

RESOLVE AND DEDICATION
PAVE THE WAY FOR CONSISTENT

GROWTH



**ANNUAL
REPORT**
2015-16

WHAT WE HOPE TO ACHIEVE

VISION

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

MISSION

For Customers:

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

For Employees:

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

For Shareholders:

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

For Vendors:

To create symbiotic relationships that drives mutual growth.

For Community:

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

WHAT DRIVES US CORE VALUES OF COSMO

Customer Orientation

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

People

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

Innovation

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

Fair Business Practices

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ashok Jaipuria

Chairman & Managing Director

Mr. Anil Kumar Jain

Director of Corporate Affairs

Mr. H.K. Agrawal

Independent Director

Mr. Rajeev Gupta

Independent Director

Mrs. Alpana Parida

Non-Independent Director

Mr. Ashish Guha

Independent Director

Mr. Pratip Chaudhuri

Independent Director

Mr. H. N. Sinor

Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Pankaj Poddar

CHIEF FINANCIAL OFFICER

Mr. Neeraj Jain

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jyoti Dixit

AUDITORS

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

BANKERS

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

TRANSFER AGENTS

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

DIRECTORS' PROFILE



Mr. Ashok Jaipuria

Chairman & Managing Director

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



Mr. Anil Kumar Jain

Director of Corporate Affairs

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



Mr. H. K. Agrawal

Independent Director

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



Mr. Rajeev Gupta

Independent Director

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



Mrs. Alpana Parida

Non-Independent Director

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



Mr. Ashish Guha

Independent Director

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



Mr. Pratip Chaudhuri

Independent Director

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



Mr. H. N. Sinor

Independent Director

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

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

CHAIRMAN'S MESSAGE



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

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

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

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

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

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

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

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

Ashok Jaipuria
Chairman and Managing Director

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