

COSMO FILMS LIMITED

Regd. Off: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025
CIN- L92114DL1976PLC008355
Tel: +91 11 49494949 Fax: +91 11 49494950
e-mail: investor.relations@cosmofilms.com, Website: www.cosmofilms.com

NOTICE

Notice is hereby given that the Thirty-Eighth Annual General Meeting of the members of Cosmo Films Limited will be held at Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110054 on Thursday, August 06, 2015 at 2.00 P.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2015, and the Balance Sheet as at that date and the report of the Board of Directors and the Auditors of the Company thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil Kumar Jain (DIN: 00027911) who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification or amendments or re-enactments thereof for the time being in force), M/s Walker Chandiok & Co LLP., Chartered Accountants (Firm Registration No. 001076N), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after this meeting) till the conclusion of the forty third (43rd) Annual General Meeting of the Company to be held in the calendar year 2020, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS

5. To appoint Mr. Pratip Chaudhuri (DIN: 00915201) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pratip Chaudhuri (DIN: 00915201), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to November 09, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provision of Companies Act, 2013.”

6. To appoint Mr. Hoshang Noshirwan Sinor (DIN: 00074905) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:-
- “**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hoshang Noshirwan Sinor (DIN: 00074905), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to May 21, 2020 and shall not be liable to retire by rotation hereinafter in accordance with the provision of Companies Act, 2013.”
7. To appoint/confirm Mr. Rajeev Gupta (DIN: 00241501) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:-
- “**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajeev Gupta (DIN: 00241501) who was acting in the capacity of Non Independent Non Executive Director of the Company and subsequently classified/appointed as an Independent Director within the meaning of Section 149 of Companies Act, 2013 by the Board of Directors of the Company at their meeting held on 22nd May, 2015, to hold office upto a term of five consecutive year from 22nd May, 2015 and in respect of whom the Company has also received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby confirmed/appointed as an Independent Director of the Company to hold office for a period up to May 21, 2020 and shall not be liable to retire by rotation hereinafter in accordance with the provision of Companies Act, 2013.”
8. To approve the remuneration of Cost Auditors for the Financial Year ending March 31, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:-
- “**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Jayant B. Galande, Cost Accountants (Firm Registration Number 5255) appointed as the Cost Auditors of the Company by the Board for audit of the cost accounting records of the Company for the Financial Year ending 31st March, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;
- “**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

New Delhi
July 7, 2015

Head Office:
1008, DLF Tower-A
Jasola District Centre,
New Delhi- 110025
CIN:- L92114DL1976PLC008355
e-mail:- investor.relations@cosmofilms.com

By order of the Board of Directors
Cosmo Films Limited

Jyoti Dixit
Company Secretary
Membership No. F6229

NOTES:

1. **NO SNACK BOXES/GIFTS OF ANY KIND SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING**
2. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting, therefore members are requested to bring their own copies at the Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. THE PROXY SHALL NOT BE ENTITLED TO SPEAK AT THE MEETING AND NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
4. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/ authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
6. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
7. **Voting through electronic means**
 - (a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide its member the facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).
 - (b) That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - (c) That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again. The instructions for electronic voting are attached separately with the notice of Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 01, 2015 to Thursday, August 06, 2015 (Both days inclusive).
10. The register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members.
11. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

13. The Members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents **M/s. Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi - 110 055.**
14. Members / Proxy holders are requested to produce at the entrance of the Auditorium the enclosed admission slip duly completed and signed.
15. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the company under the signature of the Sole/First Joint holder, the following information to be incorporated on the Dividend Warrants:
- i) Name of the Sole/First Joint Holder and the folio number
 - ii) Particulars of Bank Account, viz
 - Name of the Bank
 - Name of the Branch
 - Complete address of the bank with Pin Code Number
 - Account type, whether savings (SB) or Current Account (CA)
 - Account number allotted by the bank
16. Shareholder holding shares in electronic form may kindly note that their Bank account details as furnished by the depositories to the company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The company will not entertain any direct request from such shareholders for deletion of/ change in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. **Shareholders who wish to change such bank account details are therefore requested to advise their Depository Participants about such changes, with complete detail of bank account.**
17. Electronic Clearing Service (ECS) Facility
- With respect to the payment of dividend, the company provides the facility to all of its shareholders, holding shares in electronic form and shareholders who have opted for ECS and are holding shares in physical forms.
18. Pursuant to provisions of Section 205A of the Companies Act, 1956 (which are still applicable as the relevant sections under Companies Act, 2013 are yet to be notified), all unpaid or unclaimed dividends upto the year ended 31st March, 2007 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Govt.
19. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividend for the Financial Year ended March 31, 2007 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Financial Year	Type of dividend	Date of declaration	Due for transfer
2007-08	Final Dividend	24/07/2008	30/08/2015
2008-09	Final Dividend	25/08/2009	01/10/2016
2009-10	Final Dividend	09/09/2010	16/10/2017
2010 -11	Final Dividend	13/07/2011	19/08/2018
2011- 12	Final Dividend	30/07/2012	05/09/2019
2012-13	Final Dividend	25/09/2013	30/10/2020
2013-14	Final Dividend	25/09/2014	30/10/2021

Shareholders who have not encashed the dividend warrant(s) are requested to seek issue of duplicate dividend warrants by writing to the Company.

Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amount which were unclaimed and unpaid for a period of seven years from the dates that they became due for payment and no payment shall be made in respect of any such claims.

20. Non Resident Indian shareholders are required to inform M/s Alankit Assignments Limited immediately :
 - The change in the residential status on return to India for permanent settlement.
 - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number, and address of the bank, if not furnished earlier.
21. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
22. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Alankit Assignments Limited.
23. The details pertaining to the Directors, proposed to be reappointed in terms of Listing agreement is annexed to this notice.
24. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

Annexure to the Notice

PURSUANT TO THE PROVISIONS OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, ON CORPORATE GOVERNANCE, THE INFORMATION REQUIRED TO BE GIVEN, IN CASE OF THE APPOINTMENT / REAPPOINTMENT OF A DIRECTOR IS AS FOLLOWS:

Directors name	Date of Birth	Qualifications	Nature of Expertise	Date of Appointment / Reappointment	Name of Other Companies in which He / She holds Directorships	Name of the committees of Companies in which he holds memberships/ Chairmanships	Shareholding in the company
Mr. Anil Kumar Jain	March 18, 1951	B.Com (H), A. I.C.W.A.CISA	Finance & Accounts	May 24, 2011	1) Cosmo Ferrites Limited 2) Usha International Limited	Cosmo Films Limited 1) Stakeholders Relationship Committee – Member Cosmo Ferrites Limited 1) Audit Committee – Member Usha International Limited 1) Audit Sub Committee – Chairman	20
Mr. Pratip Chaudhuri	September 12, 1953	B.Sc.(Hons), MBA, CAIIB	Banking, National & International Financing	November 10, 2014	1) Visa Steel Limited 2) Alchemist Asset Reconstruction Co. Limited 3) CESC Limited 4) Sundram Asset Management Company Limited 5) IFFCO Kisan Sanchar Limited 6) Jindal Ploy Investment And Finance Company Limited	Cosmo Films Limited 1) Audit Committee – Chairman Visa Steel Limited 1) Audit Committee - Chairman	NIL
Mr. H.N. Sinor	December 05, 1944	B.Com, LLB	Finance & Banking	May 22, 2015	1)3i Infotech Limited 2) Themis Medicare Limited 3) Tata Investment Corporation Limited 4)Tata Motors Finance Limited 5)ICICI Venture Funds Management Company Limited 6) CRISIL Limited 7)Tata Capital Markets Limited	ICICI Venture Funds Management Company Limited. 1) Audit Committee-Member CRISIL Limited 1) Audit Committee-Member Themis Medicare 1) Audit Committee-Member Tata Motors Finance Limited 1)Audit Committee-Chairman Tata Investment Corporation Limited 1) Audit Committee-Chairman Cosmo Films Limited 1) Stakeholders Relationship Committee- Member	NIL

Directors name	Date of Birth	Qualifications	Nature of Expertise	Date of Appointment / Reappointment	Name of Other Companies in which He / She holds Directorships	Name of the committees of Companies in which he holds memberships/ Chairmanships	Shareholding in the company
Mr. Rajeev Gupta	March 19, 1958	B.E. and M.B.A	Corporate Financing	May 22, 2015	1) Dalmia Cement (Bharat) Limited 2) EIH Limited 3) TVS Capital Funds Limited 4) United Spirits Limited 5) Vardhman Special Steels Limited 6) VIP Industries Limited	Cosmo Films Limited 1) Audit Committee-Member 2) Stakeholders Relationship Committee-Member United Spirits Limited 1) Audit Committee-Member Vardhman Special Steel Limited 1) Audit Committee-Member	10100

Note: Directorship includes Directorship of other Public Companies (whether listed or not) and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company.

Important Communication to Members

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 5 & 6

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor as an Additional Director of the Company with effect from November 10, 2014 and May 22, 2015 respectively.

In terms of the provisions of Section 161(1) of the Act, Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor for the office of Director of the Company.

Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence to be adopted to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor are Independent of Management.

The resolution seeks the approval of members for the appointment of Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor as an Independent Director of the Company for a period up to November 09, 2019 and May 21, 2020 respectively pursuant to section 149 and other applicable provision of the Companies Act, 2013 and the Rules made thereunder. They will not be liable to retire by rotation.

Brief resume of Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor, nature of his expertise in specific areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Annexure forming part of this notice.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor be appointed as an Independent Director. Copy of the draft letter for appointment of Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor as an Independent Director setting out the terms and conditions and other relevant documents are available for inspection by members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting and is also available on the website of the Company at www.cosmofilms.com

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except Mr. Pratip Chaudhuri and Mr. Hoshang Noshirwan Sinor, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 & 6 respectively of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 & 6 of the Notice for approval by the shareholders.

ITEM NO. 7

Mr. Rajeev Gupta was appointed as Non-Executive Non-Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange.

The status of Mr. Rajeev Gupta has changed to Non- Executive Independent Director and the Board in its meeting held on May 22, 2015, subject to the approval of the members, approved his appointment as Non-Executive Independent Director to hold office for 5 (five) consecutive years w.e.f. May 22, 2015.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rajeev Gupta for the office of Director of the Company.

Mr. Rajeev Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Section 149 of the Act inter alia stipulates the criteria of independence to be adopted to appoint an Independent Director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Rajeev Gupta that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Mr. Rajeev Gupta as an Independent Director of the Company for a period up to May 21, 2020 pursuant to section 149 and other applicable provision of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Rajeev Gupta fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rajeev Gupta is Independent of Management.

Brief resume of Mr. Rajeev Gupta, nature of his expertise in specific areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Annexure forming part of this notice.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the service of Mr. Rajeev Gupta as an Independent Director. Copy of the draft letter for appointment of Mr. Rajeev Gupta as an Independent Director setting out the terms and conditions and other relevant documents are available for inspection by members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting and is also available on the website of the Company at www.cosmofilms.com

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except Mr. Rajeev Gupta, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 respectively of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016 as per the following detail. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be determined by the shareholders of the Company.

Name of the Cost Auditor	Industry	Audit fees (₹ in lakhs)
Jayant B. Galande	Organic & Inorganic Chemicals	2 Lacs

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out above.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

New Delhi
July 7, 2015

Head Office:
1008, DLF Tower-A
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By order of the Board of Directors
Cosmo Films Limited

Jyoti Dixit
Company Secretary
Membership No. F6229

The instructions for members for voting electronically are as under:-

- (i) The remote e-voting facility begins on Monday, 3rd August, 2015 from 10:00 a.m. (IST) and ends on Wednesday, 5th August, 2015 at 05:00 p.m. During the e-voting period, shareholders' of the Company holding shares either in physical form or dematerialized form, as on the cut off date i.e. July 31, 2015, may cast their vote electronically. The remote e-voting facility shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now enter your User ID:-
 - (a) For CDSL : 16 digits beneficiary ID
 - (b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
 - (c) Members holding shares in physical form should enter Folio Number registered with the Company
- (vi) Next enter the image verification code / captcha code as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below. (Applicable for the Members holding shares in demat form and in physical form)
- (ix) Now, fill up the following details in the appropriate boxes:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (xiii) Click on the relevant EVSN of “**Cosmo Films Limited**” on which you choose to vote.
- (xiv) On the voting page, you will see “**Resolution Description**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xv) Click on the “**Resolutions File Link**” if you wish to view the entire Resolutions.
- (xvi) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take print out of the voting done by you by clicking on “**Click here to print**” option on the Voting Page.
- (xix) If Demat account holder has forgotten the changed password then enter the User ID and image verification code/ captcha code and click on **Forgot Password** & enter the details as prompted by the system.
- (xx) **Note for Institutional Shareholders :**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. July 31, 2015 may follow the same instructions as mentioned above for e-Voting.
- (xxii) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on cut-off date of July 31, 2015
- (xxiii) The Board of Directors of the Company at their meeting held on 7th July, 2015 has appointed Mr. Sanjiv Aggarwal, Practising Chartered Accountant (FCA No. 85128) as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner whose e-mail is bkshroffdelhi@yahoo.com
- (xxiv) The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.cosmofilms.com and on the website of CDSL and simultaneously communicated to the Stock Exchanges.
- (xxv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com



ATTENDANCE SLIP



COSMO FILMS LIMITED

Regd. Off: 1008, DLF Tower-A, Jasola District Centre, New Delhi-110025
CIN- L92114DL1976PLC008355
Tel: +91 11 49494949 Fax: +91 11 49494950
e-mail: investor.relations@cosmofilms.com, Website: www.cosmofilms.com

[Empty rectangular box for stamp or signature]

I certify that I am a member / proxy / authorised representative for the member of the Company.
I/We hereby record my/our presence at the 38th Annual General Meeting of the Company being held on Thursday, August 6, 2015 at Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110054 at 02:00 P.M. or any adjournment thereof.
Further, please register / update my / our under mentioned E-mail ID for sending all future Company's correspondence:
E-mail ID:.....

SIGNATURE OF THE SHAREHOLDER(S)

SIGNATURE OF PROXY / AUTHORISED REPRESENTATIVE

Notes :

- Members/Proxy holders are requested to bring this slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall duly signed.
- Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

**PROXY FORM
FORM No. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered Address:	
Email ID:	Folio No. / DP ID/Client ID

I/We, being the member(s) of.....shares of Cosmo Films Limited, hereby appoint
1.....r/o.....having email id.....,signature.....or failing him
2.....r/o.....having email id.....,signature.....or failing him
3.....r/o.....having email id.....,signature.....or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Thursday, August 6, 2015 at Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110054 at 02:00 pm or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	For	Against
1.	Consider and adopt the audited Profit & Loss Account for the year ended March 31, 2015, and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors of the Company thereon		
2.	Declaration of Dividend on Equity Shares		
3.	Re-appointment of Mr. Anil Kumar Jain who retires by rotation		
4.	Appointment of the Auditors and fixing their remuneration		
5.	Appointment of Mr. Pratip Chaudhuri as an Independent Director		
6.	Appointment of Mr. Hoshang Noshirwan Sinor as an Independent Director		
7.	Approval for Change in the Status of Mr. Rajeev Gupta to Independent Director		
8.	Approval of the remuneration of Cost Auditors		

Signed this _____ day of _____ 2015

Signature of Shareholder(s) _____ Signature of Proxy holder(s) _____



Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box, if you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 38th Annual General Meeting.





SUCCESS
THRIVES WHEN
OPPORTUNITY MEETS
PREPARATION

WHAT WE HOPE TO

ACHIEVE

VISION

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

MISSION

For Customers:

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

For Employees:

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

For Shareholders:

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

For Vendors:

To create symbiotic relationships that drives mutual growth.

For Community:

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

WHAT DRIVES US

CORE VALUES

OF COSMO

Customer Orientation

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

People

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

Innovation

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

Fair Business Practices

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

CONTENTS

Corporate Information	4
Directors' profile	6
Management Team	7
Directors' Report	9
Management Discussion & Analysis Report	32
Corporate Governance Report	34
Corporate Social Responsibility	47
STANDALONE FINANCIAL RESULTS	
• Auditors' Report	49
• Balance Sheet	53
• Profit & Loss Account	54
• Cash Flow Statement	55
• Notes to the Financial Statements	56
Financial information of subsidiary Companies	82
CONSOLIDATED FINANCIAL RESULTS	
• Auditors' Report	83
• Consolidated Balance Sheet	87
• Consolidated Profit & Loss Account	88
• Consolidated Cash Flow Statement	89
• Notes to the Consolidated Financial Statements	90

CORPORATE

INFORMATION

REGISTERED OFFICE

1008, DLF Tower-A, Jasola District Centre,
New Delhi -110 025
Tel: +91 11 49494949,
Fax: +91 11 49494950
Website: www.cosmofilms.com

PLANTS:

MAHARASHTRA:

Plant I

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

Plant II

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

Plant III

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

GUJARAT

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

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

USA

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

KOREA

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

STATE OFFICES

DELHI

1008, DLF Tower-A, Jasola District Centre,
New Delhi 110 025
Tel: +91 11 49494949
Fax: +91 11 49494950

MUMBAI

303, 3rd Floor, Gokul Arcade, A Wing,
Opp. Hong Kong Bank, Subhash Road,
Vile Parle (E), Mumbai 400 057
Tel: +91 22 28261195/97, 28266395
Fax: + 91 22 28261201

HYDERABAD

1405/B, 14th Floor, Babu Khan Estate,
Basheerbagh, Hyderabad 500 001
Tel : +91 40 23297620/22
Fax: +91 40 23297622

SUBSIDIARIES:

ASIA PACIFIC

SINGAPORE:

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

KOREA

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

JAPAN

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

MAURITIUS

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

CF (Mauritius) Holdings Ltd.
Regd. Office : 3rd floor, DHL Building,
Sir Virgil Naz Street , Port Louis, Mauritius

THAILAND

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

EUROPE

NETHERLANDS

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

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

USA

Cosmo Films Inc.
775 Belden, Suite D
Addison, Illinois 60101
Tel: +1 302 328 7780
Fax: +1 302 295 9945

DIRECTORS'

PROFILE

DIRECTOR IN EXECUTIVE CAPACITY

Ashok Jaipuria

Chairman & Managing Director

Anil Kumar Jain

Whole Time Director

DIRECTORS IN NON EXECUTIVE CAPACITY

H. K. Agrawal, (Independent)

B.E. & MBA(IIM)

Rajeev Gupta (Independent)

B.E. & MBA

Alpana Parida (Non-Independent)

Graduate from IIM, Ahmedabad

Degree in Economics from University of Delhi

Ashish Guha (Independent)

Honours Graduate in Economics

Alumnus of London Business School (Management Development Programme)

Pratip Chaudhuri (Independent)

BSc. (Hons) from Delhi University

MBA from University Business School, Chandigarh

Certified Associate of Indian Institute of Bankers (CAIIB)

H.N. Sinor (Independent)

B.Com from Mumbai University

LLB from Mumbai University

Management Team

Ashok Jaipuria	Chairman & Managing Director
A. K. Jain	Director - Corporate Affairs
Pankaj Poddar	Chief Executive Officer
Neeraj Jain	Chief Financial Officer
Satish Subramanian	Vice President - Global Sales & Marketing
Sanjay Chincholikar	Vice President – Strategy & Application Development
A.K.Pathak	Vice President-Manufacturing
R. K. Gupta	General Manager – Commercial
S. C. Maity	General Manager – Operations Head (Coating)
N. R. More	General Manager – Engineering
Shailesh Verma	General Manager-Global Head (Packaging Films)
Kapil Anand	General Manager – Global Head (Specialty Labels & Industrial Films)
Rajeev Joshi	General Manager -Head HR
Jagdip Kumar	Deputy General Manager - Information Technology
Jyoti Dixit	Company Secretary
Sandeep Dutta	President-US Subsidiary
Steve Hong	Head-Korea Subsidiary

Auditors

M/s Walker Chandiook & Co. LLP
(formerly Walker, Chandiook & Co.)
Chartered Accountants

Bankers & Financial Institutions

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

OUR FACTORY



Hagerstown, USA



Asan, Korea



Shendra, Maharashtra, India

DIRECTORS' REPORT

Your Directors present the 38th Annual Report and the Audited Accounts for the year ended March 31, 2015.

