

ASSIGNMENT -4**COMPANY: COSMO FILMS LTD**

(All amounts in crores unless stated otherwise, year ending Mar 2019 is considered)

1) Please state the summarized 'state of changes in equity' for the last two years (Please comment within 100 words)

	Equity Capital	Other Equity	Total Comprehensive Income	Dividend (Incl. Tax)	Surplus carried towards other equity
FY 2017 End	19.44	553.54			
FY 2018 Operations			66.86	(23.12)	43.74
FY2018 after operations	19.44	597.28			
FY2018 equity offerings					
FY2018 Buybacks					
FY2018 Miscellaneous					
FY2018 Employee share based compensation		1.72			
Movement during the year		1.22			
FY2018 End	19.44	600.22			
FY 2019 Operations			72.48	(13.9)	58.58
FY2019 after operations	19.44	658.8			
FY2019 equity offerings					
FY2019 buybacks					
FY2019 miscellaneous					
FY2019 Employee share based compensation		2			
FY2019 End	19.44	660.8			

Looking at above statement of changes in equity table, Cosmo Films Ltd is maintaining its equity capital which remains same across all 3 financial years, and Cosmo Films Ltd has not made any equity offerings and no equity buy backs in last two financial years. Surplus carried forward to the other equity is **33% more** as against 2018 financial year.

As per annual report Cosmo Films Ltd has paid dividends of **23.12** in **2018** and **13.9** in **2019**. 66% reduction in dividend payout is triggered by reduction in PAT, Also Cosmo Films Ltd has given out Employee stock option Expense (ESOP) as a part of other equity for both years amounting to **1.72** in **2018** and **2** in **2019**.

2) Mention the five biggest 'other equity' items (along with their proportions) as mentioned in the annual report (to the extent available) ... Please give your comments within 100 words

Particulars	As on 31 Mar 2018	As on 31 Mar 2019	% of Total	Ranking	Comments
Retained Earnings	292.05	340.46	51.52%	1	This is the biggest contributor to reserves, while both the expenses and income same for across 2018 & 2019, R.E is increased owing to comparatively lesser dividend payout in 2019
General Reserve	278.11	278.11	42.09%	2	Company is securely positioned with 42% of general reserve to meet future obligations.
Securities Premium Account	31.26	31.26	4.73%	3	Cosmo Films has YOY continuously posted growth and issued dividends

					resulting in premium gains by issuance of shares.
Cash flow hedge reserve	-5.27	6.65	1.01%	4	Cosmo Films has Foreign exchange forward contracts, cross currency swaps, and Foreign currency borrowings hence 1% hedge is maintained.
Capital Reserve	4.1	4.1	0.62%	5	Cosmo Films has ensured capital reserve is maintained YOY
Currency translation reserve	3.98	3.45	0.52%		Cosmo Films has exposure to US Dollar, GBP, Euro and JPY via borrowings & sales contracts.
Shares option outstanding account	3.23	5.23	0.79%		
Treasury shares	-8.46	-8.46	-1.28%		
Other Reserve	1.22		0.00%		
Total Reserves and Surplus	600.22	660.8			

- 3) Referring to the format and discussion shared with you in the class on Profit and Loss Appropriation account (and its being transformed into 'statement of changes in equity'), mention one item that is probably missing and mention one item that you have found interesting in the 'statement of changes in equity'. Please give your comments within 100 words.

Missing item:

In Reserves Debentures, debenture redemption reserves, statutory reserves.

Interesting item:

Cosmo Films has both currency translation reserve and cash flow hedge reserves. Even though income from operation is comparatively lower in 2018 i.e.: 66.86 dividend payout is higher in comparison.