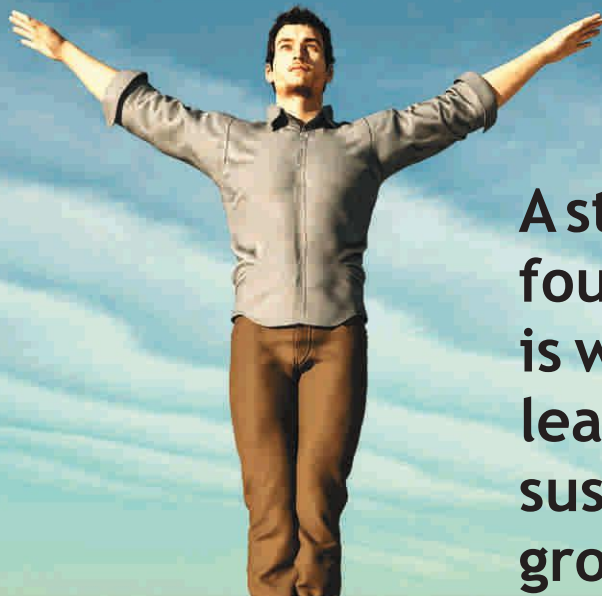


ANNUAL REPORT 2017-18

CF COSMO FILMS
Engineered to Enhance



**A strong
foundation
is what
leads to a
sustainable
growth**

WHAT WE HOPE TO ACHIEVE

Vision...

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

Mission...

For Customers:

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

For Employees:

To nurture a working environment that fosters personal and professional growth through identified global competencies and making Cosmo Films an Employer of Choice

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 Kumar Guha
Independent Director

Mr. Pratip Chaudhuri
Independent Director

Mr. H.N Sinor
Independent Director

Dr. Vivek Nangia
Independent Director

Mr. Anil Wadhwa *
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Pankaj Poddar

CHIEF FINANCIAL OFFICER

Mr. Neeraj Jain

*Appointed w.e.f 23rd May 2018

SENIOR VICE PRESIDENT- HEAD- OPERATIONS (INDIA FILMS BUSINESS)

Mr. Sanjay Chincholikar

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
Landesbank Baden – Wurttemberg
State Bank of India
Union Bank of India
Yes Bank Limited
IndusInd Bank Limited
HDFC Bank Limited
SVC Bank
Bajaj Finance Ltd.
IDFC Bank Ltd
Cooperative Rabo Bank
DEG- DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFTMBH

TRANSFER AGENTS

M/s. Alankit Assignments Ltd.
1E/13, Alankit Heights,
Jhandewalan Extension,
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 the duration of thirteen years. Mr. H.K. Agrawal is a Mechanical Engineer from University of Jodhpur and has obtained his MBA from Indian Institute of Management, Ahmedabad.



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



Dr. Vivek Nangia
Independent Director

Dr. Nangia is one of the very few qualified Infectious Diseases Specialists in the entire country having successfully completed first a Diploma and then M.Sc in Infectious Diseases from London University, UK as well as an Editor of a textbook titled "Sleep Related Breathing Disorders", published by JayPee brothers in 2014. He is acting as Director & Head - Department of Pulmonology, Medical ICU and Sleep Medicine, Fortis Flt. Lt. Rajan Dhall Hospital-New Delhi, Director - Department of Pulmonology, Fortis Escorts Heart Institute and Research Center, Okhla Road, New Delhi and Senior Consultant, Infectious Diseases Fortis Flt. Lt. Rajan Dhall Hospital- New Delhi.



Mr. Anil Wadhwa *
Independent Director

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

*Appointed w.e.f. 23rd May, 2018

CHAIRMAN'S MESSAGE



The Indian Economy is marked by a number of key structural initiatives to build strength across key macroeconomic parameters for sustainable future growth. Financial Year 2017-18 was a momentous one as the Indian economy embraced the biggest economic reform of GST followed by year of demonetisation. This move towards 'One nation, One market, One tax' will provide a substantial boost for all organised and unorganised sectors of Indian economy. Today, India is one of the largest growing economies in the world, poised to record a healthy growth rate.

