

**BY FAX/COURIER**

7<sup>th</sup> February, 2011

**National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E)  
Mumbai - 400 051**

Fax: #022-66418126

Dear Sir,

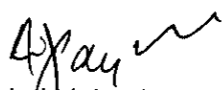
**Sub: Financial Results for the quarter ended 31<sup>st</sup> December, 2010**

In terms of Clause 41 of the Listing Agreement, please find enclosed herewith Audited Standalone Financial Results, Auditors' Report on the Standalone results, Unaudited (reviewed) consolidated results and Limited Review Report by the Auditors' on the Consolidated Results, for the quarter ended 31<sup>st</sup> December, 2010.

You are requested to take the above information on record.

Thanking you.

Yours Truly,  
For **Cosmo Films Limited**



Ashok Jaipuria  
**Chairman & Managing Director**

Encl: As Stated

COSMO FILMS LIMITED  
QUARTERLY FINANCIAL RESULTS

(Rs crores)

| Particulars                                                                              | Standalone     |            |                |            |            | Consolidated   |                |            |
|------------------------------------------------------------------------------------------|----------------|------------|----------------|------------|------------|----------------|----------------|------------|
|                                                                                          | 3 months ended |            | 9 months ended |            | Year ended | 3 months ended | 9 months ended | Year ended |
|                                                                                          | 31.12.2010     | 31.12.2009 | 31.12.2010     | 31.12.2009 | 31.03.2010 | 31.12.2010     | 31.12.2010     | 31.03.2010 |
|                                                                                          | Audited        | Audited    | Audited        | Audited    | Audited    | Reviewed       | Reviewed       | Audited    |
| 1. Income:                                                                               |                |            |                |            |            |                |                |            |
| a) Net Sales/ Income from Operations                                                     | 238.30         | 199.72     | 682.71         | 539.74     | 748.85     | 286.72         | 825.61         | 959.67     |
| b) Other Operating Income                                                                | 4.63           | 2.46       | 7.33           | 7.90       | 7.23       | 6.05           | 11.33          | 15.32      |
| c) Income from associates*                                                               | -              | -          | -              | -          | -          | -              | -              | 1.06       |
| d) Total                                                                                 | 242.93         | 202.18     | 690.04         | 547.64     | 756.08     | 292.77         | 836.94         | 976.05     |
| 2. Expenditure:                                                                          |                |            |                |            |            |                |                |            |
| a) Decrease/(Increase) in Stock                                                          | 8.44           | 3.71       | (3.06)         | (0.76)     | (2.02)     | 7.02           | (17.84)        | (37.88)    |
| b) Raw materials consumption                                                             | 151.08         | 122.82     | 446.56         | 336.97     | 469.54     | 175.98         | 520.80         | 598.09     |
| c) Purchase of traded goods                                                              | 0.05           | -          | 0.11           | 0.03       | 0.03       | 2.70           | 5.96           | 27.68      |
| d) Power, Water & Fuel                                                                   | 16.25          | 14.67      | 48.09          | 38.58      | 53.35      | 17.24          | 51.18          | 57.79      |
| e) Employees Costs                                                                       | 12.56          | 10.51      | 36.14          | 29.34      | 39.43      | 26.34          | 77.74          | 88.37      |
| f) Depreciation                                                                          | 7.02           | 7.27       | 20.97          | 21.77      | 28.92      | 8.54           | 25.52          | 33.86      |
| g) Other expenditure                                                                     | 28.24          | 22.08      | 86.36          | 62.22      | 89.51      | 40.70          | 129.23         | 136.17     |
| h) Total                                                                                 | 223.64         | 181.06     | 635.17         | 488.15     | 678.76     | 278.52         | 792.59         | 904.08     |
| 3. Profit from Operation before Other Income, Interest & Exceptional Items (1-2)         | 19.29          | 21.12      | 54.87          | 59.49      | 77.32      | 14.25          | 44.35          | 71.97      |
| 4. Other Income                                                                          | -              | -          | 4.44           | -          | -          | -              | 1.10           | -          |
| 5. Profit before Interest & Exceptional Items (3+4)                                      | 19.29          | 21.12      | 59.31          | 59.49      | 77.32      | 14.25          | 45.45          | 71.97      |
| 6. Interest (Net)                                                                        | 4.17           | 3.70       | 11.73          | 11.49      | 15.02      | 5.53           | 16.08          | 18.28      |
| 7. Profit after Interest but before Exceptional Items (5-6)                              | 15.12          | 17.42      | 47.58          | 48.00      | 62.30      | 8.72           | 29.37          | 53.69      |
