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Report and Accounts 2005-06



COSMO FILMS LIMITED

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## **NOTICE**

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Cosmo Films Limited will be held at Shree Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi 110 054 on Wednesday the 30<sup>th</sup> day of August, 2006 at 11.00 A.M. to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2006 and the Balance Sheet as at that date and the reports 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. Vimal Bhandari who retires by rotation and is eligible for reappointment.
4. To appoint auditors and to fix their remuneration.

### **Special Business**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Badri Agarwal, who was appointed as director under section 262 of the Companies Act, 1956 in the casual vacancy caused by resignation of Mr. Mahendra Sanghvi and who holds office upto the conclusion of this Annual General Meeting and in respect of whom due notice in writing alongwith requisite fees in terms of Section 257 of the Companies Act, 1956 has been received by the Company from a member signifying his intention to propose the candidature of Mr. Badri Agarwal for the office of director of the Company, be and is hereby appointed as a director of the Company, liable to retire by rotation."

**Registered Office:**  
38, Community Centre,  
Saket, New Delhi 110 017

**By order of the Board**

**Place:** New Delhi  
**Date:** July 18, 2006

**Yadvinder Goyal**  
**Company Secretary**

### **NOTES:**

1. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.5 is annexed hereto.
2. Shareholders are requested to bring their copy of Annual Report to 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 ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY 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. 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.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 25<sup>th</sup> day of August 2006 to Wednesday the 30<sup>th</sup> day of August 2006 (both days inclusive).

6. 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.

7. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.

8. 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.

9. Members / Proxy holders are requested to produce at the entrance of the Auditorium the enclosed attendance slip duly completed and signed.

10. 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 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.

11. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their 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 change, with complete details of Bank Account.

### **12. Electronic Clearing Service (ECS) Facility**

With respect to the payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic form and shareholders who have opted for ECS and are holding shares in physical forms. This facility is available to shareholders residing in the following cities:

Ahmedabad, Bangalore, Bhubaneswar, Chandigarh,

Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, and Trivandrum.

Shareholders holding shares in the physical form who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which is enclosed herewith or can be downloaded from the Company's Website ([www.cosmofilms.com](http://www.cosmofilms.com)) under the section 'Investor Service' or can be obtained from the Registrar and Share Transfer Agents, M/s Alankit Assignments Limited. Requests for payment of dividend through ECS for the year 2005 - 2006 should be lodged with M/s Alankit Assignments Limited on or before August 24, 2006.

13. Pursuant to provisions of Section 205A of the Companies Act, 1956, all unpaid or unclaimed dividends upto and including the year ended 31<sup>st</sup> March, 1998 have been transferred to pursuant to Investor Education and Protection Fund (IEPF) established by the Central Government.
14. No dividend was declared by the Company for the financial year ended 31<sup>st</sup> March, 1999, accordingly, there is no amount of unpaid or unclaimed dividend for the financial year ended 31<sup>st</sup> March, 1999, which is required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
15. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 1999 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 of the Companies Act, 1956.

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
1999-00	Final dividend	18/09/200	25/10/2007
2000-01	Final dividend	17/09/2001	24/10/2008
2001-02	Final dividend	16/08/2002	22/09/2009
2002-03	Final dividend	29/08/2003	05/10/2010
2003-04	Final dividend	30/07/2004	05/09/2011
2004-05	Final Dividend	27/09/2005	03/11/2012

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) 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 amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

16. Non-Resident Indian Shareholders are requested 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.
17. Corporate Members intending to send their authorised representatives for attending the Annual General Meeting

are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.

18. Consequent upon the introduction of Section 109A of the Companies Act, 1956, 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 2B (which will be made available on request) to the Registrar and Share Transfer Agents, M/s Alankit Assignments Limited. The said Form 2B can also be downloaded from the Company's web site [www.cosmofilms.com](http://www.cosmofilms.com).
- 19 Pursuant to the requirements of the listing agreement with the stock exchanges, on Corporate Governance, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given in Annexure to the Corporate Governance Report on page No. 33.

#### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### Item No. 5

Mr. Badri Agarwal was appointed as director on 20<sup>th</sup> April, 2006 in the casual vacancy caused by the resignation of Mr. Mahendra Sanghvi and would hold office upto the conclusion of this Annual General meeting.