(₹. in crores)

1. FINANCIAL RESULTS	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Net Sales	1472.59	1250.14	1640.56	1456.50
Other income	9.86	13.93	11.17	18.62
Profit before interest, depreciation and tax	126.13	110.97	109.31	115.42
Finance Cost (including Interest)	38.25	40.19	39.88	43.22
Depreciation	30.05	40.34	34.54	45.32
Exceptional Item	(9.20)	(20.50)	3.33	(28.68)
Profit before Tax	48.63	9.94	38.22	(1.80)
Provision for				
- Current Tax	(0.32)	1.17	3.90	4.12
- Deferred tax	8.54	0.69	6.66	(0.42)
Profit after Tax	40.41	8.08	27.66	(5.50)
Extraordinary Item	-	-	-	-
Profit after tax including extraordinary item	40.41	8.08	27.66	(5.50)
Minority Interest	-	-	-	-
APPROPRIATIONS				
Less:				
Dividend-Equity shares	6.80	1.94	6.80	1.94
Dividend Tax	1.39	0.33	1.39	0.33
General Reserve	4.04	-	4.04	-

2. DIVIDEND

Equity dividend of Rs. 3.50 per share (Previous Year Rs. 1/- per share) has been recommended by the Board of Directors for the year ended March 31, 2015 amounting to Rs. 6.80 Crores (Previous Year Rs. 1.94 Crores) on the Equity Share capital.

3. OPERATIONS

On year to year basis net sales has increased by 17.80% on standalone and by 12.64% on consolidated basis. Profit after Tax of the Company has registered an increase by 4 times on standalone basis and 6 times on consolidated basis.

4. EXPORTS

The Company continues to maintain its position of leading BOPP film exporter from India. Exports registered an increase of 28.58% from Rs. 539 crores in 2013-14 to Rs. 693 crores in 2014-15.

5. R & D

Continuous efforts on R & D and Application Development activities are being made to expand the domestic and export markets particularly in BOPP and Speciality Films.

6. DETAILS OF SUBSIDIARY COMPANIES

During the year, CF Global Holdings Limited, the Company's wholly owned subsidiary a) has acquired the entire holding of minority shareholders in its step down subsidiary resulting into all its step down subsidiaries becoming wholly owned b) acquired a step down subsidiary namely CF Investment Holding Private (Thailand) Company Limited, Thailand.

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial

statements may write to the Company Secretary at the Registered Office of your Company.

The financial performance of each of the subsidiaries is included in the consolidated financial statements of your Company is set out in the Annexure A to this Report

7. CORPORATE GOVERNANCE

A Management Discussion and Analysis is annexed and form part of this report.

A separate report on Corporate Governance along with the Practicing Company Secretary certificate on compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges forms part of this report.

8. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure B to this Report.

9. DIRECTORS

(a) Chairman

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

(b) Reappointment

Mr. Anil Kumar Jain, Director –Corporate Affairs retire by rotation and being eligible offer himself for reappointment at the ensuing Annual General Meeting.

(c) Status of Directors

The status of Mr. Rajeev Gupta has changed from Non - Independent and Non- Executive Director to Independent Director w.e.f. May 22, 2015 subject to the approval of shareholders his appointment be reconfirmed as Independent Director of the Company for a tenure of five (5) years. Ms. Alpana Parida is Non-Independent and Non-Executive Director of the Company. Mr. H.K. Agrawal and Mr. Ashish Guha are the Independent Directors of the Company.

(d) Additional Directors

Mr. Pratip Chaudhuri and Mr. H. N. Sinor, who were appointed as Additional Directors of the Company and subject to the approval of shareholders be reconfirmed as Independent Directors of the Company for a tenure of five(5) years.

(e) Resignation and Cessation

Mr. Ramakant Dwivedi and Mr. Suresh Rajpal resigned from the Directorship of the Company w.e.f. October 30, 2014 and May 22, 2015

respectively. On his demise Mr. R. Vasudevan ceased to be Director of the Company w.e.f November 04, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the listing Agreement with the Stock Exchanges.

10. KEY MANAGERIAL PERSONNEL

Mr. Pankaj Poddar, Chief Executive Officer and Mr. Neeraj Jain, Chief Financial Officer and Ms. Jyoti Dixit, Company Secretary are the Key Managerial Personnel of the company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. BOARD EVALUATION

In terms of the provisions of Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the HR, Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the year.

12. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. 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.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the requirement of Clause 49 of the Listing Agreement the Company has formulated a whistle blower policy to deal with instances of fraud and mismanagement, if any.

16. REMUNERATION POLICY

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors has formulated the Remuneration Policy of your Company on the recommendations of the HR, Nomination and Remuneration Committee. The details are outlined in the Corporate Governance Report.

17. RELATED PARTY TRANSACTIONS

During the year, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and Clause 49 of the Listing Agreement. During the year, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard -18 are set out in Note 30 to the standalone financial statements forming part of this Annual Report.

The Disclosure required in Form AOC-2 pursuant to Section 134 (3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is NIL.

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Corporate Social Responsibility Committee approved the Corporate Social Responsibility (CSR) Policy for your Company 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 C to this Report.

19. RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk and Operations Management Committee and the Committee has reviewed and approved the Risk Management Policy of the Company

There are no risks which in the opinion of the Board threaten the existence of your Company. However,

some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134 (3) (c) of the Companies Act, 2013, your Directors state that:

- (i) In the 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, 2015 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.

21. AUDITORS

Statutory Audit:

M/s. Walker, Chandiook & Co. LLP Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and seek re-appointment at the ensuing Annual General Meeting of the Company. The Company has received a letter from Walker, Chandiook & Co. LLP, Chartered Accountants, expressing their willingness to be reappointed as statutory auditors of the Company and further confirmed that their reappointment, if made, will be in compliance with provisions of Section 141(3)(g) of the Companies Act, 2013. The Board has proposed to appoint M/s. Walker, Chandiook & Co. LLP, Chartered Accountants, as statutory auditors of the Company for the period of five (5) years from the conclusion of the ensuing Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after this meeting) till the conclusion of the forty third (43rd) Annual General

Meeting of the Company to be held in the calendar year 2020.

Secretarial Audit:

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Managerial Personnel) Rules, 2014, the Company has appointed "M/s DMK Associates", a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit is annexed herewith as "Annexure D."

Cost Auditor:

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records of the Company every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed Messrs Jayant B. Galande, Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2015-16 at a remuneration of Rs. 2,00,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

22. AUDITORS' REMARKS

The Auditors' remarks on the annual accounts are self explanatory and do not require further comments from the Company

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

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

24. CHANGE IN NATURE OF BUSINESS, IF ANY

No change in the nature of the business of the Company done during the year.

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

There are no material changes and commitments which have occurred subsequent to the close of the financial year of the Company to which the balance

sheet relates and the date of the report that may affect the financial position of the Company.

26. PREVENTION OF SEXUAL HARRASMENT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of the Employees pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure F to this Report.

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

None of the employees covered under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is a relative of any Director of the Company and holds (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

28. RESERVES

The Company transferred an amount of 4.04 Crores to the General Reserves.

29. APPRECIATION

Your Directors wish to place on record their appreciation of continued support extended by the dealers, distributors, suppliers, investors, bankers, financial institutions. Your Directors also express their appreciation for the committed services by the employees of the Company.

On behalf of the Board

Sd/-
Ashok Jaipuria
Chairman

Place: New Delhi
Date: 07 July, 2015

Annexure - A

The Financial Performance of each of the Subsidiary Companies included in the consolidate Financial Statements are detailed below: (Rs. in Crores)

Sl. No.	Name of the Subsidiary	Turnover		Profit /Loss Before Tax		Profit /Loss After Tax		Growth (%)
		As at March 2015	As at March 2014	As at March 2015	As at March 2014	As at March 2015	As at March 2014	
	Foreign Subsidiaries							
1	CF Global Holding Limited	-	-	(0.21)	(0.09)	(0.21)	(0.09)	(133)%
2	CF (Mauritius) Holding Ltd.	-	-	(0.02)	(0.04)	(0.02)	(0.04)	50%
3	Cosmo Films (Netherlands) Cooperatief U.A	-	-	-	-	-	-	-
4	CF (Netherlands) Holding Limited B.V.	-	0.87	13.96	(7.28)	13.96	(7.37)	289%
5	Cosmo Films Inc.	168.21	187.13	(31.33)	(13.94)	(31.33)	(13.94)	(125)%
6	Cosmo Films Korea Limited	89.03	61.78	8.32	2.21	7.60	276%	265%
7	Cosmo Films Singapore PTE Ltd.	-	2.26	(0.08)	0.88	(0.08)	0.91	(109)%
8	Cosmo Films Japan, GK	57.55	68.52	4.30	4.46	2.68	2.82	(5)%
9	CF Investment Holding Private (Thailand) Company Limited	-	-	(0.02)	-	(0.02)	-	(100)%

Annexure - B

FORM NO. MGT. 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L92114DL1976PLC008355
Registration Date	07/10/1976
Name of the Company	Cosmo Films Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	1008, DLF Tower A, Jasola Distt. Centre, New Delhi – 110025, Ph: 011- 49494949
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited, 2E/21, Jhandewalan Extn. New Delhi- 11005 Ph: 011- 42541953

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF SUBSIDIARY COMPANIES –

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Cosmo Films Singapore Pte Ltd 10, Jalan Besar # 10-12, Sim Lim Tower, Singapore 208787 Tel: 65-6293 8089	200910018H	Subsidiary Company	100%	2(87)
2.	Cosmo Films Korea Limited 811, Sineon-Ri, Dogo-Myeon, Asan-Si, Choongnam, 336-914 South Korea	164811- 0056354	Subsidiary Company	100%	2(87)
3.	Cosmo Films Japan, GK Yamatane –Nai, Tokyo-Danchisoko, 6-2-11 , Iriya Adachi,-Ku, Tokyo, 121-0836, Japan	0100-03-015252	Subsidiary Company	100%	2(87)

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
4.	CF Global Holdings Limited, Regd. Office : 3rd floor, DHL Building, Sir Virgil Naz Street , Port Louis, Mauritius	C209015076	Subsidiary Company	100%	2(87)
5.	CF (Mauritius) Holdings Ltd. Regd. Office : 3rd floor, DHL Building, Sir Virgil Naz Street , Port Louis, Mauritius	C109007377	Subsidiary Company	100%	2(87)
6.	Cosmo Films (Netherlands) Cooperatief U.A Regd. Office: Kabelweg 37, 1014BA, Amsterdam, Netherlands	34337870	Subsidiary Company	100%	2(87)
7.	CF (Netherlands) Holdings Limited B.V. Regd. Office: Kabelweg 37,1014BA, Amsterdam, Netherlands	34341583	Subsidiary Company	100%	2(87)
8.	Cosmo Films Inc. 560, Maryland, Parkway, Hagerstown Maryland, USA 21740	26-1520669	Subsidiary Company	100%	2(87)
9.	CF Investment Holding Private (Thailand) Company Limited 100/208 Moo 3, Kamala Sub District, Kathu District, Phuket, Thailand	0835556006647	Subsidiary Company	100%	2(87)

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

i) Category-wise Share Holding

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

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public shareholding									
1) Institutions									
Mutual Funds/ UTI	1655	725	2380	0.01	164481	725	165206	0.85	0.84
Financial Institutions / Banks	100	4200	4300	0.02	17925	4200	22125	0.11	0.09
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Institutional Investors	NIL	4200	4200	0.02	0	4200	4200	0.02	0.00
Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (B)(1)	1755	9125	10880	0.06	182406	9125	191531	0.99	0.93
2) Non-institutions									
Bodies Corporate	1302549	14561	1317110	6.78	1325523	14561	1340084	6.89	0.84
Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6089261	641785	6731046	34.63	5326418	608211	5934629	30.53	-4.10
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1744170	NIL	1744170	8.97	2328909	0	2328909	11.98	3.01
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Non Resident Indian	1278341	25090	1303431	6.71	1285219	25040	1310259	6.74	0.03
Trust	5000	NIL	5000	0.03	6225	0	6225	0.03	0.00
Sub-Total (B)(2)	10419321	681436	11100757	57.10	10272294	647812	10920106	56.17	-0.93
Total Public Shareholding (B)= (B)(1)+(B)(2)	10421076	690561	11111637	57.16	10454700	656937	11111637	57.16	0.00
TOTAL (A)+(B)	18749515	690561	19440076	100.00	18783139	656937	19440076	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (C)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
GRAND TOTAL (A)+(B)+(C)	18749515	690561	19440076	100.00	18783139	656937	19440076	100.00	0.00

(ii) Shareholding of Promoters

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

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Changes during the year.			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	No Changes during the year.			
	At the End of the year	No Changes during the year.			

(iv) **Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Keswani Haresh	664341	3.417	664341	3.417
2	Mr. Ricky Ishwardas Kirpalani	431998	2.222	431998	2.222
3	IL And Fs Trust Co. Ltd.	193797	0.997	343706	1.768
4	Finquest Securities Pvt. Ltd.	174000	0.895	174000	0.895
5	Ms. Harsha Raghavan	100000	0.514	100000	0.514
6	Mr. Anil Kumar Goel	100000	0.514	608000	3.128
7	Mr. Narippen Obhrai	84423	0.434	84423	0.434
8	Mr. Rajdeep Anand	75000	0.386	5000	0.03
9	Ms. Ashna Singh	70000	0.36	70000	0.36
10	Ms. Konda Reddy Vangala	69994	0.36	0	0.00

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

Sl No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Ashok Jaipuria							
	At the beginning of the year	470161	2.42				470161	2.42
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	470161	2.42	-	-	-	470161	2.42
2	Mr. Anil Kumar Jain							
	At the beginning of the year	7050	0.04	01.04.2014	-	-	7050	0.04
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):			09.06.2014	(30)	Gift	-	-
				02-09-2014	(1000)	Sale		
				08-09-2014	(1000)	Sale		
				09-09-2014	(2000)	Sale		
				18-09-2014	(1000)	Sale		
				22-09-2014	(100)	Sale		
				23-09-2014	(1900)	Sale		
	At the End of the year	20	0.00	-	-	-	20	0.04

SI No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Mr. H. K. Agrawal							
	At the beginning of the year	1000	0.00				1000	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1000	0.00	-	-	-	1000	0.00
4	Mr. Rajeev Gupta							
	At the beginning of the year	10100	0.05				10100	0.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	10100	0.05	-	-	-	10100	0.05
5	Mr. Suresh Rajpal							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
6	Ms. Alpana Parida							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
7	Mr. Ashish Guha							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00

Sl. No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Mr. Pratip Chaudhuri							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
9	Mr. Pankaj Poddar							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1	0.00	-	-	-	1	0.00
10	Mr. Neeraj Jain							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1	0.00	-	-	-	1	0.00
11	Ms. Jyoti Dixit							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1	0.00	-	-	-	1	0.00

V. INDEBTEDNESS

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

(Rs. in Cr.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	561.22	-	-	561.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.16	-	-	4.16
Total (i+ii+iii)	565.38	-	-	565.38
Change in Indebtedness during the Financial Year				
• Addition	18.01	-	-	18.01
• Reduction	(100.80)	-	-	(100.80)
Net Change	(82.79)	-	-	(82.79)
Indebtedness at the end of the Financial Year				
i) Principal Amount	467.47	-	-	467.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.57	-	-	4.57
Total (i+ii+iii)	472.04	-	-	472.04

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Cr.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		CMD	WTD	
		Mr. Ashok Jaipuria	Mr. Anil Kumar Jain	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.50	1.04	1.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.05	0.05	0.10
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-	2.27		2.27
	- as % of profit	4.03%		
	- others, specify...			
5.	Others, please specify	-	-	-
	Total (A)	2.82	1.09	3.91
	Ceiling as per the Act	Rs. 5.63 Cr. (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:
(1) Independent Directors
(Rs. in lakhs)

Name of Director	Fee for attending Board / Committee meetings	Commission	Others	Total
Mr. H. K. Agrawal	2.80	-	-	2.80
Mr. Suresh Rajpal	3.70	-	-	3.70
Mr. Pratip Chaudhuri	1.50	-	-	1.50
Mr. Ashish Guha	3.00	-	-	3.00
Mr. Badri Agarwal	0.20	-	-	0.20
Total (1)				11.20

(2) Non Executive Non Independent Directors

Ms. Alpana Parida	2.60	-	-	2.60
Mr. Rajeev Gupta	2.25	-	-	2.25
Total (2)				4.85
Total (B)= (1) + (2)				16.05
Ceiling as per the Act	Rs. 56.00 Lacs being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.			

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Rs. in Cr.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		CEO, CFO & Company Secretary
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961(c) (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.93 0.01 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission -as % of profit -others, specify...	- -
5.	Others, please specify	-
	Total*	1.94

*Figures have been rounded off.

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

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

ANNEXURE - C

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

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

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

Weblink for CSR Policy: http://www.cosmofilms.com/sites/default/files/policy/CSR_Policy.pdf

2. The Composition of the CSR Committee:

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

3. Average net profit of the company for last three financial years: INR 22.23 Cr.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) INR 0.44 Cr.

5. Details of CSR spent during the financial year

- (a) Total amount to be spent for the financial year – INR 0.49 Cr.
 (b) Amount unspent, if any : Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1.	Promoting Education through basic Computer Literacy, Cosmo Gyan Vihar Kendra (a program to improve reading, writing arithmetic skills among Primary School Students) and basic English Learning.	Education	Karjan district, Gujarat	0.49	0.49	0.49	Through implementing Agency
	TOTAL			0.49	0.49	0.49	

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

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

Not Applicable

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

Sd/
 (Chairman & Managing Director)

Sd/
 Chairman
 (CSR Commjtee)

Annexure D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cosmo Films Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(OD) and External Commercial Borrowings (ECB); **(No fresh FDI, ODI and ECB was taken by the company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
 - 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; and **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) **OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT**
- a. The Factories Act, 1948 and rules made thereunder,
 - b. The Payment of Wages Act, 1936 and rules made thereunder,
 - c. Minimum Wages Act, 1948 and the rules made thereunder,
 - d. Employees' State Insurance Act, 1948 and rules made thereunder,
 - e. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,
 - f. Payment of Bonus Act, 1965 and rules made thereunder,
 - g. The Payment of Gratuity Act, 1972 and rules made thereunder,
 - h. The Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder,
 - i. The Apprentice Act, 1961
 - j. The Industrial Dispute Act, 1947 and rules made thereunder,
 - k. The Equal Remuneration Act, 1976 and rules made thereunder,
 - l. Trade Union Act, 1926 and rules made thereunder,
 - m. The Employees Compensation Act, 1923 and rules made thereunder,
 - n. Maternity Benefit Act, 1961 and rules made thereunder,
 - o. Maharashtra Mathadi Hamal & Other Manual Workers (Regulation of Employment & Welfare) Act, 1969,
 - p. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,
 - q. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
 - r. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003
 - s. Legal Metrology Act, 2009
 - t. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable to the Company during the Audit Period)**
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited & BSE Limited.

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. 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 of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decision was carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc. except as follows:

- (a) Special Resolution under section 14 of the Companies Act, 2013 was passed by the members at its Annual General Meeting dated 25.09.2014 for adoption of new set of Articles of Association to align the same with Companies Act, 2013.
- (b) Special Resolution under section 180(1)(a) of the Companies Act, 2013 was passed by the members at its Annual General Meeting dated 25.09.2014 for creation of charges, mortgages & hypothecations in addition to existing charges etc. in favour of Banks / FIs for an amount not exceeding Rs.1500 crores, together with interests etc.
- (c) Special Resolution under section 180(1)(c) of the Companies Act, 2013 was passed by the members at its Annual General Meeting dated 25.09.2014 for borrowing from time to time not exceeding Rs.1500 crores.
- (d) Ordinary resolution under section 181 of the Companies Act, 2013 was passed by the members at its Annual General Meeting dated 25.09.2014 for authorising Board to make contribution not exceeding 5% of average net profit of three immediately preceding financial years or Rs. one crore, whichever is higher to any bonafide and charitable funds etc.