| 8. Exceptional items                                                                     | -              | -          | -              | -          | -          | -              | -              | -          |
| 9. Profit from Ordinary Activities before Tax (7+8)                                      | 15.12          | 17.42      | 47.58          | 48.00      | 62.30      | 8.72           | 29.37          | 53.69      |
| 10. Tax expense                                                                          |                |            |                |            |            |                |                |            |
| a) Provision-Income Tax                                                                  | 4.49           | 4.45       | 13.47          | 11.60      | 14.66      | 6.48           | 17.04          | 19.17      |
| b) Deferred Tax                                                                          | 0.07           | 0.54       | (0.72)         | 1.56       | 1.82       | (3.45)         | (9.02)         | (3.89)     |
| c) Total                                                                                 | 4.56           | 4.99       | 12.75          | 13.16      | 16.48      | 3.03           | 8.02           | 15.28      |
| 11. Net profit from Ordinary Activities after tax (9-10)                                 | 10.56          | 12.43      | 34.83          | 34.84      | 45.82      | 5.69           | 21.35          | 38.41      |
| 12. Extraordinary items                                                                  | -              | -          | 1.21           | (1.22)     | (1.22)     | -              | 1.21           | 29.28      |
| 13. Net profit before Minority Interest (11+12)                                          | 10.56          | 12.43      | 36.04          | 33.62      | 44.60      | 5.69           | 22.56          | 67.69      |
| 14. Minority Interest                                                                    | -              | -          | -              | -          | -          | (1.34)         | (2.58)         | 4.21       |
| 15. Net profit after Minority Interest (13-14)                                           | 10.56          | 12.43      | 36.04          | 33.62      | 44.60      | 7.03           | 25.14          | 63.48      |
| 16. Paid - up equity share capital (Face value ₹ 10)                                     | 19.44          | 19.44      | 19.44          | 19.44      | 19.44      | 19.44          | 19.44          | 19.44      |
| 17. Reserves excluding Revaluation Reserve                                               | -              | -          | -              | -          | 272.25     | -              | -              | 272.72     |
| 18. Basic & Diluted EPS for the period (₹)                                               |                |            |                |            |            |                |                |            |
| Excluding extraordinary item                                                             | 5.44           | 6.39       | 17.92          | 17.92      | 23.57      | 3.62           | 12.31          | 21.32      |
| Including extraordinary item                                                             | 5.43           | 6.39       | 18.54          | 17.29      | 22.94      | 3.61           | 12.93          | 32.65      |
| 19. Public shareholding (Non promotor)                                                   |                |            |                |            |            |                |                |            |
| a) Number of shares                                                                      | 10879737       | 10494037   | 10879737       | 10494037   | 10494037   | 10879737       | 10879737       | 10494037   |
| b) Percentage of shareholding                                                            | 56%            | 54%        | 56%            | 54%        | 54%        | 56%            | 56%            | 54%        |
| 20. Promoters and promoter group shareholding                                            |                |            |                |            |            |                |                |            |
| a) Pledged / Encumbered                                                                  |                |            |                |            |            |                |                |            |
| - Number of shares                                                                       | Nil            | Nil        | Nil            | Nil        | Nil        | Nil            | Nil            | Nil        |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil            | Nil        | Nil            | Nil        | Nil        | Nil            | Nil            | Nil        |
| - Percentage of shares (as a % of the total share capital of the company)                | Nil            | Nil        | Nil            | Nil        | Nil        | Nil            | Nil            | Nil        |
| b) Non-encumbered                                                                        |                |            |                |            |            |                |                |            |
| - Number of shares                                                                       | 8560339        | 8946039    | 8560339        | 8946039    | 8946039    | 8560339        | 8560339        | 8946039    |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100%           | 100%       | 100%           | 100%       | 100%       | 100%           | 100%           | 100%       |
| - Percentage of shares (as a % of the total share capital of the company)                | 44%            | 46%        | 44%            | 46%        | 46%        | 44%            | 44%            | 46%        |