Mr. Badri Agarwal is a Chartered Accountant with over 33 years of experience in various fields. He worked for over 20 years with Richer Group of Companies (auto & engineering company) in various capacities including as Managing Director of their holding Company. He was the President of Bharti Infotel since beginning of 2001 to March 2006. At present, Mr. Badri Agarwal is Corporate Director with Bharti Enterprises.

Your Directors are confident that his guidance and participation in the deliberations of the Board would be very beneficial for the Company's business. It is desirable to continue his association with the Company and avail of the benefit of his rich experience. Accordingly the respective resolution in the above item of the Notice is recommended for your approval.

Pursuant to the requirements of the listing agreement with the stock exchanges, on Corporate Governance, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given Annexure to the Corporate Governance Report on page No. 33.

Except Mr. Badri Agarwal, none of the directors are concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No. 5 for approval of shareholders.

Copies of the resolution passed by the Board at the meeting held on 18<sup>th</sup> July, 2006 in respect of the above, may be inspected at the Registered office of the Company on any working day between 2.00 p.m. to 4.00 p.m.

Registered Office:  
38, Community Centre,  
Saket, New Delhi 110 017

By order of the Board

Place: New Delhi  
Date: July 18, 2006

Yadvinder Goyal  
Company Secretary



## Mission at Cosmo

- Cosmo will seek global market leadership.
- Development and growth in Oriented film will be our focus.
- We will continue to create a winning culture, operating in the highest standards of ethics and values.
- We will strive for excellence in customer service, quality and R & D.



## Vision at Cosmo

To be the most preferred brand for innovative BOPP products in India and the World.

# Core values of Cosmo

## Customer Orientation

Cosmo believes in long term relations with customers. Under all circumstances we put the customer first. We ensure value for money for our customers through better products, services and our interaction.

## Transparency

Cosmo practices transparency with all stakeholders through structured periodical communication and adhering to the best corporate governance practices.

## Innovation

The logo for Report Junction, featuring the word "Report" in grey, a yellow diamond with a black arrow pointing right, and the word "junction.com" in green.

Cosmo encourages innovation in every facet of its business activity including developing cost effective innovative packaging solutions for our customers. We have created a world-class R & D set up.

## Cost conscious

Cosmo has initiated company wide Six Sigma programmes for cost reduction in a structured manner.

## House-keeping

Cosmo adheres to world-class house-keeping standards at all its locations.

## Fair business practices

Cosmo enjoys a reputation of being fair and just to all its stakeholders.



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## Directors' Profile

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### Directors in executive capacity:

[Ashok Jaipuria](#)

Chairman & Managing Director

[S.K. Mittal](#)

Chartered Accountant, Executive Director and CEO

### Directors in non-executive (Independent) capacity:

[H.K. Agrawal](#)

B.E. & MBA (IIM), Management Consultant.

[Dr. Surinder Kapur](#)

Ph.D. in Mechanical Engineering, Managing Director, Sona Koyo Steering Systems Limited.

[Rajeev Gupta](#)

B.E & MBA, Managing Director, Carlyle India Advisors Pvt. Ltd.

[Vimal Bhandari](#)

Chartered Accountant, Country Manager - India, AEGON International N.V.

[Hasmukh Shah](#)

Industry Management (Polymer).

[H.L. Paranjpe](#)

M.Sc (Chemical Engineering), University of Birmingham, U.K. Polymer Technologist

[Badri Agarwal](#)

Chartered Accountant, Corporate Director, Bharti Enterprises Limited





Ashok Jaipuria	Chairman & Managing Director
S.K.Mittal	Executive Director & CEO
R.Mukherjee	President
A.G.Deshpande	Vice President-Operations
Janardhan Gupta	General Manager-Commercial
Avinash Kulkarni	General Manager-Manufacturing
Sanjay Chincholikar	General Manager-Projects & Domestic Marketing

### AUDITORS

B.K. Shroff & Co.