**For DMK ASSOCIATES
COMPANY SECRETARIES**

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

FCS 5480
C P 4936

Date 22 May, 2015:

Place : New Delhi

:

ANNEXURE 1

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

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2015 of even date is to be read with along with this letter

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

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, LL.B.
PARTNER

FCS 5480
C P 4936

Date: 22 May, 2015
Place: New Delhi

Annexure - E

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 heating system to reduce Electrical /thermal energy for circulation.
- ii) Replacement /modification of plant lighting to reduce electrical energy by using energy efficient illumination
- iii) Improvement of power factor & Harmonic level
- iv) Conversion of heating system
- v) Modification in cooling and circulation system

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

The Company is also in the process of evaluation of other sources of energy such as wind energy and solar energy. All the manufacturing units will continue to put in effort to reduce specific energy consumption.

(iii) Capital investment on energy conservation equipments during the year: 392.71 Lacs.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption :

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

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

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

- (a) Details of Technology Imported
- (b) Year of Import
- (c) Whether the technology been fully absorbed
- (d) If not fully absorbed, areas where this has not taken place, and reasons thereof

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

(iv) Expenditure incurred on Research and Development

	Rs. Crores.(approx)
(a) Capital	0.47
(b) Recurring	2.47
(c) Total	2.96
(d) Total R & D expenditure as percentage of net sales	0.20%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were Rs. 693 Crores (Previous Year Rs.539 Crores).The total foreign exchange utilized during the year amounted to Rs. 266.40 Crores (Previous Year Rs. 314.15 crores). Details of foreign Exchange earned and utilized during the year are given in Notes to Accounts.

Annexure - F

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of employees of the Company employed throughout the Financial Year 2014-15 and were paid remuneration not less than 60 lakhs per annum :

Sl. No.	Employee Name	Age	Qualification	Designation/ Nature of Duties	Date of Employment	Remuneration Received	Experience (in years)	Last Employment	Designation
1	Mr. Ashok Jaipuria	61	Degree in Associate of Arts in Business Admin & Diploma in Marketing Science	Chairman & Managing Director	02.04.1980	2,81,60,839	44	-	-
2	Mr. Anil Kumar Jain	64	B. Com (Hons.) AICWA, CISA	Director - Corporate Affairs	01.09.2008	1,09,09,499	45	Mawana Sugar Mills	Senior- VP
3	Mr. Pankaj Poddar	37	B.Com, CA, PGDBM	Chief Executive Officer	02.07.2011	1,29,33,914	18	Avon Beauty Products	Director Finance

2. Employees employed for the part of the year and were paid remuneration during the Financial Year 2014-15 at a rate which in aggregate was not less than 5 lakhs per month :

Sl. No.	Employee Name	Age	Qualification	Designation/ Nature of Duties	Date of Employment	Remuneration Received	Experience (in years)	Last Employment	Designation
1	Mr. Satish Subramanian	44	BCS (Computer Science) & MBA	Vice President	24.11.2014	23,73,467	20	Avery Dennison	Country General Manager
2	Mr. Tanuji Aganwal	40	B.Com, DBF (ICFAI) & MBA	Senior VP	05.07.2010	31,60,169	17	Dalmia Cement Group	Asst. Executive Director

Annexure - F

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

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	67.7
2. Mr. Anil Kumar Jain	26.2

Note: For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

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

Name	Designation	% increase
Mr. Ashok Jaipuria	Chairman & Managing Director	828%*
Mr. Anil Kumar Jain	Whole Time Director	6%
Mr. Pankaj Poddar	Chief Executive Officer	12%
Mr. Neeraj Jain	Chief Financial Officer	14%
Ms. Jyoti Dixit	Company Secretary	2%

*Remuneration of Mr. Ashok Jaipuria, CMD is linked to the profits of the Company. As per Section 197 of Companies Act, 2013 he is paid remuneration of 5% of profits of the Company. During the previous year there were inadequate profits so, the remuneration was restricted to the amount permissible under Section II Part II of Schedule XIII of Companies Act, 1956. Hence, the remuneration of two years is not comparable.

Comparative data is as follows :-

(Rs. in Crores)

F.Y. - 2014-15	F.Y. - 2013-14	F.Y. - 2012-13	F.Y. - 2011-12	F.Y. - 2010-11
2.02	0.20	2.33	2.35	3.35

3. **Percentage increase in the median remuneration of all employees in the Financial Year 2014-15:** 4.4%.
 4. **Number of Permanent employees on the rolls of Company as on 31st March, 2015:** 666

5. **Explanation on the relationship between average increase in remuneration and company performance:**

The increase in average remuneration of all employees in the Financial Year 2014-15 as compared to the Financial Year 2013-14 was 6.8%.

The PAT of the Company registered an increase of 400 % from 8.08 Crores for the Financial Year 2013-14 to 40.41 Crores for the Financial Year 2014-15.

Company offers market competitive compensation to its employees. Salary structure comprises of fixed and variable components. The variable pay is paid out to the employee on the basis of performance of the Company and the performance of the employee.

Thus, there is a positive correlation in the increase in remuneration of employees and the Company's performance, however a perfect correlation will not be visible given the dependency on the other factors stated above.

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company :**

The remuneration paid to KMPs increased by around 12.03% in 2014 -15 compared to 2013-14, whereas the Profit after Tax increased by 400 % in 2014-15 as compared to 2013-14.

7. The details of Share Price and Market Capitalisation :

Particulars	As on March 31, 2015	As on March 31, 2014	Increase/(Decrease) %
Price Earning Ratio	3.71	12.07	(69)
Market Capitalisation (Rs. in Cr.)	150	98	52

Comparison of share price at the time of first public offer and market price of the share of March 31, 2015

Market Price as on March 31, 2015	77.05
Price at the time of initial public offer in 1981	10.00
% increase of Market Price over the price at the time of initial public offer	670%

Note: Closing Share Price on NSE has been used for the above tables. The above does not consider the various bonus share issues made after the initial public offer.

8. 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 6.8% and 194% respectively. The increase in remuneration of Managerial Personnel is caused by the fact that due to inadequate profits in financial year 2013-14, the remuneration payable to Chairman & Managing Director was restricted to the amount permissible under Section II Part II of Schedule XIII of Companies Act, 1956.

9. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

% increase in remuneration of each KMP against the % increase in Gross Turnover and % increase in Profit before tax is as follows—

Particulars	% increase in Remuneration For F.Y. 2015	% increase in Gross Revenue for F.Y. 2015	% increase in Profit before Tax for F.Y. 2015
Mr. Pankaj Poddar – CEO	12%	18%	389%
Mr. Neeraj Jain- CFO	14%	18%	389%
Ms. Jyoti Dixit – CS	2%	18%	389%

10. The Key parameters for any variable component of remuneration availed by the Directors:

Mr. A.K. Jain, Director-Corporate Affairs is not paid any variable remuneration. Entire Remuneration of Mr. Ashok Jaipuria, CMD is variable. It is directly linked to the profits of the Company. He is paid commission as approved by shareholders in the General Meeting.

11. The ratio of remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of the highest paid director during the year:

This is not applicable to the Company as during the year there is no employee who is not director and receives remuneration in excess of highest paid director.

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

it is confirmed that the remuneration paid to the Directors, Key Managerial Personnels and Senior Management is as per the Remuneration Policy of the Company

General Note :

- Calculation of Market Capitalisation, price to earnings and other details are based on stock price on National Stock Exchange of India Limited on relevant dates.
- Managerial Personnel includes Chairman and Managing Director and Whole-time Director.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Cosmo Films, being a professionally managed Public Limited Company has a strong presence in flexible packaging films. In speciality films segment beside thermal films, wet lamination, synthetic paper, high barrier films, coated films are key products. Cosmo is the largest producer of thermal lamination films in the world. In commodity, Cosmo manufactures tape and textile films as well as packaging films. Within the packaging segment, company manufactures films such as heat sealable, plain, metallized, opaque films as well as speciality films such as stable slip film, low SIT films, high hot tack films, low COF films and extrusion coatable metallized films. In labels Cosmo has almost a complete range of films for wrap-around, in-mould and self adhesive applications in transparent, metallized and opaque which can work with almost all kinds of printing inks.

Company's products are popular in domestic and overseas markets. Company's philosophy of '**Quality First, Customer Supreme**' has made us a proud supplier of choice to some of the world's most discerning customers in the packaging and thermal lamination industry. Cosmo is the only company acting as a one-stop shop for laminating solutions i.e. the films and the laminating equipments.

ECONOMIC OVERVIEW & INDUSTRY SCENARIO

According to the International Monetary Fund (IMF), India is set to become the world's fastest-growing major economy by 2016 ahead of China. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 by when it is likely to cross China's projected growth rate, as per IMF's latest update of its World Economic Outlook.

The growth rate of the Indian plastics industry is one of the highest in the world, with plastics consumption growing at 16% per annum (compared to 10% p.a. in China and around 2.5% p.a. in the UK). With a growing middle class (currently estimated at 50 million) and a low per capita consumption of plastics, currently 8kg per head, this trend is likely to continue. The Plastindia Foundation estimate that plastics consumption is likely to reach 16kg per head by this year.

Packaging currently accounts for the largest consumption of plastics in India, at 24% of overall consumption. The historical growth of the plastic industry over the last few decades is at an impressive 12-14% which is almost twice the GDP growth. The major driver of this growth is the increased standard of living of people in India (housing the second largest population in the world)

KEY RISKS AND CONCERNS

Foreign Exchange Risk:

Company is engaged in import and export activities and Foreign Currency Loans also exist in its operational

requirement purview. As this risk usually affects businesses that export and/or import, it may have an impact on the working of the organization. To reduce such risk, the Company has implemented a foreign exchange risk management policy and take hedges in accordance with the policy. The Company keeps taking cover for gap between short term foreign currency receivables and payables based on market scenario.

Gap between Market Demand and Supply

India's BOPP industry production capacity is more against its domestic demand. Excess supply compared to demand is mainly due to time gap between new capacity addition and demand growth. Strategically Company maintains balance between domestic and export market to avoid over dependence on domestic market.

Commodity Risk-

Polypropylene is the key raw material of the Company. Increase/decrease in cost of raw material may impact the margins of the Company although the Company is taking several steps to keep margins protected. This is both a risk and opportunity since price of raw material may go either side.

OPERATIONAL & FINANCIAL PERFORMANCE:

During the year under review, turnover of the Company registered a growth of around 12.64% Y-o-Y with Net Sales of Rs. 1640.56 Cr as against Rs. 1456.50 Cr in F.Y.2013-14 on Consolidated basis. On Standalone basis the turnover increased by around 17.89%—Rs. 1472.59 Cr in FY 2014-15 as compared to Rs. 1250.14 Cr in FY 2013-14.

The other details of the Financial Performance are appearing in the Financial Statements appearing separately in the Financial Statements. For highlights, please refer to the Directors' Report forming part of the Annual Report.

INTERNAL CONTROL SYSTEM

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control is commensurate with its size, scale and complexities of its operations. Internal Audit plays a key role in providing assurance to the Board of Directors. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen

the same. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

INDUSTRIAL RELATIONS AND HUMAN CAPITAL

One of the principal anchors of your Company's ability to cope with challenging business environment is its strong culture of customer centricity, innovation and people focus.

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of HR function and is a critical pillar to support the growth and its sustainability in the long run.

FUTURE OUTLOOK

The vision of Cosmo Films is to be the most preferred global brand offering value added BOPP films for packaging, labels, lamination and industrial applications." Its mission is:

a) For Customers:

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

b) For Employees:

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

c) For Shareholders:

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

d) For Vendors:

To create symbiotic relationships that drives mutual growth.

e) For Community:

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

CAUTIONARY STATEMENT

Statements made in this report in describing the Company's objectives, estimates and expectations are "Forward looking Statements" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events but the Company, however, cannot guarantee that these assumptions are accurate or will be materialized by the Company. Actual results may vary from those expressed or implied, depending upon the economic conditions, Government policies and /or other related factors.

REPORT ON CORPORATE GOVERNANCE 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 Listing Agreement 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 present strength of Board of Directors is eight (8), out of which two (2) are Executive Directors, two (2) are Non-Independent Non-Executive Directors and four (4) are Independent Non-Executive Directors. Therefore, half of the Board comprises of Independent Directors. The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgement of the Directors in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the Listing Agreement with the Stock Exchanges. The structure of the Board and record of other Directorships, Committee memberships & Chairmanships and shareholding in the Company as on March 31, 2015 is as under:

Name of the Director	Category	Designation	No. of other Directorships Held	Total No. of Chairmanships / Memberships of Board Level Committees			Shareholding (as on 31st March 2015)
				Chairmanship	Membership	Total	
Mr. Ashok Jaipuria	Promoter Director	Chairman & Managing Director	2	Nil	Nil	2	470161
Mr. A. K. Jain	Executive Director	Whole Time Director	2	1	2	3	20
Ms. Alpana Parida	Non-Independent Non-Executive Director	Director	2	Nil	1	1	Nil
Mr. Rajeev Gupta	Non-Independent Non-Executive Director	Director	7	Nil	3	3	10100
Mr. H. K. Agrawal	Independent Non-Executive Director	Director	Nil	1	1	2	1000
Mr. Ashish Guha	Non-Independent Non-Executive Director	Director	1	Nil	2	2	Nil
Mr. Suresh Rajpal	Independent Non-Executive Director	Director	1	Nil	1	1	Nil
Mr. Pratip Chaudhuri	Independent Non-Executive Director	Director	4	2	Nil	2	Nil

Notes:

- I. The Directorships held by Directors as mentioned above, do not include alternate Directorship, Directorships of Foreign Companies, section 8 Companies and Private Limited Companies.
- II. In accordance with clause 49, 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.

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 Four times on 20th May, 2014, 12th August, 2014, 10th November, 2014, and 13th February, 2015 during the financial year ended 31st March, 2015. 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 25 th September, 2014
	Held	attended	
Mr. Ashok Jaipuria	4	4	Yes
Mr. A.K. Jain	4	4	Yes
Mr. H. K. Agrawal	4	3	No
Mr. Rajeev Gupta	4	2	No
Mr. Ashish Guha*	3	2	No
Ms. Alpana Parida	4	3	No
Mr. Suresh Rajpal	4	4	No
Mr. Pratip Chaudhuri**	2	2	No
Mr. Badri Agarwal***	1	1	No
Mr. Ramakant Dwivedi****	1	0	No
Mr. R Vasudevan*****	2	0	No

*Appointed as an Independent Director w.e.f. 25 September, 2014.

**Appointed as an Additional Director w.e.f. 10 November, 2014.

***Ceased to be a Director w.e.f. 01.07. 2014.

****Appointed as an Independent Director w.e.f. 25 September, 2014 and ceased to be as such w.e.f. 30 October, 2014.

*****Ceased to be a Director w.e.f.— 04.11.2014

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 Annexure-X of Clause 49 of the Listing Agreement has been regularly placed before the Board for its consideration.

him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

C. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from

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

D. BOARD LEVEL COMMITTEES

In accordance with the Listing Agreement with the Stock Exchanges on Corporate Governance, the following Committees were in operation:

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

1. AUDIT COMMITTEE

➤ Terms of reference

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. Majority of 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 Companies Act, 2013 and clause 49 of the Listing Agreement.

➤ Composition of Audit Committee

The Audit Committee, as on March 31, 2015, consisted of the following five (5) Directors who are eminent professionals and possess sound knowledge in finance:

Chairman : Mr. Pratip Chaudhuri
 Members : Mr. Rajeev Gupta,
 Mr. H. K. Agarwal,
 Mr. Suresh Rajpal and
 Mr. Ashish Guha

➤ Meetings and attendance during the year

The Audit Committee met four times during the financial year from April 1, 2014 to March 31, 2015:

1. May 20, 2014	3. November 10, 2014
2. August 12, 2014	4. February 13, 2015

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

Names of the Audit Committee members	Number of Audit Committee Meetings	
	Held during the tenure of Directors	Attended
Mr. Pratip Chaudhuri	1	1
Mr. Rajeev Gupta	4	2
Mr. H K Agrawal	4	3
Mr. Suresh Rajpal	3	3
Mr. Ashish Guha	3	2

2. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

➤ Terms of reference

This Committee was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions and further in pursuant to section 178(5) of Companies Act, 2013, the earlier Share Transfer And Investor Grievance Committee was reconstituted to be called as **STAKE HOLDERS RELATIONSHIP COMMITTEE**. 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.

Terms of reference of the Stake Holders Relationship Committee are as per the guidelines set out in the Listing Agreements with the Stock Exchanges which inter-alia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc and redressal thereof.

➤ Composition of Stakeholders Relationship Committee

The Stake Holders Relationship Committee is headed by an Independent Director and presently consisted of the following members as on March 31, 2015:

Chairman : Mr. H. K. Agrawal
 Members : Mr. Rajeev Gupta
 Mr. A. K. Jain
 Ms. Alpana Parida

> **Meetings and attendance during the year**

The Stakeholders Relationship Committee met four times during the financial year from April 1, 2014 to March 31, 2015:

1	May 20, 2014	3	November 10, 2014
2	August 12, 2014	4	February 13, 2015

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

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

> **Compliance Officer**

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

> **Shareholders' Complaints etc. received during the FY- 2014-15**

During the year from April 1, 2014 to March 31, 2015 the Company received 23 complaints from various Investors / Shareholders' relating to non-receipt of Dividend / Bonus Shares / Transfer of Shares / Dematerialization of Shares / Annual Report etc. The same were attended to the satisfaction of the Investors. At the end of March 31, 2015, no complaint was pending for redressal and there were no pending share transfers as on March 31, 2015.

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. Committee shall also formulate the criteria for determining

qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

> **Composition of Remuneration Committee**

In compliance with Section 178(1) of the Companies Act, 2013, Remuneration Committee is being reconstituted as HR, Nomination and Remuneration Committee w.e.f 14th February 2014 and is headed by an Independent Director and consists of the following members:

- > Chairman : Mr. Suresh Rajpal
- > Members : Mr..Ashish Guha
Mr. H. K. Agarwal
Mr. A. K. Jain

Names of the HR, Nomination & Remuneration committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Suresh Rajpal	6	6
Mr. Ashish Guha	4	4
Mr. A.K. Jain	6	6
Ms. Alpana Parida	2	1
Mr. H. K. Agrawal	6	3

> **Compliance officer**

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

> **REMUNERATION POLICY**

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2014-15 was 16.05 lacs. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the

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

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

> **Remuneration Paid to Directors**

Following tables give the details of remuneration paid to directors, during the year from April 1, 2014 to March 31, 2015:

> **Remuneration to Non-Executive Directors**

S. No.	Name of the Director	Sitting Fees
1	Mr. H. K. Agrawal	2,80,000
2	Mr. Rajeev Gupta	2,25,000
3	Mr. Ashish Guha	3,00,000
4	Mr. Pratip Chaudhuri	1,50,000
5	Mr. Suresh Rajpal	3,70,000
6	Ms. Alpana Parida	2,60,000
7	Mr. Badri Agarwal	20,000

> **Remuneration to Executive Director**

Sl. No.	Particulars	Designation	Salary (Rs. in Crores)	Commission (Rs. in Crores)	Contribution to provident & Superannuation Funds (Rs in Crores)	Benefit (Rs. in Crores)	Total Amount (Rs. in Crores)
1.	Mr. Ashok Jaipuria	Chairman & Managing Director	0.40	2.27	0.10	0.05	2.82
2.	Mr. A. K. Jain	Whole Time Director	0.93	-	0.11	0.05	1.09

E. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a) Training of Independent Directors

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

The appointment letters of Independent Directors has been placed on the Company's website at www.cosmofilms.com 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 13th February, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. GENERAL BODY MEETINGS:

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

Year	Place	Date	Time	Special Resolution Passed
2011-12	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	30/07/2012	10:45 A.M.	No Special Resolution Passed
2012-13	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	25/09/2013	10:30 A.M.	No Special Resolution Passed
2013-14	Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi -110054	25/09/2014	04:00 P.M.	Special Resolution were Passed

- No Resolution was passed through postal ballot, during the Financial Year 2014-15.