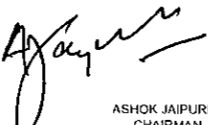
REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. Crore)

| Particulars                                          | Standalone     |            |                |            |            | Consolidated   |                |            |
|------------------------------------------------------|----------------|------------|----------------|------------|------------|----------------|----------------|------------|
|                                                      | 3 months ended |            | 9 months ended |            | Year ended | 3 months ended | 9 months ended | Year ended |
|                                                      | 31.12.2010     | 31.12.2009 | 31.12.2010     | 31.12.2009 | 31.03.2010 | 31.12.2010     | 31.12.2010     | 31.03.2010 |
|                                                      | Audited        | Audited    | Audited        | Audited    | Audited    | Reviewed       | Reviewed       | Audited    |
| a) Segment Revenue                                   |                |            |                |            |            |                |                |            |
| Packaging Films                                      | 238.22         | 199.68     | 682.55         | 539.66     | 748.77     | 280.67         | 812.29         | 944.63     |
| Others                                               | 0.08           | 0.04       | 0.16           | 0.08       | 0.08       | 6.05           | 13.32          | 15.04      |
| Sub Total                                            | 238.30         | 199.72     | 682.71         | 539.74     | 748.85     | 286.72         | 825.61         | 959.67     |
| Less: Inter Segment Revenue                          | -              | -          | -              | -          | -          | -              | -              | -          |
| Total                                                | 238.30         | 199.72     | 682.71         | 539.74     | 748.85     | 286.72         | 825.61         | 959.67     |
| b) Segment Results                                   |                |            |                |            |            |                |                |            |
| Profit/(Loss) before Tax and Interest                |                |            |                |            |            |                |                |            |
| Packaging Films                                      | 21.16          | 22.45      | 59.35          | 63.01      | 82.28      | 11.50          | 45.56          | 77.23      |
| Others                                               | 0.02           | 0.01       | 0.04           | 0.02       | 0.01       | 5.28           | 4.41           | (0.45)     |
| Sub Total                                            | 21.18          | 22.46      | 59.39          | 63.03      | 82.29      | 16.78          | 49.97          | 76.78      |
| Less: Interest                                       | 4.17           | 3.70       | 11.73          | 11.49      | 15.02      | 5.53           | 16.08          | 18.28      |
| Less: Unallocable expenses net of unallocable income | 1.89           | 1.34       | 0.08           | 3.54       | 4.97       | 2.53           | 4.52           | 4.81       |
| Total Profit before Tax and exceptional items        | 15.12          | 17.42      | 47.58          | 48.00      | 62.30      | 8.72           | 29.37          | 53.69      |
| c) Capital Employed                                  |                |            |                |            |            |                |                |            |
| Packaging Films                                      | 610.38         | 596.24     | 610.38         | 596.24     | 555.46     | 708.12         | 708.12         | 670.75     |
| Others                                               | 0.23           | 0.23       | 0.23           | 0.23       | 0.23       | 16.44          | 16.44          | 17.80      |
| Unallocated                                          | 112.41         | 61.82      | 112.41         | 61.82      | 67.73      | 83.09          | 83.09          | 39.59      |
| Total                                                | 723.02         | 658.29     | 723.02         | 658.29     | 623.42     | 807.65         | 807.65         | 728.14     |

