Closing balance
Deferred tax assets arising on account of :				
Cash flow hedge reserve	-	-	0.54	0.54
Expenses deductible under Income tax Act	2.64	3.33	1.11	7.08
Minimum alternative tax credit entitlement	95.94	(6.88)	-	89.06
Unabsorbed business losses	6.92	(4.20)	-	2.72
	105.50	**(7.75)**	**1.65**	**99.40**
Deferred tax liabilities in relation to :				
Cash flow hedge reserve	4.54	-	(4.54)	-
Property, plant and equipment and other intangible assets -depreciation and amortisation	142.59	13.19	-	155.78
Income taxable in future years as per Income tax Act	0.57	(0.57)	-	-
	147.70	**12.62**	**(4.54)**	**155.78**
Net deferred tax liabilities	**42.20**	**20.37**	**(6.19)**	**56.38**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Tax losses

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities

Loss pertains to the year	Expiry year	Unused tax losses for which no deferred tax has been recognised	Potential tax benefit
31 March 2012	31 March 2032	11.93	2.51
31 March 2013	31 March 2033	6.78	1.42
31 March 2014	31 March 2034	7.04	1.48
31 March 2015	31 March 2035	27.48	5.77
31 March 2016	31 March 2036	6.43	1.35
31 March 2017	31 March 2037	17.83	3.74
31 March 2018	31 March 2038	19.28	4.05
31 March 2019	31 March 2029	1.79	0.39
31 March 2020	31 March 2030	1.50	0.33

Deferred tax assets in the Group have been recognised to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse.

38 EARNINGS PER SHARE

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year (₹ in crores)	236.90	113.44
Weighted average number of equity shares outstanding for the purpose of basic earnings per share	18,650,460	19,164,811
Effect of potential ordinary shares on share options outstanding	193,537	-
Weighted average number of equity shares outstanding for the purpose of diluted earnings per share	18,843,997	19,164,811
Earnings per equity share (face value ₹ 10.00 per share)		
Basic	127.02	59.19
Diluted	125.72	59.19

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

39 CONTINGENCIES AND COMMITMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
(A) Contingent liabilities		
I Claims against the Company not acknowledged as debt	0.24	0.16
II Disputed demand for Income tax (refer note (a) below)	8.09	9.81
III Pending duty obligation under Export Promotion Capital Goods licenses	3.30	1.54
IV Disputed demand for Excise duty and Service tax	17.05	20.18
V Disputed demands for labour/employee dispute	10.88	9.96

Note:

a) Disputed demand for income tax includes a dispute of ₹ 4.71 crores (31 March 2020: ₹ 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 Delhi High Court which has been accepted by Hon'ble Supreme Court and is pending. Based on the legal opinion taken from an independent expert, the management is of the view that it is more likely than not that matter will be decided in favour of the Company.

Particulars	As at 31 March 2021	As at 31 March 2020
(B) Commitments		
a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	185.18	132.98
b) Others		
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	56.03	35.12

40 RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditures incurred by the Company during the financial year are mentioned below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Research and development capital expenditure (gross)	0.01	1.90
Research and development revenue expenditure		
- Material and consumables	3.32	1.70
- Employee benefits expense	3.50	2.80
- Other expenses	0.77	0.78
	7.60	**7.18**
Sales for the year	**2,228.00**	**2,136.35**
Total research and development expenditure / sales	0.34%	0.34%

(All amounts in ₹ crores, unless otherwise stated)

Assets purchased/capitalised for research and development centres

Description	Amount
Gross carrying value	
As at 31 March 2019	**7.55**
Additions	1.90
As at 31 March 2020	**9.45**
Additions	0.01
As at 31 March 2021	**9.46**
Accumulated depreciation	
As at 31 March 2019	**2.45**
Depreciation for the year	0.35
As at 31 March 2020	**2.80**
Depreciation for the year	0.71
As at 31 March 2021	**3.51**
Net carrying amount as at 31 March 2020	**6.65**
Net carrying amount as at 31 March 2021	**5.95**

41 EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the shareholders, the Company has introduced Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) which supersedes earlier Cosmo Films Employees Stock Option Plan 2015 (CF ESOP 2015) to provide share based incentive to the eligible employees of the Company and its subsidiaries. However, Options already granted under CF ESOP 2015 will continue to be governed in accordance with the said Plan. The plan is implemented via trust route which will acquire the equity shares of the Company by secondary market acquisition, however, in case of any shortfall the Company will issue new shares as required. When exercisable, each option is convertible into one equity share.

A) Details of options granted under the CF ESOP 2015 are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise Period	Exercise price per share
CF Employees Stock Option Scheme 2015:					
Option I	13-Jan-16	193,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 300.05
Option II	13-Jul-16	250,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 351.40
Option III	7-Jul-17	200,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 433.20
Option IV	2-Jun-18	225,000	On completion of 3 year of service from the date of grant	10 years from the date of vesting	₹ 237.70

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

B) Movement of options granted

Particulars	Year ended 31 March 2021	Weighted average exercise price	Year ended 31 March 2020	Weighted average exercise price
Options outstanding at the beginning of the year	**739,200**	327.86	**765,600**	328.06
Options exercised during the year	(214,700)	355.33	-	-
Options cancelled during the year	(44,500)	293.06	(26,400)	333.93
Options outstanding at the end of the year	**480,000**	318.80	**739,200**	327.86

The weighted average remaining contractual life outstanding as of 31 March 2021 was 9.15 years (31 March 2020: 9.96 years). The weighted average exercise price of options outstanding as of 31 March 2021 was ₹ 318.80 (31 March 2020: ₹ 327.86).

The weighted average share price at the date of exercise for options exercised during the year ended 31 March 2021 was ₹ 494.75.