### BANKERS & FINANCIAL INSTITUTIONS

International Finance Corporation, Washington

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

ING Vysya Bank Limited

State Bank of India

HDFC Bank Limited

Export Import Bank of India

Industrial Development Bank of India

Union Bank of India

ICICI Bank Limited

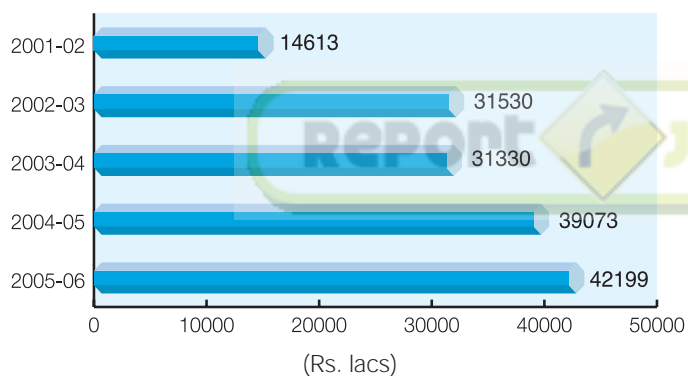
Bank of Maharashtra

Landesbank Baden-Württemberg

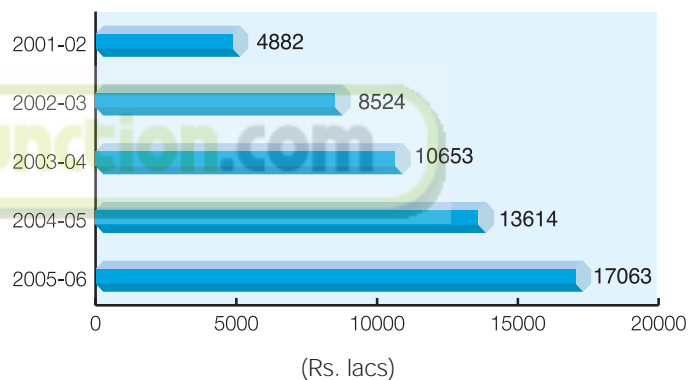


## Five Year Trends

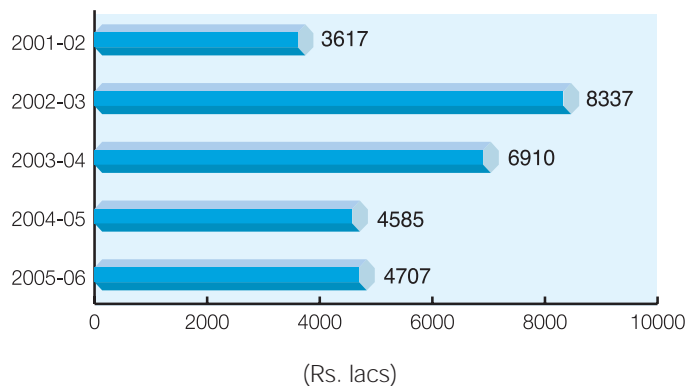
NET SALES



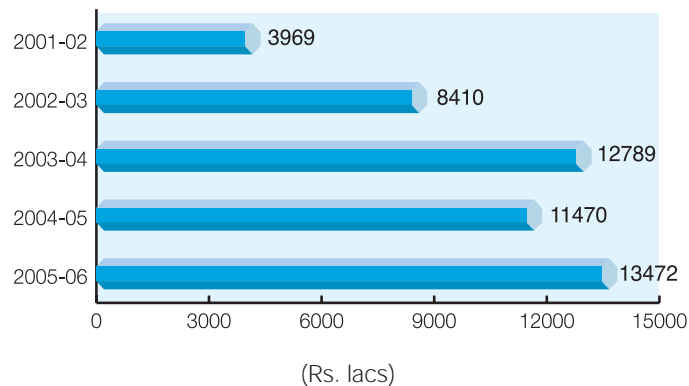
EXPORT SALES



CASH PROFIT



MARKET CAPITALISATION





- Established Extrusion Coated Thermal Lamination films in international markets.
- Developed specialized metalized films for exports.
- Net sales increased to Rs. 42199 lacs (Previous year Rs. 39073 lacs.)
- Expanded our customer base and product range in world markets.
- Achieved Export turnover of Rs.17063 lacs, a growth of 22% over previous year.
- Gas supply agreement with GSPL for supply of natural gas to generate captive power for our Karjan (Vadodara) unit.