

ANNUAL REPORT

FY 2020-2021



**WHEN THE WORLD PAUSED,
WE CONTINUED TO INNOVATE,
GROW & SERVE.**

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.

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:

To contribute to strengthen community growth through education and sustainable green 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*
Non-Independent Director

Mrs. Alpana Parida
Independent Director

Mr. Pratip Chaudhuri
Non-Independent Director

Mr. H.N Sinor
Independent Director

Dr. Vivek Nangia**
Independent Director

Mr. Anil Wadhwa
Independent Director

Mr. Rakesh Nangia***
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. S.N. Dhawan & Co. LLP
Chartered Accountants

BANKERS

Bajaj Finance Ltd.
Bank of Baroda Ltd.
Development Bank of Singapore (DBS Bank India Limited)
Export Import Bank of India
HDFC Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
IDBI Bank Limited
IDFC First Bank Ltd
Landesbank Baden – Wurttemberg
State Bank of India
SVC Bank
Union Bank of India
Yes Bank Limited

TRANSFER AGENTS

M/s. Alankit Assignments Ltd.
4E/2, Alankit House,
Jhandewalan Extension,
New Delhi – 110055

*Ceased as Director w.e.f 07th August 2020

**Ceased as Director w.e.f 25th June 2020

***Appointed as Director w.e.f 10th November 2020

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 Somany Home Innovation Limited. 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.



Mrs. Alpana Parida

Independent Director

Mrs. Alpana Parida has more than two decades of experience in retail and marketing communications in the US and in India. She has worked as 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. Pratip Chaudhuri

Non-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.

**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.

**Mr. Rakesh Nangia***Independent Director*

Mr. Rakesh Nangia is a well known tax veteran, having close to 4 decades of experience in advising Fortune 500 multinationals and Indian Business houses on a wide range of matters. He is currently the Founder and Managing Partner of Nangia & Co LLP and Chairman of Nangia Andersen Consulting Pvt. Ltd. He has been the National President of The Indo-Canadian Business Chamber and presently serves as the Co-Chairman at ASSOCHAM's International tax council. He is also associated with the Indo-American chamber for commerce. He is a council member of PHD chambers, member of CII's national committee on Taxation and member of FICCI's Council for Taxation. He has also been ranked as the top Tax Leader in India 2015 by International Tax Review, UK.

CHAIRMAN'S MESSAGE



As a four decade old Company, Cosmo Films has been successful in steering through several pandemic like situations, and while the past year has been extremely difficult, we were able to glide through with our extensive efforts in expansions and innovations in the interest of the public and the environment has a whole.

The harrowing scenes from the pandemic made us review and rethink our overall goals, and we realized that the need of the hour is to create a sustainable society wherein the future is not piled up with waste mounting on landfills. We have worked with several FMCG and Pharmaceutical brands to provide sustainable packaging and labeling solutions for packaged food items, sanitizers, soaps and hand washes, which saw an exponential growth during the times of the pandemic.

While humanity surpassed economic goals during the tough times, the pressure on the pharmaceutical industry to come out with a quick remedy for Covid also increased the burden on us as well, since we work directly with the sector. And with people trapped in their homes in quarantine, the demand for on-the-go food skyrocketed which further pushed us to squeeze in extra hours of work. The financial year 2020-21 was hard even on developed countries and every business more or less struggled to stay afloat, the government too responded with sensitivity and introduced major economic reforms to reduce the burden on entrepreneurs.

Our Industry

Packaging is one of the quickest growing sectors in the country. The Indian packaging market which was valued at USD 75 billion during last year is not showing any signs of slowing down, and is expected to reach USD 204.81 billion by the year 2025 and is believed to register the CAGR of 26.7% in the 2020-2025 phase. We use a lot of packaging every single day, from milk packets to chocolate wrappers to orders that arrive from e-commerce websites; and emerging economies like ours are great contributors to the global packaging industry. The pharmaceutical industry, food processing industry, manufacturing industry and FMCG are just a handful of businesses that are utilizing our solutions.

Our Results

With our motivation to help create a sustainable future through innovative product solutions, we could successfully survive this turbulent period and our performance in the previous financial year is a reflection of our quick thinking and adaptability to the changing circumstances.

After weathering the storm of the initial lockdown, we could swiftly return to the enhanced profit trajectory and ended the year on a strong note. We were able to expand our market size, became profitable, and most importantly were able to increase goodwill among our users.