C) The fair value of options used to compute performa 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:

	Option-I	Option-II	Option-III	Option-IV
Grant Date	13-Jan-16	13-Jul-16	7-Jul-17	2-Jun-18
Market Price (₹)	300.05	351.40	433.20	237.70
Exercise Price (₹)	300.05	351.40	433.20	237.70
Expected Volatility (%) $	57.70	39.55	27.70	31.91
Expected forfeiture on each vesting date (%)	Nil	Nil	Nil	Nil
Expected life (years)*	3	3	3	3
Dividend yield (%)	1.17	2.85	2.31	2.52
Risk free interest rate (%)	7.59	7.50	6.54	7.83
Fair value on grant date (₹)	128.25	103.45	98.60	62.46

$ The expected volatility was determined based on historical volatility data.

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

2. Restricted Stock Units:

A) Details of options granted under Cosmo Films Share Based Employee Benefit Scheme 2021 (CF SBEB Scheme, 2021) are as below:

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise Period	Exercise price per share
Cosmo Films Share Based Employee Benefit Scheme 2021:					
Option I	9-Mar-21	25,000	On completion of 3 year of service from the date of grant	One years from the date of vesting	₹ 10.00
Option II	9-Mar-21	105,000	On completion of 4 year of service from the date of grant	One years from the date of vesting	₹ 10.00

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Scheme	Date of grant	Number of options granted	Vesting condition	Exercise Period	Exercise price per share
Option III	9-Mar-21	25,000	On completion of 5 year of service from the date of grant	One years from the date of vesting	₹ 10.00
Option IV	9-Mar-21	105,000	On completion of 7 year of service from the date of grant	One years from the date of vesting	₹ 10.00

B) **Movement of options granted**

Particulars	Year ended 31 March 2021	Weighted average exercise price	Year ended 31 March 2020	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	260,000	10.00	-	-
Options outstanding at the end of the year	**260,000**	10.00	**-**	-

The weighted average remaining contractual life outstanding as of 31 March 2021 was 6.15 years (31 March 2020: Nil years). The weighted average exercise price of options outstanding as of 31 March 2021 was ₹ 10.00 (31 March 2020: ₹ Nil).

C) The fair value of options used to compute performa net income and earning per equity share has been done on the date of grant using Black-Scholes Model.

The key assumption in Black-Scholes Model for calculating fair value on grant are as under:

Particulars	All Options
Grant Date	9-Mar-21
Market Price (₹)	643.25
Exercise Price (₹)	10.00
Expected Volatility (%) $	59.23
Expected forfeiture on each vesting date (%)	Nil
Expected life (years)*	3-7 Years
Dividend yield (%)	3.89
Risk free interest rate (%)	6.22
Fair value on grant date (₹)	510.43

$ The expected volatility was determined based on historical volatility data.

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

42 EMPLOYEE BENEFIT OBLIGATIONS

1) Gratuity

The Company makes contribution towards gratuity to a defined retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation. The expected contribution to the plan for next annual reporting period amounts to ₹ 2.84 crores. (31 March 2020: ₹ 2.33 crores)

(All amounts in ₹ crores, unless otherwise stated)

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4 years (31 March 2020: 5 years)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Present value obligation as at the end of the year	30.52	22.75
Fair value of plan assets as at the end of the year	(12.26)	(13.66)
Net liability recognized in balance sheet	**18.26**	**9.09**

b. Changes in defined benefit obligation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present value obligation as at the start of the year	22.75	13.33
Interest cost	1.55	1.02
Current service cost	1.04	0.83
Past service cost	-	7.58
Benefits paid	(2.33)	(0.64)
Actuarial loss on obligations	7.51	0.63
Present value obligation as at the end of the year	**30.52**	**22.75**

c. Table showing changes in the fair value of plan assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets at beginning of year	13.66	13.27
Interest income on plan assets	0.93	1.02
Return on plan assets excluding interest income	(0.10)	(0.05)
Contributions	0.10	0.06
Benefits paid	(2.33)	(0.64)
Fair value of plan assets at the end of year	**12.26**	**13.66**

d. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	1.03	0.83
Past service cost	-	7.58
Interest cost	1.55	1.02
Expected return on plan asset	(0.93)	(1.02)
Amount recognised in the statement of profit and loss	**1.65**	**8.41**

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(All amounts in ₹ crores, unless otherwise stated)

e. Other Comprehensive Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/loss on arising from change in financial assumption	(0.02)	0.69
Actuarial loss/(gain) on arising from experience adjustment	7.53	(0.06)
Return on plan assets excluding interest income	0.10	0.05
Unrecognised actuarial loss at the end of the year	**7.61**	**0.68**

f. Actuarial assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.85%	6.83%
Future salary increase	7.00%	7.00%

g. Demographic assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Retirement age (Years)	58	58
Mortality rates inclusive of provision for disability	Indian Assured Lives Mortality (2006-08)	

h. Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	30.51	22.75
a) Impact due to increase of 0.50%	(0.42)	(0.41)
b) Impact due to decrease of 0.50%	0.45	0.44
Impact of the change in salary increase		
Present value of obligation at the end of the year	30.51	22.75
a) Impact due to increase of 0.50%	0.45	0.43
b) Impact due to decrease of 0.50%	(0.43)	(0.41)

i. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
April 2020 to March 2021	-	9.46
April 2021 to March 2022	17.44	1.44
April 2022 to March 2023	1.20	1.91
April 2023 to March 2024	2.69	2.72
April 2024 to March 2025	1.92	1.89
April 2025 onwards	17.63	15.10

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(All amounts in ₹ crores, unless otherwise stated)

j. Investment details

Particulars	As at 31 March 2021		As at 31 March 2020	
	(₹ in crore)	% invested	(₹ in crore)	% invested
Insurance funds	12.26	100	13.66	100

2) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to Provident Fund	3.96	3.58
Employer's contribution to Superannuation Fund	1.29	1.17
Employer's contribution to labour welfare fund and employee state insurance	0.20	0.17
Employer's contribution to other funds	0.68	0.64

43 LEASES

The Company has leases for office building, warehouses and related facilities for which the Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. On adoption of this standard, based on the exception of short term leases or lease of low value underlying assets, none of the lease has been identified for which right-of-use asset and a lease liability is required to be created.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Short-term leases	11.71	11.97
Leases of low value assets	-	0.02
Total	**11.71**	**11.99**

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 11.71 crores (31 March 2020: ₹ 11.99 crores).

