

ANNUAL REPORT
2018-19

**BELIEF IN ONESELF IS THE FOUNDATION OF
EVERYTHING GREAT**

WHAT WE HOPE TO ACHIEVE

Vision 2020....

"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

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

Mr. Sanjay Chincholikar

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jyoti Dixit

AUDITORS

M/s. Walker Chandio & 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

TRANSFER AGENTS

M/s. Alankit Assignments Ltd.

3E/7, 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 an Independent Director on the Board of Hindustan Sanitaryware. He has been a member of the Board of Governors (BoG) of the Indian Institute of Technology (IIT), Indore, an Executive Committee member of the Federation of Indian Chamber of Commerce and Industry (FICCI), 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.

CHAIRMAN'S MESSAGE



The Indian Economy has emerged as the fastest growing major economy in the world despite increased global vulnerabilities, such as fluctuation in oil prices, escalated trade wars between global partners and the US monetary shutdown. It gained momentum as a result of stabilization of Goods and Services Tax (GST) and more investment by foreign investors. During the year, India climbed 23 points in the World Bank's ease of doing business index to the 77th position, for the first time.

Over the last few years, Packaging Industry has emerged as an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including FMCG, textile, pharma and agriculture. According to a study by ASSOCHAM-EY, the market size of the country's packaging industry is expected to touch USD 72.6 billion by FY20. Packaging is the first thing consumers notice when purchasing a product. Therefore, it plays an important role especially in the consumer goods industry. Packaging not only secures the goods and makes handling and transportation easier, but also impacts consumer's choice for a product. In India, this industry has been growing due to an increase in packaged food consumption, awareness and desire for quality products. Its growth is heavily influenced by changing demographics such as growing urbanization and the rising proportion of middle class consumers. These changes drive the need for new packaging formats, such as different sizes, materials, and strength. Cosmo has always been taking lead for these changes.

During the financial year 2019, Company registered 17% growth in revenue. Sales volume grew by 5% with 10% growth in Specialty films. EBITDA margins increased by around 8% as compared to last year, although BOPP film margins continued to be volatile and wiped out gains of volume increase and better product mix. PAT and EPS was marginally lower as that of last year due to zero tax incidence in FY18 due to onetime tax adjustment. The Company is strategically selecting its growth plan to enhance high margin value added films portfolio on one hand and to become one of the lowest cost producer in the world in selecting product categories on another hand.

Cosmo's advanced Research and Development team with its relentless focus allows us to do customer-focused innovation by continually testing new materials, inks, coatings, adhesives and more. We are focussed on taking Cosmo's speciality films portfolio to one of the leading portfolios in the world. One of the major focus area is to reduce the carbon footprints. At Cosmo, we have a customer centric approach thereby accelerating the pace of transforming the organisation to take a leap forward giving us the first mover advantage and reaffirming our commitment of creating enhanced value for all our stakeholders. In a complex world, we are simpler in our processes, faster in our deliveries and more cost competitive. In an uncertain world, we are still managing and navigating through tough cycles.

With the growing trend for sustainability, brands are clearly focusing on recyclable packaging solutions for their products. Today, we are partnering with some of the best global brands to offer structure rationalization & recyclability solutions. We have developed recyclable laminates for these brands and are in process to make them functionally more robust.

Community outreach is at the core of our culture at Cosmo. Cosmo Foundation completed its 10th year journey in the realm of Education, Environment, Health & Sanitation. This has impacted lives of over 24000 students, partnering with 34 Government schools across 23 Villages in Aurangabad (Maharashtra) & Karjan, Vadodara (Gujarat). We impart basic computer literacy, basic english communication program, literacy program in urdu medium at Aurangabad after success of the same program in Gujarati and Marathi medium popularly known as Cosmo Gyan Vihar Kendra. In line with the Government of India's initiative of Swachh Bharat, we have constructed sanitation blocks (girls toilets) improving lives of 2000 girl students & installation of waste bins in 8 Gram Panchayats. We also built underground water tanks in four Government schools of drought effected region of Aurangabad district in Maharashtra which serves 1900 students & teachers along with many other such initiatives.

I would like to thank our stakeholders for reposing their confidence and faith in the Company. We are committed to deliver long term stakeholder value and look forward to achieve several milestones on the path of excellence and profitable growth in coming years.

Ashok Jaipuria
Chairman and Managing Director

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