Notes

- The company started publishing quarterly consolidated results from the current year and hence consolidated figures for corresponding quarters of previous year are not given.
- Other income represents profit on sale of investment in an associate company. In case of consolidated results the income is lower because of prorata share in accumulated profit of the associate company having already been accounted in the respective years.
- The notional mark-to-market net loss on outstanding interest rate SWAP and foreign currency derivative contracts is estimated by the banks approximately at Rs. 3.20 crores as on 31st December 2010 and is not adjusted in profit and loss account. The SWAP/derivative contracts are entered into for hedging the business related exposures which are not speculative in nature. Actual profit/loss will be adjusted to profit and loss account on settlement of the contracts as done consistently by the company.
- The number of investor complaints pending at the beginning of the quarter were nil. Complaints received and disposed off during the quarter were 6. Outstanding complaints at the end of quarter were nil.
- Figures for the previous year have been regrouped wherever required.

  
ASHOK JAIPURIA  
CHAIRMAN

# B. K. SHROFF & CO.

Chartered Accountants

3/7-B, Asaf Ali Road,  
1st Floor, Flat No. 4,  
New Delhi - 110002.  
Phones : 23271407, 23284825, 23284826  
Telefax : 23270362  
E-mail : bkshroffdelhi@yahoo.com  
bkshroffdelhi@rediff.com

To  
Board of Directors of Cosmo Films Limited

We have audited the quarterly financial results of Cosmo Films Limited for the quarter ended 31st December, 2010 and the year to date results for the period 1st April 2010 to 31st December, 2010 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding public shareholding and promoter and promoter group shareholding which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act 1956 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st December, 2010 and the year to date results for the period 1st April 2010 to 31st December, 2010.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 41 of the Listing Agreement and found the same to be correct.

Place : New Delhi,  
Date : 7/2/2011

For B.K. SHROFF & Co.  
Chartered Accountants  
Firm's Regd. No.: 302166E

*Sarjit Aggarwal*  
PARTNER  
Membership Number : 85128



# B. K. SHROFF & CO.

Chartered Accountants

3/7-B, Asaf Ali Road,  
1st Floor, Flat No. 4,  
New Delhi - 110002.

Phones : 23271407, 23284825, 23284826

Telefax : 23270362

E-mail : bkshroffdelhi@yahoo.com  
bkshroffdelhi@rediff.com

Review Report to

Board of Directors of Cosmo Films Limited

We have reviewed the accompanying statement of unaudited quarterly consolidated financial results of Cosmo Films Limited for the quarter ended 31<sup>st</sup> December, 2010 and the consolidated year to date results for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> December, 2010 except for the disclosures regarding public shareholding and promoter and promoter group shareholding which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standards on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial statements of 2 subsidiaries namely Cosmo Film Inc., and Cosmo Films Hwaseung Company Ltd. included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total revenue of Rs 165.89 crores as at 31<sup>st</sup> December, 2010 and Rs. 53.08 crores as at the quarter ended 31<sup>st</sup> December, 2010. These interim financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion on the consolidated quarterly financial results and the consolidated year to date results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors. We further report that the financial statements of 8 subsidiaries namely CF (Netherlands) Holdings Ltd. BV, CF Global Holdings Ltd., CF (Mauritius) Holdings Ltd, Cosmo Films (Netherlands) cooperatief U.A, CF Global Holdings GK, Cosmo Films Korea Ltd, Cosmo Films (Singapore) PTE Ltd and Cosmo Films (Hong Kong) Ltd. included in the consolidated quarterly financial results and consolidated year to date results, whose financial statements reflect total revenue of Rs.150.08 crores as at 31<sup>st</sup> December, 2010 and Rs.49.44 crores as at the quarter ended 31<sup>st</sup> December, 2010, have not been reviewed either by us or by any other auditors and therefore, unaudited financial statements of these subsidiaries furnished to us by the management have been considered.



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1st Floor, Flat No. 4,  
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bkshroffdelhi@rediff.com

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B.K.Shroff & Co.

Chartered Accountants

Firm Registration No. 302166E

*Sanjay Aggarwal*

Partner

Membership Number: 85128

Place: New Delhi

Date: 7/2/2011