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

44 RELATED PARTY DISCLOSURES

In accordance with the required Indian Accounting Standard (IndAS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties and relationships:

A. Key management personnel

a) Mr. Ashok Jaipuria, Chairman and Managing Director of Company
b) Mr. Anil Kumar Jain, Director of corporate affairs
c) Mr. H. K. Agrawal, Independent Director
d) Mr. Rajeev Gupta, Non-Independent Director (resigned w.e.f. 7 August 2020)
e) Mrs. Alpana Parida, Independent Director
f) Mr. Rakesh Nangia, Independent Director (joined w.e.f. 10 November 2020)
g) Mr. Pratip Chaudhuri, Non-Independent Director
h) Mr. H. N. Sinor, Independent Director
i) Mr. Vivek Nangia, Independent Director (resigned w.e.f. 25 June 2020)
j) Mr. Anil Wadhwa, Independent Director
k) Mr. Ashish Kumar Guha, Independent Director (resigned w.e.f. 25 July 2019)
l) Mr. Pankaj Poddar, Chief Executive Officer
m) Mr. Neeraj Jain, Chief Financial Officer
n) Mrs. Jyoti Dixit, Company Secretary

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

a) Sunrise Manufacturing Company Limited
b) Pravasi Enterprises Limited
c) Cosmo Foundation
d) Gayatri & Annapurana (Partnership firm)
e) Nangia & Company LLP
f) Fawkes Management Private Ltd

C. Relative of Key managerial personnel of the Company

a) Mrs. Yamini Kumar
b) Mrs. Aanchal Jaipuria Bhandari
c) Mr. Ambrish Jaipuria
d) Mrs. Abha Jaipuria

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives having significant influence		Key management personnel and their Relatives		Total	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Transactions with related Parties						
1 **Rent received**						
Sunrise Manufacturing Company Limited	0.01	0.02	-	-	**0.01**	**0.02**
Pravasi Enterprises Limited	0.02	-	-	-	**0.02**	**-**
2 **Professional fees paid**						
Mrs. Yamini Kumar	-	-	1.24	-	**1.24**	**-**
Nangia & Company LLP	0.18	-	-	-	**0.18**	**-**
3 **Short term employee benefits**	-	-	35.55	18.64	**35.55**	**18.64**
4 **Post employment benefits***	-	-	0.76	0.54	**0.76**	**0.54**
5 **Share based payments**	-	-	0.32	0.35	**0.32**	**0.35**
6 **Buyback of shares**						
Mr. Ashok Jaipuria	-	-	1.26	-	**1.26**	**-**
Mr. Anil Kumar Jain	-	-	0.09	-	**0.09**	**-**
Mr. Rakesh Nangia	-	-	0.11	-	**0.11**	**-**
Mr. Pankaj Poddar	-	-	0.04	-	**0.04**	**-**
Mr. Ambrish Jaipuria	-	-	1.29	-	**1.29**	**-**
Mrs. Aanchal Jaipuria Bhandari	-	-	0.33	-	**0.33**	**-**
Mrs. Yamini Kumar	-	-	0.19	-	**0.19**	**-**
Mrs Abha Jaipuria	-	-	0.09	-	**0.09**	**-**
M/s Gayatri & Annapurana	27.41	-	-	-	**27.41**	**-**
Fawkes Management Private Ltd.	0.74	-	-	-	**0.74**	**-**
Parvasi Enterprises Limited	0.02	-	-	-	**0.02**	**-**
7 **Sitting fee/commission paid**						
Mr. H. K. Agrawal	-	-	0.31	0.21	**0.31**	**0.21**
Mr. Rajeev Gupta	-	-	0.01	0.18	**0.01**	**0.18**
Mrs. Alpana Parida	-	-	0.33	0.22	**0.33**	**0.22**
Mr. Ashish Kumar Guha	-	-	-	0.01	**-**	**0.01**
Mr. Pratip Chaudhuri	-	-	0.34	0.21	**0.34**	**0.21**
Mr. H. N. Sinor	-	-	0.33	0.22	**0.33**	**0.22**
Mr. Vivek Nangia	-	-	0.01	0.20	**0.01**	**0.20**
Mr. Anil Wadhwa	-	-	0.33	0.22	**0.33**	**0.22**
Mr. Rakesh Nangia	-	-	0.13	-	**0.13**	**-**
8 **Loan given/(repayment received)**						
Mr. Pankaj Poddar	-	-	(2.04)	0.25	**(2.04)**	**0.25**
9 **Interest income on loan given**						
Mr. Pankaj Poddar	-	-	0.39	0.30	**0.39**	**0.30**
10 **Corporate social responsibility expenditure**						
Contribution to Cosmo Foundation	3.13	2.38	-	-	**3.13**	**2.38**

* Does not include the provision made for gratuity and compensated absences, as they are determined on an actuarial basis for all the employees together.