G AFFIRMATIONS AND DISCLOSURES:
1. Compliance with Mandatory requirements of clause 49 of the Listing Agreement

The Company has complied with all the applicable mandatory requirements of clause 49 of the Listing Agreement.

- Related Party Transactions:** All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement 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. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for approval.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and carried out on an arm's length basis or fair value.

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

http://www.cosmofilms.com/sites/default/files/policy_Policy_on_Related_Party_Transactions.pdfs

- The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
- 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 2015. A declaration to this effect, signed by the Chairman & Managing Director is annexed to this report.
- Whistleblower Policy :** In accordance with requirement of Companies Act as well as Listing Agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. No personnel of the Company has been denied access to the Audit committee. A link to such policy is also provided in the website of the company.
- The necessary certificate, pursuant to clause 49(IX) of the listing agreement with stock exchanges, is annexed to this report.
- The Company Secretary has a key role to play in ensuring the Board procedures and statutory compliances are properly followed. A certificate from the Company Secretary indicating the compliance of Companies Act, 2013 and Listing Agreement has been annexed to this report.
- Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
- Compliance Certificate from Practicing Company Secretary:** Certificate from Practicing Company Secretary confirming compliance with conditions of corporate governance as stipulated

in clause 49 of the listing agreement, is annexed to this report.

10. Other disclosures as required under clause 49 has been given at relevant places in the Annual 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 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, 2015 to March 31, 2016 and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative)
Financial results for the 1 st quarter ending June 30, 2015.	August, 2015
Financial results for the 2 nd quarter and half year ending September 30, 2015.	November, 2015

Financial results for the 3 rd quarter and nine months ending December 31, 2015.	February, 2016
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Financial results for the last quarter and financial year ending March 31, 2016.	May, 2016
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4. WEBSITE

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

5. DIVIDEND PAYMENT DATE

Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2015, if approved at the ensuing Annual General Meeting, will be paid on or before September 05, 2015.

6. LISTING ON STOCK EXCHANGES

The names of the stock exchanges at which Company's shares are listed as on 31st March, 2015 and details of "Stock Codes" are as mentioned below:

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

7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of Cosmo Films Ltd. is **INE 757A01017**

8. ANNUAL LISTING FEE

Annual Listing Fee for the year 2014-15 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, 2015

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, 2015		March 31, 2014	
	No. of Shares	% (Holding)	No. of Shares	% (Holding)
Promoters	8328439	42.84	8328439	42.84
Institutional Investors	191531	0.99	10880	0.06
Bodies Corporate	1340084	6.89	131110	6.78
Others	9580022	49.28	9783647	50.32
Total	19440076	100	19440076	100.00

> Distribution of shareholding according to the number of shares:

Distribution of the Shareholding according to type of shareholders

No. of Equity Shares	March 31, 2015				March 31, 2014			
	No. of	% of	No. of	% of share	No. of	% of	No. of	% of share
	Shareholders		shares	Capital	Shareholders		shares	Capital
1-500	17742	87.378	2354397	12.11	19909	87.099	2642082	13.591
501-1000	1329	6.545	1052722	5.41	1564	6.842	1233753	6.346
1001-2000	604	2.975	913075	4.697	691	3.023	1041281	5.356
2001-3000	215	1.059	544066	2.799	256	1.12	655448	3.372
3001-4000	100	0.492	360236	1.853	103	.451	369375	1.9
4001-5000	93	0.458	439891	2.263	92	.402	434997	2.238
5001-10000	120	0.591	877281	4.513	142	.621	1064395	5.475
10001 and above	102	0.502	12898408	66.35	101	.442	11998745	61.722
Total	20305	100.00	19440076	100.00	22858	100.00	19440076	100.00

10. MARKET PRICE DATA

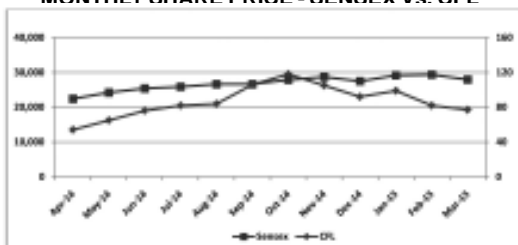
Monthly high and low prices of equity shares of the company traded at The Bombay Stock Exchange Limited and National Stock Exchange of India Limited are given below:

MONTH	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
Apr-14	59.40	50.00	60.00	50.00
May-14	67.50	53.25	68.00	51.65
Jun-14	82.00	64.35	82.00	65.30
Jul-14	89.45	69.65	89.65	69.10
Aug-14	88.60	76.95	89.00	76.45
Sep-14	123.55	83.45	123.55	84.60
Oct-14	119.70	103.40	119.80	102.80
Nov-14	129.90	98.15	129.80	98.05
Dec-14	123.90	86.00	109.00	88.00
Jan-15	102.85	92.00	102.85	91.75
Feb-15	99.00	78.15	99.00	78.10
Mar-15	92.60	73.30	93.00	73.50

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

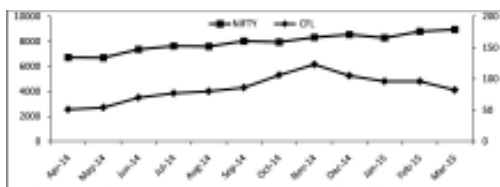
a. COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX

MONTHLY SHARE PRICE - SENSEX Vs. CFL



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

MONTHLY SHARE PRICE - NIFTY Vs. CFL



12. DEMAT

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

As on March 31, 2015, 96.62% (i.e. 187, 83, 139 Equity Shares) of the total Equity Share Capital (i.e. 1,94,40,076 equity shares) were held in demat form.

13. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

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

M/s Alankit Assignments Limited

2E/21, Alankit House,
Jhandewalan Extension, New Delhi 110 055
Ph: +91 11 42541234, Fax: +91 11 011-42541967
Contact Person: Mr. R. S. Maurya

14. PLANT LOCATIONS

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

15. ADDRESS FOR CORRESPONDENCE:

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

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

OR

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

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

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

ANNEXTURES TO THE CORPORATE GOVERNANCE REPORT

ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CEO/CMD

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 2014-15.

Ashok Jaipuria
Chairman & Managing Director

July 07, 2015
New Delhi

CERTIFICATE PURSUANT TO CLAUSE 49(IX) OF THE LISTING AGREEMENT

**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 2014-15 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 2014-15 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

New Delhi
July 07, 2015

CERTIFICATE FROM THE COMPANY SECRETARY

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

- (i) Maintained all the statutory registers required under the Companies Act, 2013 ("the Act") and the Rules made there under.
- (ii) Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies and/or Authorities as required by the Companies Act, 2013.
- (iii) Issued all notices required to be given for convening of Board Meeting and General Meeting, within the time limit prescribed by law.
- (iv) Conducted the Board Meetings and Annual General Meeting as per the Act.
- (v) Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Directors and the Shareholders.
- (vi) Made due disclosure required under the Act including those required in pursuance of the disclosure made by the Directors.
- (vii) Obtained all necessary approvals of Directors, Shareholders, Central Government and other Authorities as per the requirements.
- (viii) Paid dividend amounts to the Shareholders and unpaid dividend amounts, if applicable, have been transferred to the Investor Education and Protection Fund within the limit prescribed.
- (ix) Complied with all the requirements of the Listing Agreement entered into with the Stock Exchange(s) in India.
- (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.

Jyoti Dixit
Company Secretary

New Delhi
July 07, 2015

COMPLIANCE CERTIFICATE UNDER CLAUSE 49 OF THE LISTING AGREEMENT FROM PRACTICING COMPANY SECRETARY

We have examined the compliance of conditions of Corporate Governance by Cosmo Films Limited (“the Company”) for the year ended March 31, 2015 as stipulated in clause 49 of the listing agreement of the company with the stock exchanges.

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

In our opinion and to the best of our information and explanation give to us, and as per representations made by Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Ujjwal Sharma & Co.
COMPANY SECRETARY**

New Delhi
July 07, 2015

**Ujjwal Sharma
C.P. number 9212**

CORPORATE SOCIAL RESPONSIBILITY

With recent amendments in the Companies Act, Cosmo Films has formulated a CSR Committee comprised of 4 members from the Company's Board. The CSR Committee together with the Trustees of Cosmo Foundation strategize and monitor the CSR Programs initiated for the upliftment of the underprivileged students in the neighboring villages of Karjan Block of Gujarat.

Cosmo Foundation was established in the year 2008 and has built in partnership with 14 Government & Grant-in-aid Schools spread across 8 villages covering thereby around 2500 students. We have successfully initiated various programs :

Basic Computer Literacy on Windows and Ubuntu Linux operating system were imparted to 1661 students from class 1 to 12 under this program. CF provide trained computer teachers, curriculum, periodic planning, monitoring and assessment support. Government of Gujarat has provided us computer sets and local schools provide us with the infrastructural support.

As part of reward & recognition, every year, we present three laptops under "**Cosmo Computer Award**" to the 3 best performers in computer education and consolation prize of educational books to 11 students. Large number of students, parents, teachers and community leaders joined to motivate the students. Eminent Government officials and local Village Development officials preside over the functions to motivate and Award the students.

Cosmo Gyan Vihar Kendra – a program to introduce school readiness and improve reading, writing, arithmetic skills among primary school students. This is implemented in partnership with 7 Government primary schools and currently 545 students were enrolled from class 1 to 8.

Basic English Learning for students of Class 4th to 8th in Government primary schools. Our teachers would focus on building language comfort, phonics based texts and worksheets, encompassing simple learning technique of word-vocabulary, communication and pedagogic exercises. Currently, 461 students were covered in this program. Exam oriented inputs were given to approx. 100 students representing from class 10th.

Other Special Initiatives - 111 students were offered Basic Certificate Course in computer technology and 50 students were offered Basic English Fluency Development

Course during summer holidays. It helps in pursuing higher education and employment opportunities.

Educational visit to our manufacturing facility - With a view to enhancing importance of education and widen exposure on a practical ground, visit of select students from Government schools were organized to the manufacturing site of Cosmo Films. 72 students and 12 teachers visited this year.

Children's Fair is being organized every year in different villages where CF's programs are functional to promote joyful learning and creativity among young children. 1000 students, parents and teachers from Government schools participated in these events. The fair was inaugurated by District Primary Education officer and an eminent educationist of Gujarat.

Swachh Bharat, Swachh Cosmo Abhiyan: As announced by the Prime Minister of India, a Clean India Campaign is a priority agenda and CF has actively joined in this Mission. CF developed indicators for Swachha Vidhyarthi – Swatchha Varga Khanda – Swatchha Vidyalaya, formulated Swatchhata Committee at schools, maintaining Hygiene chart in primary schools., distributed Hygiene kits to students and cleanliness kits to all schools. Continuous efforts are being made for behavioral change amongst students and teachers.

Life Skill Education - is an education for empowerment. It facilitates a person to be a sensitive individual, an independent thinker and a life exploring learner. With a view to accomplishing this objective, CF has planned an intensive life skill education with young students. Five modules are designed by experts to promote Health, Hygiene, Creativity, study skills and decision making.

Shahid Bhagat Singh Cricket Tournament was organized by Trade Unions in Aurangabad with an aim to strengthen Industrial Relations which was sponsored by Cosmo Films.

With a view to having a beautiful ambience of flora and fauna, four Public Gardens are being maintained in one of our manufacturing units at Aurangabad in enhancing the aesthetic value to this historical tourist city.

Employee Engagement to strengthen CSR initiatives – Cosmo encourages its employees to participate in CSR programs. Every month, two employees from Cosmo Films

visit to different programs and share their knowledge on various subjects viz. importance of education and technology, advance Maths, English and Computer, fitness,

Career guidance and also joins Evaluation process. Their enriched experiences help students to build their dreams and aspirations to transform their career growth.



INDEPENDENT AUDITORS' REPORT

To the Members of Cosmo Films Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Cosmo Films Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. the standalone financial statements dealt with by this report are in agreement with the books of account in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- d. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- e. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in note no. 27 to the Standalone Financial Statements, the Company has disclosed the impact of pending litigations on its Standalone Financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

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

Place: New Delhi
Date: 22 May 2015

Annexure to the Independent Auditors' Report of even date to the members of Cosmo Films Limited, on the financial statements for the year ended 31 March 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and 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.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

- (vi) Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- 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/services 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with 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) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess 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	Forum where dispute is pending
Central Excise and Custom Act	Excise duty	3.69	-	1997-98 to 2001-02 2003-04 to 2007-08 2011-12 to 2012-13	Appellate Tribunal
	Excise duty	1.53	-	1983-84 to 1985-86 2008-09 and 2009-10	Commissioner Appeals
	Excise duty	0.40	-	1997-2000 & 2002-07	High Court
	Service tax	0.08	-	2005-06 to 2010-11 2012-13	Commissioner Appeals
Maharashtra VAT Act	Sales tax	2.08	0.43	2007-08	Joint Commissioner Sales Tax, Aurangabad
	Sales tax	3.45	0.73	2008-09	Joint Commissioner of Sales Tax, Aurangabad
	Sales tax	0.61	-	2009-10	Maharashtra Sales Tax Tribunal
Income Tax Act, 1961	Income tax and penalty	1.07	1.07	1997-98	High Court
	Income tax and penalty	4.83	4.83	2002-03	Hon'ble Supreme Court of India
	Income tax and penalty	2.98	2.98	2008-09	Income Tax Appellate Tribunal
	Income tax and penalty	5.57	1.32	2009-10	Income Tax Appellate Tribunal

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank or financial institution during

- the year. The Company did not have any outstanding debentures during the year.
- (x) The Company has given a guarantee in respect of loans taken by subsidiaries from banks, in respect of which no commission is charged from the subsidiaries. In our opinion, having regard to the long term involvement with the subsidiary companies and considering the explanations given to us in this regard, the terms and conditions of the above are not, prima facie, prejudicial to the interests of the Company. The Company did not have any guarantees outstanding at the year end.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

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

Place: New Delhi
Date: 22 May 2015

Balance Sheet as at 31 March, 2015
(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	19.44	19.44
Reserves and surplus	3	391.30	355.85
		410.74	375.29
Non-current liabilities			
Long-term borrowings	4	234.99	306.83
Deferred tax liabilities (net)	5	78.48	70.40
		313.47	377.23
Current liabilities			
Short-term borrowings	6	159.39	201.86
Trade payables	7	103.32	116.57
Other current liabilities	8	88.89	67.51
Short-term provisions	9	8.18	2.27
		359.78	388.21
TOTAL		1,083.99	1,140.73
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		531.93	569.25
Intangible assets		4.49	5.79
Capital work in progress		14.04	1.58
Non current investments	11	168.58	166.28
Long term loans and advances	12	17.99	4.64
Other non current assets	13	-	0.15
		737.03	747.69
Current assets			
Inventories	14	98.40	137.16
Trade receivables	15	157.52	136.36
Cash and bank balances	16	13.34	44.24
Short term loans and advances	17	72.83	73.86
Other current assets	18	4.87	1.42
		346.96	393.04
TOTAL		1,083.99	1,140.73
Statement on significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

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

For **Walker Chandiook & Co LLP**

(formerly Walker, Chandiook & Co)

Chartered Accountants

per **Neeraj Goel**

Partner

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

Pratip Chaudhuri

Director

Ashok Jaipuria

Chairman &
Managing Director

Neeraj Jain

Chief Financial Officer

Jyoti Dixit

Company Secretary

Place : New Delhi

Date : 22 May 2015

Statement of profit and loss for the year ended 31 March, 2015
(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at	
		31 March 2015	31 March 2014
INCOME			
Revenue from operations (gross)	19	1,572.72	1,331.89
Less : Excise duty		(93.98)	(75.20)
Revenue from operations (net)		1,478.74	1,256.69
Other income	20	3.71	7.38
Total income		1,482.45	1,264.07
EXPENSES			
Decrease/(increase) in inventories of finished goods	21	33.14	(39.18)
Cost of materials consumed		1,012.26	925.61
Employee benefit expenses	22	63.46	54.63
Finance costs	23	38.25	40.19
Depreciation and amortisation expense	10	30.05	40.34
Other expenses	24	247.46	212.04
Total expenses		1,424.62	1,233.63
Profit before tax and exceptional items		57.83	30.44
Exceptional items	25	(9.20)	(20.50)
Profit before tax		48.63	9.94
Tax expense:			
Current tax			
-Current year		10.58	1.92
-MAT credit entitlement		(10.03)	(1.06)
-Earlier years		(0.87)	0.31
Deferred tax			
-Current year		16.58	0.69
-Earlier years		(8.04)	-
Profit for the year		40.41	8.08
Earnings per equity share (₹):	26		
-Basic		20.79	4.16
-Diluted		20.79	4.16
Statement on significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
This is the Statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
per **Neeraj Goel**
Partner

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

Pratip Chaudhuri
Director

Ashok Jaipuria
Chairman &
Managing Director

Neeraj Jain
Chief Financial Officer

Jyoti Dixit
Company Secretary

Place : New Delhi
Date : 22 May 2015

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2015

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities:		
Profit before tax	48.63	9.94
Adjustments for:		
Depreciation and amortisation expenses	30.05	40.34
Interest expense	32.02	33.98
Interest income	(1.02)	(2.52)
Unrealised gain on exchange fluctuation	4.06	4.98
Loss/(profit) on sale of fixed assets (net)	3.58	(4.50)
Provision for bad and doubtful debts/advances	(0.01)	(0.30)
Liability no longer required written back	(2.16)	(1.27)
Operating profit before working capital changes	115.15	80.65
Adjustments for changes in working capital :		
- Movement in trade receivables	(21.14)	(21.57)
- Movement in other receivables	(2.32)	2.79
- Movement in inventories	38.76	(57.59)
- Movement in trade and other payables	(6.35)	40.49
Cash generated from operations	124.10	44.77
Income tax refund (paid)/received	(0.99)	9.25
Net cash generated from operating activities	123.11	54.02
B. Cash flow from investing activities:		
Purchase of fixed assets and capital work in progress (including capital advances)	(46.96)	(78.63)
Proceeds from sale of fixed assets	10.35	5.23
Purchase of investments	(2.30)	(0.29)
Proceed on maturity of fixed deposits (net)	(0.90)	1.70
Decrease in unclaimed dividend accounts	0.06	0.02
Interest received	1.57	2.04
Net cash used in investing activities	(38.18)	(69.93)
C. Cash flow from financing activities:		
Proceeds from long term borrowings	18.01	118.43
Repayment of long term borrowings	(58.32)	(34.10)
Proceeds from short term borrowings (net)	(42.48)	5.56
Interest paid	(31.61)	(36.21)
Dividend paid	(1.94)	(4.86)
Dividend tax paid	(0.33)	(0.83)
Net cash generated in financing activities	(116.67)	47.99
Net (decrease)/increase in cash and cash equivalents	(31.74)	32.08
Cash and cash equivalents at the beginning of the year	38.40	6.32
Cash and cash equivalents at the end of the year (refer note 16)	6.66	38.40

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

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

per Neeraj Goel

Partner

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

 Pratip Chaudhuri
 Director

 Ashok Jaipuria
 Chairman &
 Managing Director

 Neeraj Jain
 Chief Financial Officer

 Jyoti Dixit
 Company Secretary

Place : New Delhi

Date : 22 May 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(All amounts in ₹ crores, unless stated otherwise)

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**a) Background and nature of operations**

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

b) Basis of preparation

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

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

c) Use of estimates

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

d) Fixed assets

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

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

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

e) Investments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(continued...)

f) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

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

g) Depreciation

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

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

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

h) Research and development

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

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

i) Foreign currency transactions
Initial recognition

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

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

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

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

j) Accounting of cash flow hedges and derivatives

The Company enters into certain derivative financial instruments to manage its exposure to risk arising from changes in interest rate and foreign exchange rates designated as cash flow hedges. At the inception of a hedge relationship, the Company documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

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

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

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

k) Employees benefits

Provident fund

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(continued..).