The packaging industry is experiencing rapid growth globally as a result of greater innovation and customer preferences for global brands. Packaging sales in the emerging markets are expected to continue to show strong momentum as both increased consumption and demand for consumer goods drives the need for more sophisticated packaging.

The Indian packaging industry currently constitutes about 4% of the global packaging industry which is expected to grow to \$32bn by CY2020 as per the Indian Institute of Packaging (IIP). There are substantial growth opportunities available for packaging industry in India as per IIP report.

During the financial year 2017-18, Company's net revenue increased by 22% to Rs.1,936 crores from Rs.1,587 crores with 22% growth in exports. Sales volume grew by 25% with 20% growth in Speciality Films. BOPP Commodity Films margins remained subdued due to temporary demand

supply gap negating the favourable impact of volume increase and speciality films sales increase. Consequently, consolidated EBITDA for the financial year 2017-18 is Rs.168 crores against Rs.169 crores in financial year 2016-17. The Company has acquired 34 acres of industrial land adjacent to company's plant located at Waluj, Aurangabad, Maharashtra. The acquisition will make a strategic fit for company's future expansion in Maharashtra. The Company would continue to focus on growing high margin value added films portfolio on the one hand and to become one of the lowest cost producers in other selecting product categories.

Packaging industry seems to be gravitating towards the flexible packaging owing to its multi-fold energy and environment benefits. In today's age, where environmental awareness is widespread, unsustainable packaging can be destructive not just to the environment but to a company's sustainability reputation as well. At Cosmo Films, we understand that even a small positive eco-impact is important and we offer superior, eco-friendly and recyclable alternatives to our customers.

Technological advancements are happening in leaps and bounds in the packaging industry and with new technologies coming into effect, the efficiency of the industry has also increased. Cosmo is also taking advantage of these technological advancements and is way ahead in adopting them to increase productivity. Cosmo has successfully completed SAP Database Migration from Oracle to HANA. HANA is one of the fastest database available in the world today and Cosmo is the first Company in flexible packaging industry to upgrade on HANA.

Cosmo is constantly reinventing its offerings to stay ahead of the curve and offer well researched products to its customers. This guides Company's investments into Research & Development and facilitates creation of new and innovative products to fulfil the unmet needs of customers worldwide. Consequently, Company has a rich pipeline of new products under active development.

As the Company strive for growth and business excellence, we also continue to focus on environment and corporate social responsibility initiatives. Cosmo Foundation envisions to empower rural communities and assisting children and youth from underprivileged communities to enable them to realize their potential. Thus our foot prints are in 20 villages with partnership of 30 rural Government schools and 7500 students representing from 73 villages across Gujarat and Maharashtra. Apart from educational programs, we focused on imparting training on banking system and digital payments, construction of sanitation blocks for girls in 8 schools comprised of 32 toilets, installing waste bins across national highways and government schools and organising awareness programs on GST, Right to Education Act, Child Protection Act, Impact of Child Labour etc.

I look forward to achieve several milestones on the path of excellence and profitable growth in coming years and would like to thank our stakeholders for reposing their confidence and faith in the Company.

Ashok Jaipuria
Chairman and Managing Director

CONTENTS

Directors' Report	[17]
Management Discussion & Analysis Report	[43]
Corporate Governance Report	[47]
Corporate Social Responsibility	[58]
Standalone Financial Results	
Auditors' Report	[59]
Balance Sheet	[65]
Profit & Loss Account	[66]
Cash Flow Statement	[68]
Notes to the Financial Statements	[69]
Consolidated Financial Results	
Auditors' Report	[140]
Consolidated Balance Sheet	[144]
Consolidated Profit & Loss Account	[145]
Consolidated Cash Flow Statement	[147]
Notes to the Consolidated Financial Statements	[148]
Financial Information of Subsidiary Companies (AOC-1)	[224]

CORPORATE INFORMATION

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