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(All amounts in ₹ crores, unless otherwise stated)

Particulars	Key management personnel and their Relatives		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Outstanding balances						
1 **Remuneration/commission payable**	18.10	9.07	-	-	**18.10**	**9.07**
2 **Loan outstanding**						
Mr. Pankaj Poddar	7.61	9.65	-	-	**7.61**	**9.65**
3 **Interest receivable**						
Mr. Pankaj Poddar	0.08	-	-	-	**0.08**	**-**

45 SEGMENT REPORTING

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one business segment of packaging films. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below:

In addition, one minor operating segments is shown under other segments. The main sources of revenue for this segment is the sale of equipments and related parts and services.

Business segment

Year ended 31 March 2021

Particulars	Packaging Films	Others	Total
Revenue			
External sales	2,283.17	2.01	2,285.18
Total revenue	**2,283.17**	**2.01**	**2,285.18**
Results			
Segment result	389.93	1.09	391.02
Unallocated corporate expenses	-	-	(20.60)
Operating profit	**389.93**	**1.09**	**370.42**
Interest expenses and finance charges	-	-	41.68
Profit before tax	**389.93**	**1.09**	**328.74**
Income taxes	-	-	(91.84)
Profit for the year	**389.93**	**1.09**	**236.90**
Other information			
Segment assets	1,776.42	-	1,776.42
Unallocated corporate assets	-	-	348.91
Total assets	**1,776.42**	**-**	**2,125.33**
Segment liabilities	411.85	-	411.85
Unallocated corporate liabilities	-	-	859.62
Total liabilities	**411.85**	**-**	**1,271.47**
Capital expenditure	74.57	-	74.57
Depreciation, amortisation and impairment expense	59.22	-	59.22

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Business segment

Year ended 31 March 2020

Particulars	Packaging Films	Others	Total
Revenue			
External sales	2,200.50	3.03	2,203.53
Total revenue	**2,200.50**	**3.03**	**2,203.53**
Results			
Segment result	229.03	(1.01)	228.02
Unallocated corporate expenses	-	-	(12.61)
Operating profit	**229.03**	**(1.01)**	**215.41**
Interest expenses and finance charges	-	-	52.57
Profit before tax	**229.03**	**(1.01)**	**162.84**
Income taxes	-	-	(49.40)
Profit for the year	**229.03**	**(1.01)**	**113.44**
Other information			
Segment assets	1,670.46	-	1,670.46
Unallocated corporate assets	-	-	239.76
Total assets	**1,670.46**	**-**	**1,910.22**
Segment liabilities	317.27	-	317.27
Unallocated corporate liabilities	-	-	852.03
Total liabilities	**317.27**	**-**	**1,169.30**
Capital expenditure	49.97	-	49.97
Depreciation, amortisation and impairment expense	65.05	-	65.05

Business segment / geographical segment

Year ended 31 March 2021

Segment assets are allocated based on their physical location. Revenues from external customers have been identified on the basis of the customer's geographical location and are disclosed below.

Particulars	Revenue	Segment assets	Capital expenditure
In India	1,188.44	1,849.57	72.47
Outside India	1,096.74	275.76	2.10
Total	2,285.18	2,125.33	74.57

Revenue as per Customers (more than 10% of revenue):

There is no single external customer who has contributed of 10% or more to the Group's revenue.

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(All amounts in ₹ crores, unless otherwise stated)

Business segment / geographical segment

Year ended 31 March 2020

Particulars	Revenue	Segment assets	Capital expenditure
In India	1,178.87	1,674.47	47.40
Outside India	1,024.66	235.74	2.57
Total	2,203.53	1,910.21	49.97

Revenue as per Customers (more than 10% of revenue):

There are no single external customer who has contributed of 10% or more in the Group's revenue.

46 FAIR VALUE MEASUREMENTS

A) Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	3.13	244.32	-
(ii) Trade receivables	-	-	188.51
(iii) Cash and cash equivalents	-	-	63.46
(iv) Other bank balances	-	-	11.43
(v) Loans	-	-	9.96
(vi) Derivative assets	6.05	-	-
(vii) Others financial assets	-	-	37.56
Total	**9.18**	**244.32**	**310.92**
Financial liabilities			
(i) Borrowings	-	-	761.20
(ii) Trade payables	-	-	203.70
(iii) Derivative liabilities	2.87	-	-
(iv) Other financial liabilities	-	-	92.98
Total	**2.87**	**-**	**1,057.88**

(All amounts in ₹ crores, unless otherwise stated)

As at 31 March 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	7.23	138.48	-
(ii) Trade receivables	-	-	193.14
(iii) Cash and cash equivalents	-	-	26.48
(iv) Other bank balances	-	-	33.88
(v) Loans	-	-	12.66
(vi) Derivative assets	23.04	-	-
(vii) Others financial assets	-	-	26.13
Total	**30.27**	**138.48**	**292.29**
Financial liabilities			
(i) Borrowings	-	-	790.67
(ii) Trade payables	-	-	157.11
(i) Derivative liabilities	6.38	-	-
(iv) Other financial liabilities	-	-	63.83
Total	**6.38**	**-**	**1,011.61**

B) Fair value hierarchy

The different levels of fair value have been defined below:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B) (i) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	Note	Level 1	Level 2	Level 3
Financial assets				
(i) Investments	6 and 11	234.81	-	12.64
(ii) Derivative assets	8 and 16	-	6.05	-
Total Financial assets		**234.81**	**6.05**	**12.64**
Financial liabilities				
(i) Derivative liabilities	21 and 27	-	2.87	-
Total Financial liabilities		**-**	**2.87**	**-**

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

As at 31 March 2020	Note	Level 1	Level 2	Level 3
Total				
(i) Investments	6 and 11	145.51	-	0.20
(ii) Derivative assets	8 and 16	-	23.04	-
Total Financial assets		**145.51**	**23.04**	**0.20**
As at 31 March 2020				
(i) Derivative liabilities	21 and 27	-	6.38	-
Total Financial liabilities		**-**	**6.38**	**-**

Valuation process and technique used to determine fair values

(i) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(ii) Fair value for derivatives contracts is determined using observable forward and option exchange rates and yield curves as at the balance sheet date.