Gratuity

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

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

Compensated absences

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

l) Taxation

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

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

m) Revenue recognition

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

Sales

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

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

Interest

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

Dividend

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

Export benefits/incentives

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

n) Borrowing costs

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

o) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

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

p) Impairment of assets

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

q) Provisions and contingent liabilities

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

r) Cash and cash equivalents

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

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

2 SHARE CAPITAL

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 10 each	25,000,000	25.00	25,000,000	25.00
		25.00		25.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 10 each	19,440,076	19.44	19,440,076	19.44
Total		19.44		19.44

Notes:

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

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended 31 March 2015 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3.50 per share (previous year ₹ 1 per share). The dividend proposed by Board of Directors is subject to approval of shareholders in Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
Sunrise Manufacturing Company Limited	39,57,552	20.36%	39,57,552	20.36%
Pravasi Enterprises Limited	28,95,104	14.89%	28,95,104	14.89%

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

3 RESERVES AND SURPLUS

Particulars	As at	
	31 March 2015	31 March 2014
Capital reserves	3.32	3.32
Securities premium account	31.26	31.26
General reserve		
Balance at the beginning of the year	286.04	286.04
Add: Transferred from surplus in statement of profit and loss	4.04	-
Balance at the end of the year	290.08	286.04
Hedging reserve		
Balance at the beginning of the year	(0.82)	(2.10)
Add : Amount amortised during the year	0.40	1.28
Balance at the end of the year	(0.42)	(0.82)
Foreign currency monetary item translation difference account		
Balance at the beginning of the year	(6.50)	(5.77)
Add : Amounts recognised during the year	(0.33)	(5.71)
Less : Amounts amortised during the year	4.06	4.98
Balance at the end of the year	(2.77)	(6.50)
Surplus as per Statement of profit and loss		
Balance at the beginning of the year	42.55	36.74
Add: Profit for the year	40.41	8.08
Less : Proposed dividends on equity shares	(6.80)	(1.94)
Less : Tax on dividends distributed during the year	(1.38)	(0.33)
Less : Transfer to general reserve	(4.04)	-
Less : Depreciation adjustment (net of taxes)	(0.91)	-
Balance at the end of the year	69.83	42.55
Total	391.30	355.85

4 LONG TERM BORROWINGS

Particulars	As at 31 March 2015		As at 31 March 2014	
	Non current	Current	Non current	Current
Secured				
Term loans				
Foreign currency loans (note a)	168.96	53.25	229.85	35.09
Rupee term loans (note b)	65.37	18.70	76.50	16.67
Vehicle loans (note c)	0.66	1.14	0.48	0.75
	234.99	73.09	306.83	52.51

Notes:

- a) Foreign currency loans comprises of :
- (i) Loan of USD 10,000,000 taken from ICICI Bank during the financial year 2010-11 and carries interest @ Libor +400 bps per annum. The loan is repayable in 5 equal semi annual installments of USD 2,000,000 each after moratorium of 3.5 years from the date of loan.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Continued...

- (ii) Loan of USD 13,272,220 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2008-09 and 2009-10 and carries interest @ Libor+37.5 bps per annum. The loan is repayable in 16 equal semi annual installments of approx. USD 832,640 each after six month from the date of start of commercial production.
 - (iii) Loan of USD 10,000,000 taken from IFC Bank during the financial year 2011-12 and 2013-14 and carries interest @ Libor+400 bps per annum. The loan is repayable in 17 semi-annual installments after moratorium of 2.5 years from the date of loan.
 - (iv) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13 to 2014-15 and carries interest @ Euribor+105 bps per annum. The loan is repayable in 17 equal semi annual installments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production.
 - (v) Loan of USD 7,000,000 taken from DBS Bank Limited during the financial year 2012-13 and carries interest @ Libor+225 bps per annum. The loan is repayable in 8 semi-annual installments from April-2015. (The loan has been fully hedged into an equivalent Rupee loan with fixed rate of interest).
- b) Rupee term loans comprises of :
- (i) Loan of ₹ 108,675,000 taken from Kotak Mahindra Bank during the financial year 2011-12 and carries interest @ base rate+ 3.75% per annum. The loan is repayable in 78 equal monthly installments of ₹ 1,393,000 alongwith interest from the date of loan. The loan has been repaid in full during the Financial Year 2014-15.
 - (ii) Loan of ₹ 300,000,000 taken from SBI during the financial year 2012-13 and 2013-14 and carries interest @ base rate+ 2.25% per annum. The loan is repayable after a moratorium of 12 month from the date of disbursement in 8 equal quarterly installments of ₹ 37,500,000.
 - (iii) Loan of ₹ 600,000,000 taken from SBI during the financial year 2013-14 and carries interest @ base rate+ 2.3% per annum. The loan is repayable after a moratorium of 24 month from the date of disbursement in 24 equal quarterly installments of ₹ 25,000,000.
 - (iv) Loan of ₹ 128,700,000 taken from IDBI Bank during the financial year 2014-15 and carries interest @ base rate+ 2.5% per annum. The loan is repayable in 10 structured half yearly installments starting from 31 March 2018.
- c) Vehicle loans taken from Union Bank of India carries interest @10.5% -12% per annum. This loan is repayable in 3 years.
- d) Details of security for each type of borrowings:-
- (i) Foreign currency loan from ICICI Bank is secured by subservient charge on all of the Company's movable fixed assets, both present and future, save and except plant and machineries at Baska and Chikalthana and any assets charged exclusively to other lenders.
 - (ii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2008-09 and financial year 2009-10 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan, Vadodara.
 - (iii) Foreign currency loan from IFC Bank is secured by first ranking security interest over all present and future movable and immovable fixed assets except the excluded assets, ranking pari passu with the other lenders.
 - (iv) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2012-13 and 2013-14 is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.
 - (v) Foreign currency loan from DBS Bank is secured by pari passu charge on the movable and immovable fixed assets both present and future of the Company, except the excluded assests.
 - (vi) Rupee term loan from Kotak Mahindra Bank is secured against mortgage by way of exclusive charge on the immovable properties being commercial properties situated at 1004-1010, 10th Floor, DLF Tower, Jasola New Delhi. The loan has been repaid and security released during Financial Year 2014-15.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
Continued...

- vii) Corporate loan from IDBI Bank taken in financial year 2014-15 is secured against (i) DP Note (ii) first pari passu charge over the movable and immovable fixed assets of the company both present and future, excluding assets having exclusive charge (iii) second pari passu charge on current assets of the company both present and future.
 - (viii) Rupee term loan of ₹ 30 crores from SBI is secured against pari-passu charge with other term lenders on entire movable and immovable fixed assets of the Company, both present and future except excluded assets.
 - (ix) Rupee term loan of ₹ 60 crores from SBI is secured against pari-passu charge with other term lenders on entire movable and immovable fixed assets of the Company, both present and future except excluded assets.
 - (x) Vehicle loans from Union Bank of India are secured against hypothecation of vehicles financed out of the loan amount.
- e) Current maturities of long term borrowings are disclosed under the head other current liabilities.

5. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books	94.72	89.35
Gross deferred tax liability	94.72	89.35
Deferred tax assets		
Provision for bad and doubtful debts	0.24	0.24
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	1.16	1.90
Unabsorbed losses and depreciation	14.84	16.81
Gross deferred tax assets	16.24	18.95
Deferred tax liabilities (net)	78.48	70.40

6. SHORT TERM BORROWINGS

Particulars	As at 31 March 2015	As at 31 March 2014
Secured From banks		
Cash credits/ working capital demand loans (note a)	159.39	201.86
Total	159.39	201.86

Notes:

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

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

- (i) Cash credit/working capital demand loan of ₹ 30 crores sanctioned by Export Import Bank of India is repayable on demand and carries interest rate as mutually decided.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

- (ii) Working capital demand loan of ₹ 20 crores sanctioned by HDFC Bank is repayable on demand and carries interest rate as mutually decided.
- (iii) Cash credit/working capital demand of ₹ 15 crores sanctioned by ICICI Bank is repayable on demand and carries interest @ base rate+3.00% per annum.
- (iv) Cash credit/working capital demand of ₹ 25 crores sanctioned by ING Vysya Bank is repayable on demand and carries interest @ base rate+2.35% per annum.
- (v) Cash credit/working capital demand of ₹ 65 crores sanctioned by Union Bank of India is repayable on demand and carries interest @ base rate+2% per annum.
- (vi) Cash credit/working capital demand of ₹ 15 crores sanctioned by YES Bank of India is repayable on demand and carries interest @ base rate+2.5% per annum.
- (vii) Cash credit/working capital demand of ₹ 40 crores sanctioned by IDBI Bank is repayable on demand and carries interest @ base rate+2.0 per annum.
- (viii) Cash credit of ₹ 50 crores sanctioned by State Bank of India is repayable on demand and carries interest @ base rate+1.5% per annum.
- (ix) Cash credit/working capital loan/export packing credit of ₹ 20 crores sanctioned by DBS Bank is repayable on demand and carries interest as mutually agreed.

7. TRADE PAYABLES

Particulars	As at 31 March 2015	As at 31 March 2014
Due to Micro, Small and Medium Enterprises *	-	-
Total outstanding dues to units other than Micro, Small and Medium Enterprises **	67.49	85.98
Employee related payables	2.53	1.03
Other accrued liabilities	33.30	29.56
Total	103.32	116.57

* Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

** Includes ₹ Nil (previous year ₹ 4.74 crores) being the liabilities to be paid out of the undrawn sanctioned long term loans.

8. OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long term debt (refer note 4)	73.09	52.51
Interest accrued but not due on borrowings	4.57	4.16
Statutory dues payable	1.10	1.69
Advance received from customers	10.07	9.09
Others	0.06	0.06
	88.89	67.51

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Continued...

9. SHORT TERM PROVISIONS

Particulars	As at 31 March 2015	As at 31 March 2014
Others		
Proposed dividend (note a)	6.80	1.94
Provision for taxes on proposed dividend	1.38	0.33
Total	8.18	2.27

Notes:
a) Details with respect to proposed dividend

Dividends proposed to		
-Equity shareholders	6.80	1.94
Proposed dividend per share		
-Equity shareholders (₹)	3.50	1.00

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

10 FIXED ASSETS

Particulars	Tangible fixed assets							Intangible assets		
	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total	Software	Capital work in progress
Gross block	0.56	8.42	75.59	558.00	5.51	6.34	12.06	666.48	8.34	157.70
Balance as at 1 April 2013	-	1.91	40.53	199.17	0.77	1.43	2.77	246.58	-	69.35
Additions	(0.31)	-	-	(0.34)	-	(0.54)	(0.02)	(1.21)	-	(239.86)
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments:	-	-	-	-	-	-	-	-	-	2.60
- Borrowing costs	-	-	-	(4.10)	-	-	-	(4.10)	-	11.79
- Foreign exchange fluctuation	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	0.25	10.33	116.12	752.73	6.28	7.23	14.81	907.75	8.34	1.58
Additions	-	-	5.08	9.72	0.07	2.26	0.87	18.00	-	22.42
Disposals	-	-	(3.43)	(23.88)	(0.13)	(1.21)	(0.12)	(28.77)	-	(9.96)
Other adjustments:	-	-	-	-	-	-	-	-	-	-
- Foreign exchange fluctuation	-	-	-	(11.27)	-	-	-	(11.27)	-	-
Balance as at 31 March 2015	0.25	10.33	117.77	727.30	6.22	8.28	15.56	885.71	8.34	14.04
Accumulated depreciation and amortisation										
Balance as at 1 April 2013	-	0.09	18.88	267.25	2.10	2.15	8.93	299.40	1.80	-
Depreciation and amortisation expense	-	0.15	3.24	33.96	0.29	0.65	1.30	39.59	0.75	-
Adjusted on disposal of assets	-	-	-	(0.22)	-	(0.24)	(0.03)	(0.49)	-	-
Balance as at 31 March 2014	-	0.24	22.12	300.99	2.39	2.56	10.20	338.50	2.55	-
Depreciation and amortisation expense	-	0.09	3.07	22.16	0.82	1.15	1.46	28.75	1.30	-
Retained earnings adjustment	-	-	0.33	0.27	0.06	-	0.71	1.37	-	-
Adjusted on disposal of assets	-	-	(0.93)	(13.11)	(0.09)	(0.58)	(0.13)	(14.84)	-	-
Balance as at 31 March 2015	-	0.33	24.59	310.31	3.18	3.13	12.24	353.78	3.85	-
Net block										
Balance as at 31 March 2014	0.25	10.09	94.00	451.74	3.89	4.67	4.61	569.25	5.79	1.58
Balance as at 31 March 2015	0.25	10.00	93.18	416.99	3.04	5.15	3.32	531.93	4.49	14.04

Note:

- Capitalization of foreign exchange differences
 The foreign exchange difference capitalized during the year ended 31 March 2015 was ₹ (11.27) crores (previous year ₹ 7.69 crores). The Company has adopted the MCA notification dated December 29, 2011 on Accounting Standard - 11, "The effects of changes in foreign exchange rates" and accordingly capitalised ₹ (11.27) crores.
- The Company has reassessed the useful life of fixed assets in accordance with the guidelines under Schedule II of the Companies Act, 2013 with effect from 1st April 2014 resulting into a charge of ₹ 0.91 crores (net of deferred tax) to the opening balance of retained earnings and reduction in the depreciation for the current year by ₹ 11 crores (approx).
- Additions include ₹ 0.47 crores (previous year ₹ Nil) towards assets located at research and development facilities.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

11. NON CURRENT INVESTMENT

Particulars	As at 31 March 2015	As at 31 March 2014
Unquoted, trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments		
In subsidiary - CF Global Holdings Limited	162.07	162.07
Others -		
- Gupta Energy Private Limited	4.21	4.21
- Sai Wardha Power Limited	2.30	-
	168.58	166.28

Details of trade investments (unquoted)

Name of the body corporate	No. of shares		Face value	Partly paid/ Fully paid	Amount (₹)	
	31 March 2015	31 March 2014			31 March 2015	31 March 2014
Equity						
CF Global Holdings Limited	33,050,000	33,050,000	USD 1	Fully paid	162.07	162.07
Gupta Energy Private Limited *	294,252	294,252	₹ 10	Fully paid	4.21	4.21
Sai Wardha Power Limited	2,299,661	-	₹ 10	Fully paid	2.30	-
	35,643,913	33,344,252			168.58	166.28

* Pledged with banks for securing the financial facilities availed by Gupta Energy Private Limited pursuant to the agreement for generation and supply of captive power to the Company's plant.

12 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Capital advances	15.48	2.94
Security deposits	1.70	1.12
Prepaid expenses	0.25	0.24
Others	0.56	0.34
Total	17.99	4.64

13 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2015	As at 31 March 2014
Pledged deposits (note a)	-	0.15
Total	-	0.15

Note:

a) Pledged deposits represent ₹ Nil (previous year ₹ 0.15 crores) pledged with sales tax authorities.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

14. INVENTORIES (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2015	As at 31 March 2014
Raw material (including material in transit ₹ 5.94 crores) (previous year ₹ 10.73 crores)	43.87	49.17
Finished goods (including goods in transit ₹ 13.49 crores) (previous year ₹ 39.92 crores)	44.47	77.61
Stores and spares	10.06	10.38
Total	98.40	137.16

15 TRADE RECEIVABLES

Particulars	As at 31 March 2015	As at 31 March 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.97	0.47
Unsecured, considered doubtful	0.71	0.72
	7.68	1.19
Less : Allowances for bad and doubtful debts	(0.71)	(0.72)
	6.97	0.47
Other debts		
Unsecured, considered good	150.55	135.89
	150.55	135.89
Total	157.52	136.36

16. CASH AND BANK BALANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Cash in hand	0.02	0.06
Cheques, drafts in hand	1.02	5.28
Balances with banks		
- in current accounts	5.62	16.21
- in deposit account with original maturity upto 3 months	-	16.85
	6.66	38.40

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Continued...

Other bank balances		
Balance in current account		
- Unclaimed dividend accounts	0.78	0.84
Pledged deposit with original maturity of more than 12 months (note a)	0.90	-
Bank deposits with original maturity of more than 12 months (note b)	5.00	5.00
	6.68	5.84
Total	13.33	44.24

Note:

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

17. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Advances to vendors	2.26	1.35
Tax recoverable (net of provision)	5.54	15.12
MAT credit entitlement	13.04	2.15
Deposits with excise and other tax authorities	9.71	13.28
Export benefit recoverable	14.88	20.67
Discount recoverable	16.52	12.73
Prepaid expenses	5.31	3.11
Others (note a and b)	5.57	5.45
Total	72.83	73.86

Note:

- a) Includes ₹ Nil (Previous year ₹ 0.03 crores) being the excess remuneration paid to Chairman & Managing Director over the minimum remuneration which was subsequently recovered.
- b) Includes ₹ 0.73 cr (Previous year ₹ 0.73 crores) being the excess remuneration paid to Whole-time Director over the minimum remuneration for FY 2013-14. During the year, the Company has received approval of shareholders and has applied for Central Government approval. Pending approval, the amount is held in trust by the Whole-Time Director for the Company.

18. OTHER CURRENT ASSETS

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Interest receivable	0.37	0.92
Receivable against sale of property	4.50	0.50
Total	4.87	1.42

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

19. REVENUES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Revenue from operations		
Sale of products (including export benefits of ₹ 13.96 crores, previous year ₹ 21.16 crores)	1,566.57	1,325.34
Other operating revenues	6.15	6.55
Revenue from operations (gross)	1,572.72	1,331.89
Less : Excise duty	(93.98)	(75.20)
Revenue from operations (net)	1,478.74	1,256.69

Details of products sold

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Manufactured goods		
- Packaging films	1,552.61	1,304.18
Total	1,552.61	1,304.18

20. OTHER INCOME

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest income	1.02	2.52
Insurance and other claims	0.53	0.36
Liabilities no longer required written back	2.16	-
Profit on sale of assets (net)	-	4.50
Total	3.71	7.38

21. DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Opening stock		
Finished goods	77.61	38.43
Total	77.61	38.43
Closing stock		
Finished goods	44.47	77.61
Total	44.47	77.61
Decrease/(increase) in inventories of finished goods	33.14	(39.18)

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
Continued...
Details of Finished Goods

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Finished goods		
-Packaging films	44.47	77.61
Total	44.47	77.61

22. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	57.67	49.82
Contribution to provident and other funds	3.65	3.41
Staff welfare expenses	2.14	1.40
Total	63.46	54.63

Note:

- a) Employee benefit expenses includes research and development expenses (refer note 28)

23. FINANCE COSTS

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest expenses	32.02	33.98
Bank charges	6.23	6.21
	38.25	40.19

24. OTHER EXPENSES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Stores, spares and packing material consumed	49.00	46.95
Power, water and fuel	100.84	85.87
Excise duty on internal consumption/finished goods inventory	3.99	6.93
Other manufacturing expenses	1.11	0.67
Rent	1.82	1.28
Repairs and maintenance		
- Buildings	0.37	0.39
- Plant and equipment	7.54	8.63
- Others	2.34	1.71
Insurance	0.82	0.97
Rates and taxes	0.39	0.29
Printing and stationary	0.33	0.41

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
Continued...