(iii) In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:

a) Asset approach - Net assets value method

b) Income approach - Discounted cash flows ("DCF") method

c) Market approach - Enterprise value/Sales multiple method

B) (ii) Fair value of financial assets and liabilities measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

The fair values of loans are not materially different from the amortised cost thereof. Further, the management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other current financial assets (excluding derivative assets), current borrowings, trade payables and other current financial liabilities (excluding derivative liabilities) approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

The fair value measurements disclosed in respect of financial assets and liabilities measured at amortised cost fall within Level 3 of fair value hierarchy.

47 RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis Credit ratings	Diversification of bank deposits, collateral credit limits and letter of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Foreign currency forwards Foreign currency options Cross currency swaps
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk - security price	Investments in mutual funds and debt securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss on financial assets other than trade receivables based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss unless credit risk has increased significantly since initial recognition, in which case allowance is measured at lifetime expected credit loss.
High credit risk	Other financial assets	Life time expected credit loss or fully provided for

As the group's trade receivables do not contain a significant financing component, it measures the loss allowance in respect thereof at an amount equal to lifetime expected credit losses.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within a reasonable time after the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

(All amounts in ₹ crores, unless otherwise stated)

Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group or debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit risk exposure

Credit rating	Particulars	As at 31 March 2021	As at 31 March 2020
A: Low credit risk	Cash and cash equivalents	63.46	26.48
	Other bank balances	11.43	33.88
	Loans	9.96	12.66
	Other financial assets	43.61	49.17
	Investments	247.45	145.71
B: Medium credit risk	-	-	-
C: High credit risk	-	-	-

Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables
Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due. All debtors are covered under credit insurance policy.

Investments
The Group invests only in quoted debt securities and mutual funds with very low credit risk. The Group's debt instruments comprised solely of quoted bonds that are graded in the top investment category by the good credit rating agency and, therefore, are considered to be low credit risk investments.

Derivative instruments
Credit risk related to derivative instruments is managed by the Group by doing transactions with highly rated banks. Further, management has established limits for use of derivative instruments to minimize the concentration of risks and therefore mitigate financial loss through counterparties potential failure to make payments.

Other financial assets measured at amortised cost
Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Provision for expected credit losses

a) Expected credit losses for financial assets other than trade receivables
The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the group is in possession of the underlying asset. In respect of other financial assets, credit risk is evaluated based on group's knowledge of the credit worthiness of those parties.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

The group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

b) Expected credit loss for financial assets under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Customer discounts amounting to ₹ 34.16 crores (31 March 2020 : ₹ 12.12 crores) were not considered for the purpose of computation of expected credit losses under simplified approach. Based on such simplified approach, an allowance of ₹ 6.84 crores and ₹ 5.82 crores as at 31 March 2021 and 31 March 2020 respectively has been recognised.

Age of receivables	As at 31 March 2021	As at 31 March 2020
Not Due	186.65	129.27
0-180 days past due	37.24	75.70
181-360 days past due	0.19	1.47
More than 360 days past due	5.43	4.64
Total	**229.51**	**211.08**

Reconciliation of loss provision-lifetime expected credit losses

Reconciliation of loss allowance	Amount
Loss allowance as at 1 April 2019	**8.37**
Expected credit loss recognised during the year	0.66
Amounts written off	(3.21)
Loss allowance as at 31 March 2020	**5.82**
Expected credit loss recognised during the year	1.12
Amounts written off	(0.10)
Loss allowance as at 31 March 2021	**6.84**

B. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of reporting period:

Floating rate	As at 31 March 2021	As at 31 March 2020
Expiring within one year (cash credit and other facilities)	435.20	484.49
Expiring beyond one year (bank loans - floating rate)	166.28	-
Total	**601.48**	**484.49**

(All amounts in ₹ crores, unless otherwise stated)

Contractual Maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings	439.66	132.52	168.22	59.47	799.87
(ii) Trade payables	203.70	-	-	-	203.70
(iii) Other financial liabilities	92.98	-	-	-	92.98
(iv) Derivative liabilities	2.81	0.06	-	-	2.87
Total	**739.15**	**132.58**	**168.22**	**59.47**	**1,099.42**

31 March 2020	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings	450.77	133.68	210.65	30.59	825.69
(ii) Trade payables	157.11	-	-	-	157.11
(iii) Other financial liabilities	63.83	-	-	-	63.83
(iv) Derivative liabilities	5.82	0.56	-	-	6.38
Total	**677.53**	**134.24**	**210.65**	**30.59**	**1,053.01**

C. Market Risk

(i) Interest Rate risk

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2021, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

Group's exposure to interest rate risk on borrowings is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate	731.71	766.86
Fixed rate	28.58	22.59
Total	**760.29**	**789.45**

The following table illustrates the sensitivity of profit and equity to a possible change in interest rates of +/- 1% (31 March 2020: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year+1%	Profit for the year-1%
As at 31 March 2021	(4.76)	4.76
As at 31 March 2020	(4.99)	4.99

(ii) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP, Euro and JPY. Fluctuations in foreign currency exchange rates may have an impact on profit or loss and the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Exposures on foreign currency loans are managed through a hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group's policy is to hedge material foreign exchange risk associated with borrowings, highly probable forecast sales and purchases transactions denominated in foreign currencies. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Group uses forward exchange contracts, currency swaps, other derivatives and non-derivative instruments to hedge the effects of movements in exchange rates on foreign currency denominated assets, liabilities and highly probable forecast transactions. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies and as well as financing transactions and loans denominated in foreign currencies. The Group is also exposed to foreign exchange risk on its highly probable forecasted sales and purchases. The policy of the Group is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the profit or loss or other comprehensive income. Instruments designated in hedging relationship and hedge accounting disclosures are include in section "Derivative financial instruments and hedge accounting".

	As at 31 March 2021		As at 31 March 2020	
Financial assets	**Foreign Currency**	**INR (in crores)**	**Foreign Currency**	**INR (in crores)**
USD	6,297,371	46.08	7,197,482	54.28
GBP	1,022,337	10.31	1,446,719	13.47
EUR	1,235,036	10.60	2,356,079	19.58
CAD	457,491	2.66	665,587	3.56
Financial liabilities				
USD	42,756,736	312.85	48,723,071	367.42
EUR	23,343,733	200.38	26,685,600	221.73
JPY	-	-	327,140	0.02
GBP	12,123	0.12	12,123	0.11
Derivative Contracts				
USD	(21,659,620)	(158.48)	(39,089,771)	(294.78)
EUR	(8,316,780)	(71.39)	(12,928,619)	(107.42)
Forward contracts for forecasted transactions				
EUR/USD	-	-	7,188,550	(4.35)
USD/INR	-	-	6,674,251	(50.33)
EUR/INR	-	-	2,000,000	(16.62)

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(All amounts in ₹ crores, unless otherwise stated)

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	As at 31 March 2021	As at 31 March 2020
USD	73.17	75.41
GBP	100.86	93.12
JPY	0.66	0.70
CAD	58.24	53.55
EURO	85.84	83.09

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and non-derivative financial instruments designated as cash flow hedges.

	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD sensitivity				
INR/USD increase by 5.00% (31 March 2020- 5.45%)	(8.68)	(11.10)	-	(1.78)
INR/USD decrease by 5.00% (31 March 2020- 5.45%)	8.68	11.10	-	1.78
GBP sensitivity				
INR/GBP increase by 5.00% (31 March 2020- 10.26%)	0.33	0.89	-	-
INR/GBP decrease by 5.00% (31 March 2020- 10.26%)	(0.33)	(0.89)	-	-
EUR sensitivity				
INR/EUR increase by 5.00% (31 March 2020- 7.57%)	(6.17)	(9.96)	-	(1.03)
INR/EUR decrease by 5.00% (31 March 2020- 7.57%)	6.17	9.96	-	1.03
JPY sensitivity				
INR/JPY increase by 5.00% (31 March 2020- 10.65%)	-	(0.00)	-	-
INR/JPY decrease by 5.00% (31 March 2020- 10.65%)	-	0.00	-	-
CAD sensitivity				
INR/CAD increase by 5.00% (31 March 2020- 7.76%)	0.09	0.18	-	-
INR/CAD decrease by 5.00% (31 March 2020- 7.76%)	(0.09)	(0.18)	-	-

(All amounts in ₹ crores, unless otherwise stated)

Derivative financial instruments and hedge accounting

A) The fair value of the Group's open derivative positions recorded within financial instruments (derivative) is as follows:

	As at 31 March 2021		As at 31 March 2020	
	Liability	Assets	Liability	Assets
Non-current				
Cash flow hedges				
- Forward foreign currency contracts	1.32	2.83	0.68	9.66
- Options	0.36	2.87	-	10.15
- Interest rate swaps	0.18	-	0.18	-
- Currency swaps	1.01	0.35	5.52	3.23
Total	**2.87**	**6.05**	**6.38**	**23.04**

**Refer statement of profit and loss and statements of change in equity for the change in the fair value of cash flow hedges.*

The Group uses foreign currency forward contracts, foreign currency options contracts and non-derivative financial instruments (i.e. foreign currency borrowings) to mitigate exchange rate exposure arising from forecast sales and purchase in USD, EUR and GBP. Also, the Group uses foreign currency options contracts, cross currency swap contracts and interest rate swap contracts to mitigate exchange rate exposure and interest rate exposure arising from foreign currency borrowings.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The critical terms of the foreign currency forwards and cross currency swaps entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

In hedges of foreign currency borrowings and forecast transaction, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss. At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Other derivatives, which have not been designated in hedging relationship, are considered by management to be part of economic hedge arrangements but have not been formally designated since the relationship between hedged item and hedging instrument is considered to be ineffective.

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedge ratio	Average strike price	Changes in fair value of the hedging instrument	'Change in the fair value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities					
As at 31 March 2021								
Cash flow hedge								
Derivative instruments								
(i) Foreign exchange forward contracts	USD 24,881,595	2.16	2.22	June 2021- November 2021	1:1	USD/INR- 75.39	(0.06)	0.06
	EUR 7,347,375	0.62	0.44	April 2021- February 2022	1:1	EUR/INR- 87.88	0.18	(0.18)
	USD 1,500,000	0.35	-	April 2021- June 2021	1:1	-	0.35	(0.35)
	EUR 8,000,000	2.16	-	October 2021- December 2022	1:1	-	2.16	(2.16)
	EUR 3,000,000	0.25	-	May 2022- December 2022	1:1	-	0.25	(0.25)
(ii) Cross currency swap contracts	USD 611,835	0.35	-	April 2021- August 2021	1:1	USD/ INR 67.30	0.35	(0.35)
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 3,726,220	-	31.99	April 2021- July 2023	1:1	EUR/INR- 79.87	0.07	(0.07)
	USD 2,059,161	-	15.07	April 2021- May 2022	1:1	USD/JPY 111.27	(0.13)	0.13
As at 31 March 2020								
Cash Flow hedge								
Derivative instruments								
(i) Foreign exchange forward contracts	USD 17,845,311.15	1.22	0.60	April 2020 - June 2022	1:1	USD/INR 75.31	0.62	(0.62)
	EUR 2,732,630	0.18	0.08	April 2020 - June 2022	1:1	EUR /INR 90.64	0.10	(0.10)
	EUR 8,000,000	6.34	-	December 2020- February 2021	1:1	EUR/USD - 1.20	6.34	(6.34)
	GBP 500,000	0.14	-	September 2020		-	0.14	(0.14)
(ii) Cross currency swap contracts	USD 1,835,503	1.36	-	April 2020- August 2021	1:1	USD/ INR 67.30	1.36	(1.36)
	USD 3,043,976	-	(0.57)	April 2020- May 2022	1:1	USD/JPY 111.27	(0.57)	0.57
Non-derivative instruments								
(i) Foreign currency borrowings*	EUR 5,818,660	-	48.35	April 2020- July 2023	1:1	EUR/INR -79.85	0.04	(0.04)