Training and recruitment expenses	0.33	0.26
Travelling and conveyance	4.03	3.97
Vehicle running and maintenance	3.50	2.76
Communication expenses	1.43	1.38
Legal and professional charges	4.43	4.28
Payment for audit fee (refer note 36)	0.49	0.39
Directors' fees	0.16	0.03
Corporate social responsibility (CSR) expenditure (refer note 40)	0.49	0.37
Loss on sale of assets (net)	3.58	-
Provision for bad debts	(0.01)	(0.30)
Freight and forwarding	57.11	42.33
Other selling expenses	1.09	0.79
Miscellaneous expenses	2.28	1.68
Total	247.46	212.04

25. EXCEPTIONAL ITEMS

Exceptional items represents net loss on foreign currency transaction and translation amounting to ₹ 9.20 crores (previous year loss ₹ 20.50 crores).

26. EARNING PER SHARE

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Net profit after tax as per statement of profit and loss attributable to equity shareholders (₹ in crores)	40.41	8.08
b) Weighted average number of equity shares	19,440,076	19,440,076
c) Basic EPS (₹)	20.79	4.16
d) Diluted EPS (₹)	20.79	4.16
e) Nominal value per equity share (₹)	10.00	10.00

27 Contingent liabilities and commitments
(i) Contingent liabilities

Particulars	As at 31 March 2015	As at 31 March 2014
a) Disputed demands for income tax (refer note g below)	4.83	4.83
b) Disputed demands for excise and custom duty and service tax	5.17	3.81
c) Disputed demands for labour/employee dispute	5.09	4.15
d) Claim against the Company not acknowledged as debts	0.15	0.12
e) Discounting of export customer invoices (refer note h below)	20.34	25.14
f) Discounting of domestic customer invoices (refer note i below)	3.89	-

g) Disputed demand for income tax includes a dispute of ₹ 4.83 crores (previous year ₹ 4.83) between the Company and income tax department over computation of deduction under section 80HHC of the Income Tax Act, 1961. The Company has filed a special leave petition against the order of Hon'ble Court which has been accepted by Supreme

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Continued...

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.

- h) It represents discounted export debtors amount to ₹ 9.12 crores (previous year ₹ 12.46 crores) against letter of credit and other discounted debtors of ₹ 11.22 crores (previous year ₹ 12.68 crores) which has 90% credit insurance coverage from ECGC. All the discounted invoices have been reduced from Trade Receivables in note 15.
- i) It represents discounted domestic debtors amount to ₹ 3.89 crores (previous year ₹ Nil) against letter of credit. All the discounted invoices have been reduced from Trade Receivables in note 15.
- j) The Company has given corporate guarantee for term loan facility of ₹ Nil (previous year ₹ 8.41 crores) availed by its step down subsidiary.

(ii) Commitments

The Company has the following commitments :

Particulars	As at 31 March 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.89	4.94
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	61.17	75.16

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

Particulars	As at 31 March 2015	As at 31 March 2014
Unclaimed dividend	0.78	0.84

28 Research and development expenditure

Particulars	As at 31 March 2015	As at 31 March 2014
Employee benefit expenses	1.20	1.01
Materials and consumables	0.80	1.76
Others	0.47	0.54
Total research and development expenditure	2.47	3.31

29. Employee benefits
Defined benefit plans (funded)

The Company makes contribution towards gratuity to a defined contribution retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefit to vested employees. The present value of obligation is determined based on the actuarial valuation.

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

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

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%

2. Table showing changes in present value of obligations

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Present value of obligations as at beginning of year	10.14	8.42
Interest cost	0.81	1.11
Current service cost	0.76	0.61
Benefits paid	(0.88)	(0.65)
Actuarial (gain) /loss on obligations	(1.31)	0.65
Present value of obligations as at end of year	9.52	10.14

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

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Fair value of plan assets at beginning of year	10.96	10.69
Expected return on plan assets	0.94	0.92
Benefits paid	(0.88)	(0.65)
Fair value of plan assets at the end of year	11.02	10.96

4. The amounts to be recognised in the balance sheet and statement of profit and loss

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Present value of obligations as at the end of year	9.52	10.14
Fair value of plan assets as at the end of the year	11.02	10.96
Funded status	1.50	0.82
Net asset recognized in balance sheet	1.50	0.82

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

5. Expenses recognised in statement of profit and loss

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	0.76	0.61
Interest cost	0.81	1.11
Expected return on plan assets	(0.94)	(0.92)
Net actuarial (gain)/loss recognized in the year	(1.31)	0.65
Expenses recognized in statement of profit and loss	(0.68)	1.45

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

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	9.52	10.14	8.42	10.15	8.46
Plan asset	11.02	10.96	10.69	11.68	9.26
(Surplus) / deficit	(1.50)	(0.82)	(2.27)	(1.53)	(0.80)
Net actuarial loss/(gain) recognized in the year	(1.31)	0.65	(3.13)	0.61	0.12

30. Related party disclosure

In accordance with the required Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

i) List of related parties and relationships:

A. Subsidiary and step-down subsidiary companies

- a) CF Global Holdings Limited, Mauritius
- b) Cosmo Films Inc., USA
- c) CF (Netherlands) Holdings Limited BV., Netherlands
- d) Cosmo Films (Singapore) Pte. Limited, Singapore
- e) Cosmo Films Japan (GK)
- f) Cosmo Films Korea Limited, Korea
- g) CF Investment Holding Private (Thailand) Company Limited, Thailand

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

- a) Pravasi Enterprises Limited
- b) Sunrise Manufacturing Company Private Limited
- c) Cosmo foundation

C. Key management personnel

- a) Mr. Ashok Jaipuria, Chairman and Managing Director

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

ii) Transactions with related parties

Particulars	Subsidiary and step-down subsidiary companies		Enterprises over which Key managerial personnel of the Company and their relatives have significant influence		Key management personnel and their relatives		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Purchase of goods								
CF (Netherlands) Holdings Limited BV., Netherlands	-	0.04	-	-	-	-	-	0.04
Cosmo Films Inc., USA	-	0.62	-	-	-	-	-	0.62
Investment made								
CF Global Holdings Limited, Mauritius	-	0.29	-	-	-	-	-	0.29
Sales								
Cosmo Films Inc. USA	81.40	59.80	-	-	-	-	81.40	59.80
Cosmo Films Korea Limited, Korea	1.49	0.14	-	-	-	-	1.49	0.14
Cosmo Films Japan (GK)	0.79	0.82	-	-	-	-	0.79	0.82
Cosmo Films (Singapore) Pte. Limited, Singapore	-	0.32	-	-	-	-	-	0.32
Sales return								
Cosmo Films (Singapore) Pte. Limited, Singapore	0.36	-	-	-	-	-	0.36	-
Other operating revenues								
Cosmo Films Inc., USA	0.38	0.45	-	-	-	-	0.38	0.45
Cosmo Films Korea Limited, Korea	0.23	0.24	-	-	-	-	0.23	0.24
Cosmo Films Japan (GK)	0.18	0.19	-	-	-	-	0.18	0.19
Reimbursement of expenses paid (net)								
Cosmo Films Inc., USA	0.54	0.31	-	-	-	-	0.54	0.31
CF Investment Holding (Pvt) Thailand	0.04	-	-	-	-	-	0.04	-
Cosmo Films Japan (GK)	0.74	0.56	-	-	-	-	0.74	0.56
CF (Netherlands) Holdings Limited BV., Netherlands	1.22	-	-	-	-	-	1.22	-
Rent paid								
Pravasi Enterprises Limited	-	-	-	-	-	-	-	-
Sunrise Manufacturing Company Private Limited	-	-	1.02	1.00	-	-	1.02	1.00
Rent received								
Sunrise Manufacturing Company Private Limited	-	-	0.02	-	-	-	0.02	-
Security deposit/advance rent paid								
Sunrise Manufacturing Company Private Limited	-	-	-	0.07	-	-	-	0.07
Remuneration								
Mr. Ashok Jaipuria	-	-	-	-	2.82	0.30	2.82	0.30
Corporate social responsibility expenditure								
Contribution to Cosmo Foundation	-	-	0.49	0.37	-	-	0.49	0.37

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

iii) Outstanding balances :

Particulars	Subsidiary and step-down subsidiary companies		Enterprises over which Key managerial personnel of the Company and their relatives have significant influence		Key management personnel and their relatives	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
1. Trade receivables						
- Cosmo Films Inc., USA	73.88	37.16	-	-	-	-
- Cosmo Films Korea Limited, Korea	0.43	0.06	-	-	-	-
- Cosmo Films Japan (GK)	0.04	0.05				
2. Trade payables						
- Cosmo Films Japan (GK)	0.41	0.21				
3. Loans and advance						
- Sunrise Manufacturing Company Private Limited	-	-	0.51	0.51	-	-
4. Managerial remuneration (payable) /recoverable						
-Mr. Ashok Jaipuria	-	-	-	-	(2.27)	0.03*

* recovered subsequently.

31. Derivative instruments and unhedged foreign currency exposure

a) Foreign currency exposure hedged by derivative instruments (against imports):

Currency	No. of contracts		Amount		Notional gain/(loss)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
EURO	-	4	-	468,848	-	(0.23)
USD	13	53	5,026,519	13,364,580	0.15	(3.46)

Notes:

- i) The Company has entered into interest rate swap contract (floating rate to fixed rate) to hedge its risk associated with LIBOR fluctuations and such instruments qualify as effective hedges. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market loss as on 31 March, 2015 is estimated at ₹ 0.43 crores (previous year ₹ 0.81 crores).

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
Continued...

- ii) The Company has entered into a cross currency swap agreement with DBS Bank for hedging of installment and interest rate for term loan amounting to USD 7,000,000 taken in the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain as on 31 March 2015 is estimated at ₹ 5.25 crores (previous year loss ₹ 4.99 crores).
- iii) The Company has entered into currency options to hedge two of its ECBs amounting to USD 8,000,000 and USD 4,995,838 respectively during the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2015 is estimated at ₹ 1.14 crores.

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

Currency	31 March 2015		31 March 2014	
	Foreign currency	Local currency (₹)	Foreign currency	Local currency (₹)
USD	(11,008,730)	(68.93)	(33,252,642)	(199.91)
EURO	(11,218,565)	(75.78)	(8,797,411)	(72.68)
GBP	470,000	4.34	341,602	3.41

Note: Figures in bracket signifies amount payable.

- 32 Building includes ₹ 0.64 crores (previous year ₹ 0.64 crores) towards cost of residential space in a Co-operative Housing Society. The Company has taken possession of the same in terms of agreement to sell. Conveyance deed is yet to be registered. Besides, the amount includes cost of shares of the said society received by the Company which are yet to be transferred in the name of the Company.

33 Details of raw material and components consumed

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Polymer (Homopolymer repol and EVA)	859.03	770.19
Others	153.23	155.42
Total	1,012.26	925.61

34. Imported and indigenous consumption

		Indigenous		Imported		Total Value Amount
		Value Amount	%	Value Amount	%	
Raw materials and components	2014-15	764.17	75%	248.09	25%	1,012.26
	2013-14	716.13	77%	209.48	23%	925.61
Stores and spares	2014-15	46.39	95%	2.62	5%	49.00
	2013-14	42.71	91%	4.24	9%	46.95

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

35. Value of imports on CIF basis

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Raw materials	234.45	213.20
Components and spare parts	6.00	6.42
Capital goods	6.49	10.12
Total	246.94	229.74

36. Payments to auditors

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
As auditors	0.44	0.37
For reimbursement of expenses	0.05	0.02
Total	0.49	0.39

37. Expenditure in foreign currency

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Services of foreign technicians	0.23	0.69
Sales commission	9.63	5.94
Interest on foreign currency loan	6.66	8.16
Others	3.47	0.63
Total	19.99	15.42

38. Earnings in foreign exchange

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Export of goods calculated on F.O.B basis (including deemed exports)	692.68	538.86

39. Dividend remitted in foreign currency

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Period to which is relates	2013-14	2012-13
Number of non - resident shareholders	38	38
Number of shares held on which dividend was due		
Equity	7,940	7,940
Amount remitted * ₹ 7,940 (# Previous year ₹ 19,850)	*	#

NOTES OF THE FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
40. Corporate social responsibility

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

	In cash	Yet to be paid in cash	Total
Contribution to education trust	0.49	-	0.49
	0.49	-	0.49

41. Per transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. Since law requires existence of such information and documentation to be contemporaneous in nature, the Company has appointed independent consultants for conducting a Transfer Pricing Study (the 'Study') to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arms length basis". Management is of the opinion that the Company's international transactions are at arm's length and that the results of the on-going study will not have any impact on the financial statements and the independent consultants appointed have also preliminarily confirmed that they do not expect any transfer pricing adjustments.

42. Previous years figures
Previous years figures have been regrouped / rearranged wherever considered necessary.

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

per **Neeraj Goel**
 Partner

Place : New Delhi
Date : 22 May 2015

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

Pratip Chaudhuri
 Director

Neeraj Jain
 Chief Financial Officer

Ashok Jaipuria
 Chairman &
 Managing Director

Jyoti Dixit
 Company Secretary

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

Subsidiary	Reporting Currency	Closing exchange rate agst Indian Rupee as on 31 st March, 2015	Capital	Reserve	Total Assets	Total Liabilities	Investments except in case of investment in subsidiaries	Turnover	profit before tax	profit after tax	Proposed Dividend	Country	% of Shareholding
CF Global Holdings Ltd.	INR (in Cr)	62.5908	206.86	(0.64)	206.25	0.03	0.00	0.00	(0.21)	(0.21)	0.00	Mauritius	100%
	USD 000's		33060	(102)	32963	5	0.00	0.00	(34)	(34)	0.00		
CF (Mauritius) Holdings Ltd.	INR (in Cr)	62.5908	3.13	(0.16)	204.74	201.77	0.00	0.00	(0.02)	(0.02)	0.00	Mauritius	100%
	USD 000's		500	(26)	32711	32236	0.00	0.00	(3)	(3)	0.00		
Cosmo Films (Netherlands) Cooperatief J.A	INR (in Cr)	67.5104	161.75	(0.04)	161.76	0.05	0.00	0.00	0.00	0.00	0.00	Netherland	100%
	Euro 000's		23960	(6)	23961	7	0.00	0.00	0	0	0.00		
CF (Netherlands) Holdings Limited B.V	INR (in Cr)	67.5104	161.75	(12.78)	155.38	6.41	0.00	0.00	13.96	13.96	0.00	Netherland	100%
	Euro 000's		23959	(1893)	23016	960	0.00	0.00	1789	1789	0.00		
Cosmo Films (Japan) GK	INR (in Cr)	0.5211	7.82	28.73	53.35	16.81	0.00	57.55	4.30	2.68	0.00	Japan	100%
	JPY 000's		1500000	551250	1028888	322638	0.00	1027416	76791	47898	0.00		
Cosmo Films (Singapore) Pte. Ltd	INR (in Cr)	45.6900	0.23	0.03	0.35	0.09	0.00	0.00	(0.08)	(0.08)	0.00	Singapore	100%
	S\$ 000's		50	7	76	19	0.00	0	(17)	(17)	0.00		
Cosmo Films Korea Ltd.	INR (in Cr)	0.0564	11.28	18.32	47.92	18.31	0.00	89.03	8.32	7.60	0.00	Korea	100%
	KRW 000's		2000000	3248783	8495920	3247137	0.00	15344191	1434314	1310137	0.00		
Cosmo Films Inc	INR (in Cr)	62.5908	106.40	(85.64)	140.98	120.22	0.00	168.22	31.33	31.33	0.00	USA	100%
	USD 000's		17000	(13683)	22524	19207	0.00	27309	5086	5086	0.00		
CF Investment Holding Private (Thailand) Co. Ltd.*	INR (in Cr)	1.9235	30.78	(0.03)	30.77	0.02	29.02	0.00	(0.02)	(0.02)	0.00	Thailand	100%
	THB 000's		160000	(167)	159944	110	150861	0.00	(123)	(123)	0.00		

*The reporting period for CF Investment Holding Private (Thailand) Co. Ltd. is 01-01-2014 to 31-12-2014

INDEPENDENT AUDITORS' REPORT

To the Members of Cosmo Films Limited

Report on Consolidated Financial Statement

1. We have audited the accompanying consolidated financial statements of Cosmo Films Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9(a) of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries the aforesaid consolidated financial statements give the information required by the Act

in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter(s)

9. (a) We did not audit the financial statements/financial information of three subsidiaries, included in the consolidated financial statements, whose financial statements/financial information reflect total assets (after eliminating intra-group transactions) of Rs.180.64 crores as at 31 March 2015, total revenues (after eliminating intra-group transactions) of Rs.195.41 crore and net cash flows amounting to Rs.(0.30) crores for the year ended on that date. These financial statement/financial information have been audited by other auditors whose report) 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-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements/financial information of six subsidiaries included in the consolidated financial statements, whose financial statements/financial information reflect total assets (after eliminating intra-group transactions) of Rs.55.71 crores as at 31 March 2015, total revenues (after eliminating intra-group transactions) of Rs.57.55 crores and net cash flows amounting to Rs.(3.76) crores for the year ended on that date. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the Holding Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such company.
11. As required by Section 143(3) of the Act, and based on the auditor's reports of the Company, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) as detailed in Note 28, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Holding Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

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

per **Neeraj Goel**
 Partner

Place: New Delhi
 Date: 22 May 2015

Membership No.: 99514

Annexure to the Independent Auditor's Report of even date to the members of Cosmo Films Limited, on the consolidated financial statements for the year ended 31 March 2015

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

- (i) (a) The Holding Company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Holding Company have been physically verified by the management during the year and 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 Holding Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory of the Holding Company at reasonable intervals during the year, except for goods in transit.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Holding Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Holding 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 Holding Company's products/services 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) The Holding Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with 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) The dues outstanding of the Holding Company in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess 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	Forum where dispute is pending
Central Excise and Custom Act	Excise duty	3.69	-	1997-98 to 2001-02 2003-04 to 2007-08 2011-12 to 2012-13	Appellate Tribunal
	Excise duty	1.53	-	1983-84 to 1985-86 2008-09 and 2009-10	Commissioner Appeals
	Excise duty	0.40	-	1997-2000 & 2002-07	High Court
	Service tax	0.08	-	2005-06 to 2010-11 2012-13	Commissioner Appeals
Maharashtra VAT Act	Sales tax	2.08	0.43	2007-08	Joint Commissioner Sales Tax, Aurangabad
	Sales tax	3.45	0.73	2008-09	Joint Commissioner of Sales Tax, Aurangabad
	Sales tax	0.61	-	2009-10	Maharashtra Sales Tax Tribunal
Income Tax Act, 1961	Income tax and penalty	1.07	1.07	1997-98	High Court
	Income tax and penalty	4.83	4.83	2002-03	Hon'ble Supreme Court of India
	Income tax and penalty	2.98	2.98	2008-09	Income Tax Appellate Tribunal
	Income tax and penalty	5.57	1.32	2009-10	Income Tax Appellate Tribunal

- (c) The Holding Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Holding Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Holding Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Holding Company did not have any outstanding debentures during the year.
- (x) The Holding Company has given a guarantee in respect of loans taken by subsidiaries from banks, in respect of which no commission is charged from the subsidiaries. In our opinion, having regard to the long term involvement with the subsidiary companies and considering the explanations given to us in this regard, the terms and conditions of the above are not, prima facie, prejudicial to the interests of the Holding Company. The Holding Company did not have any guarantees outstanding at the year end.
- (xi) In our opinion, the Holding Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Holding Company has been noticed or reported during the period covered by our audit.

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

Place : New Delhi
 Date : 22 May 2015

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

Consolidated Balance Sheet as at 31 March, 2015
 (All amounts in ₹crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	19.44	19.44
Reserves and surplus	3	361.18	340.54
		380.62	359.98
Non-current liabilities			
Long-term borrowings	4	238.62	317.56
Deferred tax liabilities (net)	5	57.19	51.47
Long-term provisions	6	-	0.13
		295.81	369.16
Current liabilities			
Short-term borrowings	7	173.20	207.75
Trade payables	8	121.44	132.32
Other current liabilities	9	94.27	77.52
Short-term provisions	10	10.56	4.03
		399.47	421.62
TOTAL		1,075.90	1,150.76
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		591.56	631.18
Intangible assets		3.89	5.79
Capital work in progress		14.04	1.58
Non current investments	12	35.53	29.60
Long term loans and advances	13	21.46	6.30
Other non current assets	14	-	0.15
		666.48	674.60
Current assets			
Inventories	15	179.54	202.44
Trade receivables	16	121.95	138.26
Cash and bank balances	17	25.01	59.97
Short term loans and advances	18	78.04	74.07
Other current assets	19	4.88	1.42
		409.42	476.16
TOTAL		1,075.90	1,150.76
Statement on significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements
 This is the consolidated Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**
 (formerly Walker, Chandio & Co)
 Chartered Accountants
 per **Neeraj Goel**
 Partner

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

Pratip Chaudhuri
 Director

Ashok Jaipuria
 Chairman &
 Managing Director

Neeraj Jain
 Chief Financial Officer

Jyoti Dixit
 Company Secretary

Place : New Delhi
Date : 22 May 2015

Consolidated Statement of profit and loss for the year ended 31 March, 2015

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at 31 March 2015	As at 31 March 2014
INCOME			
Revenue from operations (gross)	20	1,740.77	1,543.56
Less : Excise duty		(93.99)	(75.20)
Revenue from operations (net)		1,646.78	1,468.36
Other income	21	4.95	6.77
Total income		1,651.73	1,475.13
EXPENSES			
Decrease/(increase) in inventories of finished goods	22	28.17	(33.50)
Cost of materials consumed		1,121.63	1,030.74
Purchases of traded goods		1.59	5.39
Employee benefit expenses	23	105.01	97.93
Finance costs	24	39.88	43.22
Depreciation and amortisation expense	11	34.54	45.32
Other expenses	25	286.02	259.15
Total expenses		1,616.84	1,448.25
Profit before tax and exceptional items		34.89	26.88
Exceptional items	26	3.33	(28.68)
Profit/(loss) before tax and minority interest		38.22	(1.80)
Tax expense:			
Current tax			
-Current year		14.67	4.93
-MAT credit entitlement		(10.03)	(1.06)
-Earlier years		(0.74)	0.25
Deferred tax			
-Current year		14.70	(0.42)
-Earlier years		(8.04)	-
Profit/(loss) for the year		27.66	(5.50)
Earnings per equity share (₹):	27		
-Basic		14.23	(2.83)
-Diluted		14.23	(2.83)
Statement on significant accounting policies	1		

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

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

 For **Walker Chandiook & Co LLP**
 (formerly Walker, Chandiook & Co)
 Chartered Accountants
 per **Neeraj Goel**
 Partner

 Place : New Delhi
 Date : 22 May 2015

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

Pratip Chaudhuri
 Director

Neeraj Jain
 Chief Financial Officer

Ashok Jaipuria
 Chairman &
 Managing Director

Jyoti Dixit
 Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2015
 (All amounts in ₹ crores, unless stated otherwise)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities:		
Profit/(loss) before tax	38.22	(1.80)
Adjustments for:		
Depreciation and amortisation expenses	34.54	45.32
Interest expense	33.11	36.38
Interest income	(1.03)	(2.52)
Unrealised gain on exchange fluctuation (net)	4.07	4.97
Loss/(profit) on disposal/sale of fixed assets	3.58	(3.48)
Bad debt written off	-	0.22
Provision for bad and doubtful debts/advances	(0.36)	1.45
Liability no longer required written back	(2.18)	(1.27)
Operating profit before working capital changes	109.95	79.27
Adjustments for changes in working capital :		
- Movement in trade receivables	16.67	(11.14)
- Movement in other receivables	(10.35)	(3.72)
- Movement in inventories	22.90	(51.11)
- Movement in trade and other payables	0.17	43.55
Cash generated from operations	139.34	56.85
Income tax (refund received)/paid	(5.24)	2.49
Net cash generated from operating activities	134.10	59.34
B. Cash flow from investing activities:		
Purchase of fixed assets and capital work in progress (including capital advances)	(47.78)	(88.83)
Proceeds from sale of fixed assets	10.36	13.30
Purchase of investments	(5.93)	-
Proceed on maturity of fixed deposits (net)	(0.91)	1.70
Decrease in other Bank balance	0.06	0.02
Interest received	1.57	2.04
Net cash used in investing activities	(42.63)	(71.77)
C. Cash flow from financing activities:		
Proceeds from long term borrowings	15.87	126.72
Repayment of long term borrowings	(67.50)	(64.55)
Proceeds from short term borrowings (net)	(34.55)	2.24
Interest paid	(32.86)	(39.34)
Dividend paid	(1.94)	(4.86)
Dividend tax paid	(0.33)	(0.83)
Net cash (used)/generated in financing activities	(121.31)	19.38
Net (decrease)/increase in cash & cash equivalents	(29.84)	6.95
Cash and cash equivalents at the beginning of the year	54.13	26.51
Effect of change in exchange rate on cash and cash equivalents	(5.97)	20.67
Cash and cash equivalents at the end of the year (refer note 17)	18.32	54.13

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

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

per **Neeraj Goel**
 Partner

Place : New Delhi
 Date : 22 May 2015

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

Pratip Chaudhuri
 Director

Neeraj Jain
 Chief Financial Officer

Ashok Jaipuria
 Chairman &
 Managing Director

Jyoti Dixit
 Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(All amounts in ₹ crores, unless stated otherwise)

1. Statement on significant accounting policies

a) Background and nature of operations

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

b) Basis of preparation

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

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

c) Principles of consolidation

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

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

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

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

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent Company for its separate financial statements.

d) Use of estimates

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(Continued...)
e) Fixed assets

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

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

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

f) Investments

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

g) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

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

h) Depreciation and amortization

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

- ii) Cost of the leasehold land is amortised over the period of the lease.
- iii) Depreciation on assets costing ₹ 5000/- or below is charged @ 100% per annum in the year of purchase.

i) Research and development

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

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

j) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange differences

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

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

k) Accounting of cash flow hedges and derivatives

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

At the inception of a hedge relationship, the Company documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

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

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

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

l) Employees benefits**Provident fund**

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

Gratuity

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

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

Compensated absences

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

m) Taxation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

n) Revenue recognition

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

Sales

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

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

Interest

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

Dividend

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

Export benefits/incentives

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

o) Borrowing costs

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

p) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Continued...)

q) Impairment of assets

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

r) Provisions and contingent liabilities

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

s) Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

2 SHARE CAPITAL

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 10 each	25,000,000	25.00	25,000,000	25.00
		25.00		25.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹10 each	19,440,076	19.44	19,440,076	19.44
Total		19.44		19.44

Notes:

- (i) Of the above 242,051 (Previous year 242,051) shares have been allotted to erstwhile shareholders of Gujarat Propack Limited on amalgamation.
- (ii) Of the above 8,486,705 (Previous year 8,486,705) shares have been allotted as fully paid bonus shares by capitalisation of capital reserves and share premium account.

a) There is no movement in equity share capital during the current year and previous year.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended 31 March 2015 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3.50 (previous year ₹ 1 per share). The dividend proposed by Board of Directors is subject to approval of shareholders in Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
Sunrise Manufacturing Company Limited	3,957,552	20.36%	3,957,552	20.36%
Pravasi Enterprises Limited	2,895,104	14.89%	2,895,104	14.89%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

3. RESERVES AND SURPLUS

Particulars	As at	
	31 March 2015	31 March 2014
Capital reserves	3.32	3.32
Securities premium account	31.26	31.26
Foreign currency translation reserve	19.72	25.69
General reserve		
Balance at the beginning of the year	274.07	274.07
Add: Transferred from surplus in statement of profit and loss	4.04	-
Balance at the end of the year	278.11	274.07
Hedging reserve		
Balance at the beginning of the year	(0.81)	(2.10)
Add: Amount recognised during the year	4.30	1.29
Balance at the end of the year	3.49	(0.81)
Foreign currency monetary item translation difference account		
Balance at the beginning of the year	(6.51)	(5.77)
Add : Amounts recognised during the year	(0.33)	(5.71)
Less : Amounts amortised during the year	4.07	4.97
Balance at the end of the year	(2.77)	(6.51)
Surplus as per Consolidated statement of profit and loss		
Balance at the beginning of the year	13.52	21.29
Add: Profit for the year	27.66	(5.50)
Less : Proposed dividends on equity shares	(6.80)	(1.94)
Less : Tax on dividends distributed during the year	(1.38)	(0.33)
Less : Transfer to general reserve	(4.04)	-
Less : Depreciation adjustment (net of taxes)	(0.91)	-
Balance at the end of the year	28.05	13.52
Total	361.18	340.54

4. LONG TERM BORROWINGS

Particulars	As at 31 March 2015		As at 31 March 2014	
	Non current	Current	Non current	Current
Secured				
Term loans				
Foreign currency loans (note a)	172.59	58.09	240.58	44.15
Rupee term loans (note b)	65.37	18.70	76.50	16.67
Vehicle loans (note c)	0.66	1.14	0.48	0.75
	238.62	77.93	317.56	61.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Notes:

a) Foreign currency loans comprises of :

- (i) Loan of USD 10,000,000 taken from ICICI Bank during the financial year 2010-11 and carries interest @ Libor +400 bps per annum. The loan is repayable in 5 equal semi annual installments of USD 2,000,000 each after moratorium of 3.5 years from the date of loan.
- (ii) Loan of USD 13,272,220 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2008-09 and 2009-10 and carries interest @ Libor+37.5 bps per annum. The loan is repayable in 16 equal semi annual installments of approx. USD 832,640 each after six month from the date of start of commercial production.
- (iii) Loan of USD 10,000,000 taken from IFC Bank during the financial year 2011-12 and 2013-14 and carries interest @ Libor+400 bps per annum. The loan is repayable in 17 semi-annual installments after moratorium of 2.5 years from the date of loan.
- (iv) Loan of EUR 10,367,450 taken from Landesbank Baden Wurttemberg Bank (LBBW) during the financial year 2012-13 to 2014-15 and carries interest @ Euribor+105 bps per annum. The loan is repayable in 17 equal semi annual installments of EUR 609,850 each after six month from the signing of final acceptance certificate for start of commercial production.
- (vi) Loan of USD 7,000,000 taken from DBS Bank Limited during the financial year 2012-13 and carries interest @ Libor+225 bps per annum. The loan is repayable in 8 semi-annual installments of USD from April-2015. The loan has been fully hedged into an equivalent Rupee loan with fixed rate of interest.
- (vi) Loan of USD 4,500,000 taken from SBI Antwerp branch during the financial year 2009-10 and carries interest @ Libor +500 bps per annum. The loan is repayable after a moratorium period of 20 months in 14 quarterly instalments. The loan has been repaid in full during the financial year 2014-15.
- (vii) Loan of KRW 3 billion taken from IBK Korea, during the financial year 2011-12 and carries interest rate @4.4% per annum (reset after every three months). The loan is repayable after a moratorium period of 2 years in 14 quarterly installments.

b) Rupee term loans comprises of :

- (i) Loan of ₹ 108,675,000 taken from Kotak Mahindra Bank during the financial year 2011-12 and carries interest @ base rate+ 3.75% per annum. The loan is repayable in 78 equal monthly installments of ₹ 1,393,000 alongwith interest from the date of loan. The loan has been repaid in full during the Financial Year 2014-15.
- (ii) Loan of ₹ 300,000,000 taken from SBI during the financial year 2012-13 and 2013-14 and carries interest @ base rate+ 2.25% per annum. The loan is repayable after a moratorium of 12 month from the date of disbursement in 8 equal quarterly installments of ₹ 37,500,000.
- (iii) Loan of ₹ 600,000,000 taken from SBI during the financial year 2013-14 and carries interest @ base rate+ 2.3% per annum. The loan is repayable after a moratorium of 24 month from the date of disbursement in 24 equal quarterly installments of ₹ 25,000,000.
- (iv) Loan of ₹ 128,700,000 taken from IDBI Bank during the financial year 2014-15 and carries interest @ base rate+ 2.5% per annum. The loan is repayable in 10 structured half yearly installments starting from 31 March 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

- c) Vehicle loans taken from Union Bank of India carries interest @10.5% -12% per annum. This loan is repayable in 3 years.
- d) Details of security for each type of borrowings:-
- (i) Foreign currency loan from ICICI Bank is secured by subservient charge on all of the Company's moveable fixed assets, both present and future, save and except plant and machineries at Baska and Chikalthana and any assets charged exclusively to other lenders.
 - (ii) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2008-09 and 2009-10 is secured against hypothecation of machinery financed out of the loan amount at the Company's plant at Karjan - Vadodara.
 - (iii) Foreign currency loan from IFC Bank is secured by first ranking security interest over all present and future movable and immovable fixed assets except the excluded assets, ranking pari passu with the other lenders.
 - (iv) Foreign currency loan from Landesbank Baden Wurttemberg Bank (LBBW) taken in financial year 2012-13 to 2014-15 is secured against hypothecation of machinery financed out of the loan amount at the Company's new plant at Shendra, Aurangabad.
 - (v) Foreign currency loan from DBS Bank is secured by pari passu charge on the movable and immovable fixed assets both present and future of the Company, except the excluded assets.
 - (vi) Foreign currency loans from SBI Antwerp branch is secured by first charge over the entire assets of the respective subsidiary. The loan has been repaid and security released during financial year 2014-15.
 - (vii) Foreign currency loans from IBK Korea is secured by first charge over the entire assets of the respective subsidiaries.
 - viii) Rupee term loan from Kotak Mahindra Bank is secured against mortgage by way of exclusive charge on the immovable properties being commercial properties situated at 1004-1010, 10th Floor, DLF Tower, Jasola New Delhi. The loan has been repaid and security released during Financial Year 2014-15.
 - (ix) Rupee term loan of ₹ 30 crores from SBI is secured against pari-passu charge with other term lenders on entire movable and immovable fixed assets of the Company, both present and future except excluded assets.
 - (x) Rupee term loan of ₹ 60 crores from SBI is secured against pari-passu charge with other term lenders on entire movable and immovable fixed assets of the Company, both present and future except excluded assets.
 - (xi) Corporate Loan from IDBI Bank taken in financial year 2014-15 is secured against (i) DP Note (ii) First pari passu charge over the movable and immovable fixed assets of the company both present & future, excluding assets having exclusive charge (iii) Second pari passu charge on current assets of the company both present and future.
 - (xiii) Vehicle loans from Union Bank of India are secured against hypothecation of vehicles financed out of the loan amount.
- e) Current maturities of long term borrowings are disclosed under the head other current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

5 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books.	104.51	98.75
Acquisition gain	-	0.14
Others	-	0.35
Gross deferred tax liability	104.51	99.24
Deferred tax assets		
Unabsorbed losses	40.57	41.53
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income tax	6.25	5.46
Provision for bad and doubtful debts	0.50	0.78
Gross deferred tax assets	47.32	47.77
Deferred tax liabilities (net)	57.19	51.47

6. LONG TERM PROVISIONS

Particulars	As at 31 March 2015	As at 31 March 2014
Employee benefit payable	-	0.13
Total	-	0.13

7. SHORT TERM BORROWINGS

Particulars	As at 31 March 2015	As at 31 March 2014
Secured		
From banks		
Cash credits/ working capital demand loans (note a)	173.20	207.75
Total	173.20	207.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Notes:

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

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

- (i) Cash credit/working capital demand loan of ₹ 30 crores sanctioned by Export Import Bank of India is repayable on demand and carries interest rate as mutually decided.
- (ii) Working capital demand loan of ₹ 20 crores sanctioned by HDFC Bank is repayable on demand and carries interest rate as mutually decided.
- (iii) Cash credit/working capital demand of ₹ 15 crores sanctioned by ICICI Bank is repayable on demand and carries interest @ base rate+3.00% per annum.
- (iv) Cash credit/working capital demand of ₹ 25 crores sanctioned by ING Vysya Bank is repayable on demand and carries interest @ base rate+2.35% per annum.
- (v) Cash credit/working capital demand of ₹ 65 crores sanctioned by Union Bank of India is repayable on demand and carries interest @ base rate+2% per annum.
- (vi) Cash credit/working capital demand of ₹ 15 crores sanctioned by YES Bank of India is repayable on demand and carries interest @ base rate+2.5% per annum.
- (vii) Cash credit/working capital demand of ₹ 40 crores sanctioned by IDBI Bank is repayable on demand and carries interest @ base rate+2.0 per annum.
- (viii) Cash credit of ₹ 50 crores sanctioned by State Bank of India is repayable on demand and carries interest @ base rate+0.5% per annum.
- (ix) Cash credit/working capital loan/export packing credit of ₹ 20 crores sanctioned by DBS Bank is repayable on demand and carries interest as mutually agreed.
- (x) Loan of JPY 200 million is taken from Mizuho Bank, Japan and carries rate of interest @1.725% per annum. All are current and payable within one year.
- (xi) Loan of KRW 600,000 million is taken from IBK Bank, Korea and carries rate of interest @2.1% to 3.79% per annum. All are current and payable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

8. TRADE PAYABLES

Particulars	As at 31 March 2015	As at 31 March 2014
Due to Micro, Small and Medium Enterprises *	-	-
Total outstanding dues to units other than Micro, Small and Medium Enterprises **	82.33	98.90
Employee related payables	3.07	1.54
Other accrued liabilities	36.04	31.88
Total	121.44	132.32

* The Company has circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). Certain suppliers have provided the necessary confirmation alongwith the evidence of being Micro or Small enterprises. However from the majority of the suppliers these confirmations are still awaited. On the basis of available information no principal or interest is payable at the year end to any supplier covered under MSMED.

**Includes ₹ Nil (previous year ₹ 4.74 Crores) being the liabilities to be paid out of the undrawn sanctioned long term loans.

9. OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long term debt (refer note 4)	77.93	61.57
Interest accrued but not due on borrowings	4.57	4.30
Statutory dues payable	1.05	2.32
Advance received from customers	10.66	9.27
Others	0.06	0.06
Total	94.27	77.52

10. SHORT TERM PROVISIONS

Particulars	As at 31 March 2015	As at 31 March 2014
Employee benefit payable	2.38	1.76
Others		
Proposed dividend (note a)	6.80	1.94
Provision for taxes on proposed dividend	1.38	0.33
Total	10.56	4.03

Notes:

a) Details with respect to proposed dividend

Dividends proposed to		
-Equity shareholders	6.80	1.94
Proposed dividend per share		
-Equity shareholders (₹)	3.50	1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

11 FIXED ASSETS

Particulars	Tangible fixed assets						Intangible assets		Capital work in progress
	Land freehold	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles equipment	Total	Software	
Gross block									
Balance as at 31 March 2013	17.03	8.68	98.16	593.15	6.61	6.81	14.89	8.34	157.70
Additions	-	1.91	40.57	199.80	0.79	1.43	2.87	-	69.35
Disposals	(6.60)	-	(3.54)	(1.12)	-	(0.76)	(0.02)	-	(239.86)
Other adjustments:									
- Borrowing costs	-	-	-	-	-	-	-	-	2.60
- Foreign exchange fluctuation	-	-	-	(4.10)	-	-	-	(4.10)	11.79
- Translation adjustment	2.74	-	3.17	4.46	0.05	0.03	0.26	-	-
Balance as at 31 March 2014	13.17	10.59	138.36	792.19	7.45	7.51	18.00	8.34	1.58
Additions	-	-	5.10	9.78	0.07	2.55	0.95	-	22.42
Disposals	-	-	(3.43)	(23.88)	(0.13)	(1.21)	(0.12)	-	(9.96)
Other adjustments:									
- Foreign exchange fluctuation	-	-	-	(11.27)	-	-	-	(11.27)	-
- Translation adjustment	0.10	-	0.44	0.29	0.02	(0.01)	0.11	-	-
Balance as at 31 March 2015	13.27	10.59	140.47	767.11	7.41	8.84	18.94	8.34	14.04
Accumulated depreciation and amortisation									
Balance as at 31 March 2013	-	0.09	22.06	273.82	2.96	2.45	11.07	1.80	-
Depreciation and amortisation expense	-	0.15	4.50	37.17	0.33	0.71	1.70	0.75	-
Adjusted on disposal of assets	-	-	(1.18)	(0.60)	-	(0.42)	(0.02)	-	-
Translation adjustment	-	-	0.40	0.72	0.02	-	0.16	-	-
Balance as at 31 March 2014	-	0.24	25.78	311.11	3.31	2.74	12.91	2.55	-
Depreciation and amortisation expense	-	0.09	4.01	25.33	0.86	1.25	1.70	1.30	-
Adjusted on disposal of assets	-	-	(0.93)	(13.11)	(0.09)	(0.58)	(0.12)	-	-
Translation adjustment	-	-	0.57	0.87	(0.57)	(0.09)	(0.21)	0.59	-
Balance as at 31 March 2015	-	0.33	29.43	324.20	3.51	3.32	14.28	4.44	-
Net block									
Balance as at 31 March 2014	13.17	10.35	112.58	481.08	4.14	4.77	5.09	5.79	1.58
Balance as at 31 March 2015	13.27	10.26	111.04	442.91	3.90	5.52	4.66	3.90	14.04

Note:

- a) **Capitalization of foreign exchange differences**
 The foreign exchange difference capitalized during the year ended 31 March 2015 was ₹ (11.27) crores (previous year ₹ 7.69 crores). The Company has adopted the MCA notification dated December 29, 2011 on Accounting Standard - 11, "The effects of changes in foreign exchange rates" and accordingly capitalised ₹ (11.27) crores
- b) The Company has reassessed the useful life of fixed assets in accordance with the guidelines under Schedule II of the Companies Act, 2013 with effect from 1 April 2014 resulting into a charge of ₹ 0.91 crores (net of deferred tax) to the opening balance of retained earnings and reduction in the depreciation for the current year by ₹ 11 crores (approx)
- c) Additions include ₹ 0.47 crores (previous year ₹ Nil) towards assets located at research and development facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

12. NON CURRENT INVESTMENTS

Particulars	As at 31 March 2015	As at 31 March 2014
Unquoted, trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments -		
- Gupta Energy Private Limited	4.21	4.21
- Sai Wardha Power Limited	2.30	-
Unquoted, other investments (valued at cost unless otherwise stated)		
Investment property	29.02	25.39
	35.53	29.60

Details of trade investments (unquoted)

Name of the body corporate	No. of shares		Face value	Partly paid/ Fully paid	Amount (₹)	
	31 March 2015	31 March 2014			31 March 2015	31 March 2014
Equity						
Gupta Energy Private Limited *	294,252	294,252	₹ 10	Fully paid	4.21	4.21
Sai Wardha Power Limited	2,299,661	-	₹ 10	Fully paid	2.30	-
	2,593,913	294,252			6.51	4.21

* Pledged with banks for securing the financial facilities availed by Gupta Energy Private Limited pursuant to the agreement for generation and supply of captive power to the Company's plant.

13. LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Capital advances	15.48	2.94
Security deposits	1.70	1.12
Prepaid expenses	1.39	0.24
Others	2.89	2.00
Total	21.46	6.30

14. OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2015	As at 31 March 2014
Pledged deposits (note a)	-	0.15
Total	-	0.15

Note: (a) Pledged deposits represent ₹ Nil (previous year ₹ 0.15 crores) pledged with sales tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

15. INVENTORIES

Particulars	As at 31 March 2015	As at 31 March 2014
Raw material (including material in transit ₹ 10.49 crores) (previous year ₹ 10.73 crores)	60.66	55.09
Finished goods (including material in transit ₹ 25.34 crores) (previous year ₹ 49.42 crores)	108.45	136.62
Stores and spares	10.43	10.73
Total	179.54	202.44

16. TRADE RECEIVABLES

Particulars	As at 31 March 2015	As at 31 March 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3.44	0.85
Unsecured, considered doubtful	2.46	2.37
	5.90	3.22
Less : Allowances for bad and doubtful debts	(2.46)	(2.37)
	3.44	0.85
Other debts		
Unsecured, considered good	118.51	137.41
Unsecured, considered doubtful	0.47	1.00
	118.98	138.41
Less : Allowances for bad and doubtful debts	(0.47)	(1.00)
	118.51	137.41
Total	121.95	138.26

17. CASH AND BANK BALANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Cash in hand	0.04	0.09
Cheques, drafts in hand	1.02	5.28
Balances with banks		
- in current accounts	17.26	31.91
- in deposit account with original maturity upto 3 months	-	16.85
	18.32	54.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

Other bank balances		
Balance in current account		
- Unclaimed dividend accounts	0.78	0.84
Pledged deposit with original maturity of more than 12 months (note a)	0.90	-
Bank deposits with original maturity of more than 12 months (note b)	5.01	5.00
	6.69	5.84
Total	25.01	59.97

Note:

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

18. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Advances to vendors	2.28	1.41
Tax recoverable (net of provision)	2.92	13.72
MAT credit entitlement	13.04	2.15
Deposits with excise and other tax authorities	9.71	13.28
Export benefit recoverable	14.88	20.67
Discount recoverable	16.52	12.73
Prepaid expenses	6.68	4.00
Others (note a and b)	12.01	6.11
Total	78.04	74.07

Note:

- a) Includes ₹ Nil (Previous year ₹ 0.03 crores) being the excess remuneration paid to Chairman & Managing Director over the minimum remuneration which was subsequently recovered.
- b) Includes ₹ 0.73 crores (Previous year ₹ 0.73 crores) being the excess remuneration paid to Whole-time Director over the minimum remuneration for FY 2013-14. During the year, the Company has received approval of shareholders and has applied for Central Government approval. Pending approval, the amount is held in trust by the Whole-Time Director for the Company.

19. OTHER CURRENT ASSETS

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
Interest receivable	0.38	0.92
Receivable against sale of property	4.50	0.50
Total	4.88	1.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

20. REVENUES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Revenue from operations		
Sale of products (including export benefits of ₹ 13.96 crores previous year ₹ 21.16 crores)	1,734.55	1,531.70
Other operating revenues	6.22	11.86
Revenue from operations (gross)	1,740.77	1,543.56
Less : Excise duty	(93.99)	(75.20)
Revenue from operations (net)	1,646.78	1,468.36

Details of products sold

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Manufactured goods		
- Packaging films	1,728.29	1,510.54
-Others	6.26	21.16
Total	1,734.55	1,531.70

21. OTHER INCOME

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest income	1.03	2.52
Profit on sale of assets (net)	-	3.48
Insurance and other claims	0.54	0.38
Miscellaneous receipts	1.20	0.39
Liabilities no longer required written back	2.18	-
Total	4.95	6.77

22. DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Opening stock of Finished goods	136.62	103.12
Closing stock of Finished goods	108.45	136.62
Decrease/(increase) in inventories of finished goods	28.17	(33.50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

Details of finished goods

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Finished goods		
-Packaging films	101.19	126.29
-Equipments	7.26	10.33
Total	108.45	136.62

23. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	98.20	92.09
Contribution to provident and other funds	4.10	3.92
Staff welfare expenses	2.71	1.93
Total	105.01	97.93

24. FINANCE COSTS

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Interest expenses	33.11	36.38
Bank charges	6.77	6.84
	39.88	43.22

25. OTHER EXPENSES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Stores, spares and packing material consumed	54.54	52.76
Power, water and fuel	104.45	89.28
Excise duty on internal consumption/finished goods inventory	3.99	6.93
Other manufacturing expenses	1.42	1.01
Rent	6.60	9.41
Repairs and maintenance		
- Buildings	0.53	0.59
- Plant and equipment	9.41	10.63
- Others	4.16	3.32
Insurance	2.23	2.68
Rates and taxes	1.01	0.94
Printing and stationary	0.71	0.82
Training and recruitment expenses	0.61	0.60
Travelling and conveyance	6.94	7.98
Vehicle running and maintenance	3.50	2.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)

Communication expenses	1.92	2.38
Legal and professional charges	7.69	7.81
Loss on sale of assets	3.58	-
Directors' fees	0.16	0.03
Corporate social responsibility (CSR) expenditure (refer note 35)	0.49	0.37
Bad debts written off	-	0.22
Provision for bad debts	(0.36)	1.45
Freight and forwarding	67.82	53.29
Other selling expenses	2.21	-
Miscellaneous expenses	2.41	3.89
Total	286.02	259.15

26. EXCEPTIONAL ITEMS

Exceptional items represents net gain on foreign currency transaction and translation amounting to ₹ 3.33 crores (previous year loss ₹ 28.68 crores).

27. EARNING PER SHARE

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Net profit/(loss) after tax as per statement of profit and loss attributable to equity shareholders (₹ in crores)	27.66	(5.50)
b) Weighted average number of equity shares	19,440,076	19,440,076
c) Basic EPS (₹)	14.23	(2.83)
d) Diluted EPS (₹)	14.23	(2.83)
e) Nominal value per equity share (₹)	10.00	10.00

28. CONTINGENT LIABILITIES AND COMMITMENTS
(i) Contingent liabilities

Particulars	As at 31 March 2015	As at 31 March 2014
a) Disputed demands for income tax (refer note f below)	4.83	4.83
b) Disputed demands for excise and custom duty and service tax	5.17	3.81
c) Disputed demands for labour/employee dispute	5.09	4.15
d) Claims against the Company not acknowledged as debts	0.15	0.12
e) Discounting of customer invoices (refer note g below)	37.56	43.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

- f) Disputed demand for income tax includes a dispute of ₹ 4.83 crores (previous year ₹ 4.83 crores) between the Company and income tax department over computation of deduction under section 80HHC of the Income Tax Act, 1961. The Company has filed a special leave petition against the order of Hon'ble High Court which has been accepted by Supreme Court and is pending. Based on the legal opinion taken from an independent expert, the management is of the view that it is more likely than not that matter will be decided in favour of the Company.
- g) It represents discounted debtors amount to ₹ 13.01 crores (previous year ₹ 12.46 crores) against letter of credit and other discounted debtors of ₹ 24.55 crores (previous year ₹ 31.37 crores). Out of other discounted debtors, debtors amounting to ₹ 11.22 crores (previous year ₹ 12.68 crores) has 90% credit insurance coverage from ECGC. All the discounted invoices have been reduced from trade receivables in note 16.

(ii) Commitments
a) Capital Commitment

The Company has the following commitments :

Particulars	As at 31 March 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.36	4.94
Letter of credit opened for which the material has not been shipped as on the date of the balance sheet.	61.17	75.16

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

Particulars	As at 31 March 2015	As at 31 March 2014
Unpaid dividend	0.78	0.84

29. RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	As at 31 March 2015	As at 31 March 2014
Employee benefit expenses	1.20	1.01
Materials and consumables	0.80	1.76
Others	0.47	0.54
Total research and development expenditure	2.47	3.31

30. EMPLOYEE BENEFITS
Defined benefit plans (funded)

The Company makes contribution towards gratuity to a defined contribution retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
1. The assumptions used to determine the gratuity benefit obligations are as follows :

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%

2. Table showing changes in present value of obligations

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Present value of obligations as at beginning of year	10.14	8.42
Interest cost	0.81	1.11
Current service cost	0.76	0.61
Benefits paid	(0.88)	(0.65)
Actuarial (gain)/loss on obligations	(1.31)	0.65
Present value of obligations as at end of year	9.52	10.14

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

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Fair value of plan assets at beginning of year	10.96	10.69
Expected return on plan assets	0.94	0.92
Benefits paid	(0.88)	(0.65)
Fair value of plan assets at the end of year	11.02	10.96

4. The amounts to be recognised in the balance sheet

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Present value of obligations as at the end of year	9.52	10.14
Fair value of plan assets as at the end of the year	11.02	10.96
Funded status	1.50	0.82
Net asset recognized in balance sheet	1.50	0.82

5. Expenses recognised in statement of profit and loss

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	0.76	0.61
Interest cost	0.81	1.11
Expected return on plan assets	(0.94)	(0.92)
Net actuarial (gain)/loss recognized in the year	(1.31)	0.65
Expenses recognized in statement of profit and loss	(0.68)	1.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

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

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	9.52	10.14	8.42	10.15	8.46
Plan asset	11.02	10.96	10.69	11.68	9.26
Surplus	(1.50)	(0.82)	(2.27)	(1.53)	(0.80)
Net actuarial (gain)/loss recognized in the year	(1.31)	0.65	(3.13)	0.61	0.12

31. SEGMENT REPORTING

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

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

Business segment
Year ended 31 March 2015

Particulars	Packaging Films	Others	Total
Revenue			
External sales	1,634.30	6.26	1,640.56
Other operating revenue	6.22	-	6.22
Other income	4.95	-	4.95
Total revenue	1,645.47	6.26	1,651.73
Results			
Segment result	73.60	(0.23)	73.37
Unallocated corporate expenses			4.73
Operating profit	73.60	(0.23)	78.10
Interest expenses and bank charges			(39.88)
Profit before tax	73.60	(0.23)	38.22
Income taxes			(10.56)
Profit for the year	73.60	(0.23)	27.66
Other information			
Segment assets	1,068.64	7.26	1,075.90
Unallocated corporate assets			-
Total assets	1,068.64	7.26	1,075.90
Segment liabilities	695.28	-	695.28
Unallocated corporate liabilities			-
Total liabilities	695.28	-	695.28
Capital expenditure	19.64	-	19.64
Depreciation and amortisation	34.54	-	34.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
 (All amounts in ₹ crores, unless stated otherwise)

Year ended 31 March 2014

Particulars	Packaging Films	Others	Total
Revenue			
External sales	1,448.57	7.93	1,456.50
Other operating revenue	11.86	-	11.86
Other income	6.77	-	6.77
Total revenue	1,467.20	7.93	1,475.13
Results			
Segment result	40.17	(0.84)	39.33
Unallocated corporate expenses			2.09
Operating profit	40.17	(0.84)	41.42
Interest expenses and bank charges			(43.22)
Profit before tax and exceptional items	40.17	(0.84)	(1.80)
Income taxes			(3.70)
Profit for the year	40.17	(0.84)	(5.50)
Other information			
Segment assets	1,039.22	10.33	1,049.55
Unallocated corporate assets			101.22
Total assets	1,039.22	10.33	1,150.77
Segment liabilities	732.73	-	732.73
Unallocated corporate liabilities			58.05
Total liabilities	732.73	-	790.78
Capital expenditure	97.86	-	97.86
Depreciation and amortisation	45.32	-	45.32

Business segment / geographical segment

Year ended 31 March 2015

Particulars	Revenue	Segment assets	Capital expenditure
In India	1,640.56	839.55	19.64
Outside India	-	236.35	-
Total	1,640.56	1,075.90	19.64

Year ended 31 March 2014

Particulars	Revenue	Segment assets	Capital expenditure
In India	643.96	937.46	86.36
Outside India	812.54	213.30	11.50
Total	1,456.50	1,150.76	97.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

32. RELATED PARTY DISCLOSURE

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

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

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

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

- a) Sunrise Manufacturing Company Private Limited
-
- b) Cosmo foundation

ii) Transactions with related parties

Particulars	Key management personnel and their relatives		Enterprises over which Key managerial personnel of the Company and their relatives have significant influence		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Rent paid						
Sunrise Manufacturing Company Private Limited	-	-	1.02	1.00	1.02	1.00
Rent received						
Sunrise Manufacturing Company Private Limited	-	-	0.02	-	0.02	-
Security deposit/advance rent received						
Sunrise Manufacturing Company Private Limited	-	-	-	0.07	-	0.07
Remuneration						
Mr. Ashok Jaipuria	2.82	0.30	-	-	2.82	0.30
Corporate social responsibility expenditure						
Contribution to Cosmo foundation	-	-	0.49	0.37	0.49	0.37
iii) Outstanding balances :						
Loans and advance						
- Sunrise Manufacturing Company Private Limited	-	-	0.51	0.51	0.51	0.51
Managerial remuneration recoverable/(payable)						
-Mr. Ashok Jaipuria	(2.27)	0.03*	-	-	(2.27)	0.03

* recovered subsequently.

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

Currency	No. of contracts		Amount		Notional gain/(loss)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
EURO	-	4	-	468,848	-	(0.23)
USD	27	53	14,626,519	13,364,580	3.78	(3.46)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015
(All amounts in ₹ crores, unless stated otherwise)
Notes:

- i) The Company has entered into interest rate swap contract (floating rate to fixed rate) to hedge its risk associated with LIBOR fluctuations and such instruments qualify as effective hedges. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market loss as on 31 March, 2015 is estimated at ₹ 0.43 crores (previous year ₹ 0.81 crores).
- ii) The Company has entered into a cross currency swap agreement with DBS Bank for hedging of installment and interest rate for term loan amounting to USD 7,000,000 taken in the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain as on 31 March 2015 is estimated at ₹ 5.25 crores (previous year loss ₹ 4.99 crores).
- iii) The Company has entered into Vanilla European options to hedge two of its ECBs amounting to USD 8,000,000 and USD 4,995,838 respectively during the previous year. In accordance with Accounting Standard 30, "Financial Instruments - recognition and measurement" the mark to market gain on these options as on 31 March 2015 is estimated at ₹ 1.14 crores (previous year ₹ Nil)

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

Currency	31 March 2015		31 March 2014	
	Foreign currency	Local currency (₹)	Foreign currency	Local currency (₹)
USD	1,427,882	8.94	(26,133,050)	(157.87)
EURO	(11,218,565)	(75.78)	(8,797,411)	(72.65)
GBP	470,000	4.34	341,602	3.41
CAD	537,303	2.64	611,469	3.32
SGD	-	-	153,007	0.73

Note: Figures in bracket signifies amount payable.

34. Building includes ₹ 0.64 crores (Previous year ₹ 0.64 crores) towards cost of residential space in a Co-operative Housing Society. The Company has taken possession of the same in terms of agreement to sell. Conveyance deed is yet to be registered. Besides, the amount includes cost of shares of the said society received by the Company which are yet to be transferred in the name of the Company.

35. CORPORATE SOCIAL RESPONSIBILITY

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

	In cash	Yet to be paid in cash	Total
Contribution to Cosmo foundation	0.49	-	0.49
	0.49	-	0.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2015

(All amounts in ₹ crores, unless stated otherwise)

36. 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.
37. During the year, CF Global Holding Limited, the Company's wholly owned subsidiary a) has acquired the entire holding of minority shareholders in its step down subsidiary resulting into all its step down subsidiaries becoming wholly owned b) acquired a step down subsidiary namely CF Investment Holding Private (Thailand) Company Limited, Thailand.
38. **Previous years figures**
Previous years figures have been regrouped / rearranged wherever considered necessary.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
per **Neeraj Goel**
Partner

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

Pratip Chaudhuri Director	Ashok Jaipuria Chairman & Managing Director
Neeraj Jain Chief Financial Officer	Jyoti Dixit Company Secretary

Place : New Delhi
Date : 22 May 2015

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Sub: Covering Letter of the Annual Report to be filed with Stock Exchanges

Dear Sir,

Please find enclosed the copy of Annual Report for the Financial Year 2014-15.

FORM A

1.	Name of the Company:	Cosmo Films Limited
2.	Annual Financial Statements for the year ended	31 March 2015
3.	Type of Audit observation	Un-qualified Report
4.	Frequency of observation	Nil
5.	Signed by-	
	<ul style="list-style-type: none"> Mr. Pankaj Poddar – Chief Executive Officer 	
	<ul style="list-style-type: none"> Mr. Neeraj Jain - Chief Financial Officer 	
	<ul style="list-style-type: none"> Auditor of the company: For Walker, Chandiok & Co LLP (formerly Walker Chandiok & Co.) Chartered Accountants Firm Registration No.: 0010176N/N500013 per Neeraj Goel Partner Membership No.: 099514 	
	<ul style="list-style-type: none"> Mr. Pratip Chaudhuri -Audit Committee Chairman 	




COSMO FILMS

You are requested to take the same on your records.

Thanking You

Yours faithfully
for **Cosmo Films Limited**


Jyoti Datta
Company Secretary