* represents outstanding balance of loans designated under natural hedge

(All amounts in ₹ crores, unless otherwise stated)

Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2021

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	(1.84)	-	2.41	Finance cost and other expenses/ income
(ii) Cross currency swap contracts	(0.79)	-	1.49	Finance cost and other expenses/ income
(iii) Foreign currency borrowings	0.62	-	0.13	Finance cost and other expenses/ income

For the year ended 31 March 2020

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency and interest rate risk				
(i) Foreign exchange forward contracts	8.70	-	(14.56)	Cost of material consumed, finance cost and other expenses/income
(ii) Cross currency swap contracts	0.63	-	(2.90)	Finance cost and other expenses/ income
(iii) Foreign currency borrowings	(4.09)	-	0.48	Finance cost and other expenses/ income

(iii) Price risk

Exposure

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period :

Impact on profit after tax

Particulars	Impact on profit after tax		Impact on other components of equity	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investments				
Net asset value - increase by 1%	0.02	0.50	1.59	0.90
Net asset value - decrease by 1%	(0.02)	(0.50)	(1.59)	(0.90)

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021
(All amounts in ₹ crores, unless otherwise stated)

48 CAPITAL MANAGEMENT POLICIES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide a an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the group are summarised as follows:

The Group monitors capital on the basis of its gearing ratio, debt equity ratio and ratio of net debts to its earnings before interest, tax, depreciation and amortisation (EBITDA)

Debt equity ratio

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	761.20	789.45
Less: Investments	(247.24)	(145.51)
Less: Cash and cash equivalents	(63.46)	(26.48)
Less: Pledged bank deposits	(9.57)	(32.48)
Less: Deposits with bank	(0.38)	-
Net debt	**440.55**	**584.98**
Total equity	853.86	740.92
Net debt to equity ratio	**51.60%**	**78.95%**

Ratio of net debt to EBIDTA

Particulars	As at 31 March 2021	As at 31 March 2020
Profit before exceptional items and tax*	328.74	162.84
Add: Depreciation and amortisation expenses	59.22	65.05
Add: Finance cost	41.68	52.57
EBIDTA	**429.64**	**280.46**
Net debt	440.55	584.98
Ratio of net debt to EBIDTA	**1.03**	**2.09**

*includes other income

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

Gearing Ratio

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt	440.55	584.98
Total equity	853.86	740.92
Equity and net debt	1,294.41	1,325.90
Gearing Ratio	**34.03%**	**44.12%**

Dividend paid	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares		
Final dividend for the year ended 31 March 2020 ₹ Nil (31 March 2019: ₹ 6 per share) (including dividend distribution tax)	-	14.06
Interim dividend for the ended 31 March 2021 of ₹ 25 per share (31 March 2020: ₹ 15 per share) (including dividend distribution tax)	44.53	35.15

49 GROUP INFORMATION

Information about subsidiaries consolidated

The Consolidated Financial statements of the Group include entity listed in the table below:

S. No.	Name of Entity	Country of Incorporation	Proportion (%) of equity interest	
			Year Ended 31 March 2021	Year Ended 31 March 2020
A.	**Subsidiary of Cosmo Films Limited**			
1	Cosmo Films Inc., USA	USA	100%	100%
2	CF (Netherlands) Holdings Limited BV., Netherlands	Netherlands	100%	100%
3	Cosmo Films Japan (GK)	Japan	100%	100%
4	Cosmo Films Korea Limited, Korea	Korea	100%	100%
5	CF Investment Holding Private (Thailand) Co., Ltd	Thailand	100%	100%
6	Cosmo Films Poland S.P. Z.O.O.	Poland	100%	100%
7	CF Films (Singapore) Pte. Limited	Singapore	100%	100%
8	Cosmo Speciality Chemicals Private Limited*	India	100%	100%

*incorporated on 2 March 2020

NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March, 2021

(All amounts in ₹ crores, unless otherwise stated)

50 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013, OF THE ENTERPRISES CONSOLIDATED AS SUBSIDIARIES CONSOLIDATED:

Name of Entity	Net assets (total assets minus total liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
Parent	As % of consolidated net assets	Amount (in Rupees)	As % of consolidated profit or loss	Amount (in Rupees)	As % of consolidated other comprehensive income	Amount (in Rupees)	As % of consolidated total comprehensive income	Amount (in Rupees)
Cosmo Films Limited	97.7%	834.28	91.0%	215.55	52.7%	3.00	90.1%	218.55
Subsidiary								
Cosmo Films Inc., USA	10.1%	86.34	8.9%	21.10	30.1%	1.71	9.4%	22.81
CF (Netherlands) Holdings Limited BV., Netherlands	24.2%	206.26	1.9%	4.52	7.7%	0.44	2.0%	4.96
Cosmo Films Japan (GK)	5.5%	46.99	1.3%	2.99	-39.0%	(2.22)	0.3%	0.77
Cosmo Films Korea Limited, Korea	1.9%	16.36	0.2%	0.50	13.0%	0.74	0.5%	1.24
CF Investment Holding Private (Thailand) Co., Ltd	2.3%	20.01	-1.2%	(2.95)	7.6%	0.43	-1.0%	(2.52)
CF Films (Singapore) Pte. Limited	0.0%	0.15	0.0%	(0.08)	-	-	0.0%	(0.08)
Cosmo Films Poland S.P. Z.O.O.	0.0%	0.20	0.0%	(0.06)	-	-	0.0%	(0.06)
Cosmo Speciality Chemicals Private Limited	2.6%	22.36	0.1%	0.34	-	-	0.1%	0.34
Adjustment arising out of consolidation	-44.3%	(379.09)	-2.2%	(5.01)	27.9%	1.59	-1.4%	(3.42)
Total	**100.0%**	**853.86**	**100.0%**	**236.90**	**100.0%**	**5.69**	**100.0%**	**242.59**

51 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
Debt as at 1 April 2020	**482.94**	**306.51**	**789.45**
Cash flow:			
- Proceeds	124.15	(13.07)	**111.08**
- Repayment	(132.66)	-	**(132.66)**
- Finance cost adjustment for effective interest rate	0.30	-	**0.30**
- Foreign exchange difference	(8.16)	0.28	**(7.88)**
Net debt as at 31 March 2021	**466.57**	**293.72**	**760.29**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Long-term borrowings	Short-term borrowings	Total
Debt as at 1 April 2019	**539.66**	**271.62**	**811.28**
Cash flow:			
- Proceeds	18.31	34.89	**53.20**
- Repayment	(113.10)	-	**(113.10)**
- Finance cost adjustment for effective interest rate	0.38	-	0.38
- Foreign exchange difference	37.69	-	**37.69**
Net debt as at 31 March 2020	**482.94**	**306.51**	**789.45**

52 Per transfer pricing legislation under Sections 92-92F of the Income tax Act, 1961, the Holding Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Holding Company's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

53 The outbreak of Coronavirus (COVID- 19) pandemic globally and in India is causing significant disturbance and slowdown in economic activity. The Group is engaged in the business of flexible packaging films which is a part of essential commodities, and therefore the pandemic has so far had negligible impact on the business operations of the Group. The management has exercised due care, in concluding significant accounting judgements and estimates, inter alia, recoverability of receivables, impairment assessment of financial and non-financial assets, realisability of inventory and accordingly noted no significant impact on its financials statements. Further, management believes that the Group will be able to discharge the liabilities as and when falling due. The Group will continue to monitor current and future conditions and impact thereof on Group's operations.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No.: 077974

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

Pratip Chaudhuri
Director
DIN: 00915201
Place: New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place: New Delhi

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place: New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place: Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place: Noida

Place : Noida
Date : 20 May 2021

Form AOC-I

(Pursuant to First Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement Containing salient features of the financial statements (As per Indian Accounting Standards, referred to in section 133 of the companies act 2013) of Subsidiaries and Associates

Part A: Subsidiaries

(₹ in crores)

Name of the Subsidiary	Reporting Period	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries		Share Capital	Reserve and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (loss) before tax	Provision for Tax	Profit/ (loss) after tax	Proposed Dividend	% of Share Holding
		Currency	Exchange rate as on March 31, 2021											
CF (Netherlands) Holdings Limited B.V	1 April 2020 -31 March 2021	EURO	85.80	195.19	11.07	219.12	12.86	-	50.01	4.52	-	4.52	-	100%
Cosmo Films (Japan) GK	1 April 2020 -31 March 2021	JPY	0.66	8.00	38.99	57.12	10.13	-	74.86	4.71	1.72	2.99	-	100%
Cosmo Films (Singapore) Pte Ltd.	1 April 2020 -31 March 2021	SGD	54.39	0.46	(0.31)	0.22	0.07	-	-	(0.08)	-	(0.08)	-	100%
Cosmo Films Korea Ltd.	1 April 2020 -31 March 2021	KRW	0.06	8.42	7.94	53.19	36.83	-	96.12	0.65	0.15	0.50	-	100%
Cosmo Films Inc	1 April 2020 -31 March 2021	USD	73.15	177.54	(91.20)	161.52	75.18	45.23	248.39	21.10	-	21.10	-	100%
CF Investment Holding Private (Thailand) Co. Ltd.	1 April 2020 -31 March 2021	THB	2.34	27.90	(7.88)	20.06	0.04	15.59	-	(2.94)	0.01	(2.95)	-	100%
Cosmo Films Poland S.P. Z.O.O	1 April 2020 -31 March 2021	PLN	18.52	0.47	(0.27)	0.21	0.01	-	-	(0.06)	-	(0.06)	-	100%
Cosmo Speciality Chemicals Private Limited	1 April 2020 -31 March 2021	INR	1.00	22.02	0.34	36.15	13.79	-	20.33	0.41	0.07	0.34	-	100%

Notes :

I) Name of Subsidiaries which have been liquidated or sold during the year - Not Applicable

Part B: Associates & Joint Ventures **Nil**

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

Pratip Chaudhuri
Director
DIN: 00915201
Place : New Delhi

Ashok Jaipuria
Chairman & Managing Director
DIN: 00214707
Place : New Delhi

Date : 20 May 2021

Pankaj Poddar
Chief Executing Officer
Membership No.: 096861
Place : New Delhi

Neeraj Jain
Chief Financial Officer
Membership No.: 097576
Place : Noida

Jyoti Dixit
Company Secretary
Membership No.: F6229
Place : Noida

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Engineered to Enhance

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