In the past financial year, we registered sales of Rs. 2,285 crores and could grow the specialty sales by 20%. The consolidated EBIDTA for the year increased by 53% which translated to almost Rs. 430 crores against the Rs. 281 crores we had made in the financial year 2020. We boast of 115% growth in EPS during the year, the net debt has come down to Rs. 438 crores with a one-time net debt/EBITDA ratio. As of 31st March 2021, our Return on Capital is a strong 22% and our Return on Equity is 30%.

The Future

With the sheer grit and hard work of our employees and associates, Cosmo Films has become a name to reckon with around the world for newer, innovative solutions. The significant share of specialty films in the overall sales has cemented the Company's position as a strong player and will aid the Company to achieve their objectives when the tides turn.

On the expansion front, the construction of specialized BOPET line has already begun and is running as per plan despite the Covid related challenges. While the internal consumptions for Masterbatch is growing substantially, the external sales are also believed to start soon. Our Company has successfully carried out the creation and development of several textile chemical products, each with a specific unique selling proposition. All of them are under trials with textile manufacturers and processors. The commercial debut would follow in H1 Financial Year 2021-22. The Petcare pilot launch will begin in Q2 of the financial year 2021-22 under the brand name of 'Zigly' and will provide unique solutions to Pet Parents across various channels.

The Company has started to work on several sustainability projects. We are working on a mono-layered structures to make the recycling process easier, rainwater harvesting is also on the cards, reuse of effluent treated water is an idea we are still developing, waste elimination is a cause we deeply care about and plantation of more than 5000 trees is underway to reduce pollution. These steps will ensure that we rationalize costs in the coming quarters while healing the environment.

We as a Company are constantly reinventing ourselves and our offerings to stay ahead of the curve. We strive to offer great products to our users conceived and developed after in-depth research and development. We are facilitating the creation of new and innovative products to meet the ever-evolving needs of global customers.

Giving Back to the Society

Though our industry is not free from loopholes, we are striving to make ours an ethical Company which apart from striving for growth and business excellence, also doesn't shy away from focusing on the betterment of the marginalized and society in general.

Cosmo Foundation aims to empower rural communities by assisting them to realize their potential. As an extension of our existing programs on computer literacy, Basic English Learning, Clean and Green initiatives, we also engaged ourselves to provide resources to the poor who were impacted the most by the pandemic.

We touched about 2,50,000 lives of people who were the residents of Gujarat, Delhi, Haryana, Rajasthan, and Maharashtra's villages by catering to their needs of masks, grocery, sanitizers, and cooked meals.

We provided medical equipment such as ventilators to a medical college in Aurangabad, Maharashtra. To ensure that the rural children's education does not suffer during these turbulent times, we also launched an online learning platform called Cosmo Digi Pathshala, which can be easily accessed via Whastapp.

We at Cosmo are greatly inspired by and wish to pay our respects to the countless frontline warriors, owing to whose selfless service, the society is still surviving and thriving. I am also proud of the Company's employees who demonstrated unparalleled courage and conviction through these times. I would like to say thank you to our stakeholders for reposing their confidence and faith in our Company. We are committed to deliver long-term stakeholder value and look forward to achieving many milestones together in the coming years.

Ashok Jaipuria

Chairman and Managing Director

CORPORATE INFORMATION

REGISTERED OFFICE

1008, DLF Tower A, Jasola District Centre
New Delhi – 110025
Tel: +91 11 49 49 49 49
Fax: +91 11 49 49 49 50
Website: www.cosmofilms.com

KOREA

48-62, Dogomyeon-ro, Sineon-ri,
Dogo-myeon, Asan-si, Chungcheongnam-do
Republic of Korea - 31550

PLANTS

MAHARASHTRA

J-4, MIDC Industrial Area,
Chikalthana, Aurangabad 431 210
Tel: +91 240 2485894

B-14/8-9, MIDC Industrial Area, Waluj,
Aurangabad 431 136
Tel: +91 240 2554611/12/13/14
Fax: +91 240 2554416

AL-24/1, MIDC-SEZ
Shendra Industrial Area
Aurangabad 431 201
Tel: +91 240 2622205, 2622301

GUJARAT

Vermardi Road
Village Navi Jithardi, Near Inox
Off: N H Road, Taluka Karjan Distt:
Vadodara 391 240
Tel: +91 2666 232960, 320707
Fax: + 91 2666 232961

Plot No. 359-B, Baska Village,
Taluka: Halol, Distt: Panchmahals,
Tel: + 91 2676 247216

SUBSIDIARIES

India

Cosmo Speciality Chemicals Pvt. Ltd.
1008, DLF Tower A, Jasola District Centre
New Delhi - 110025
Tel: +91 11 49 49 49 49
Fax: +91 11 49 49 49 50

USA

Cosmo Films Inc.
775 Belden, Suite D
Addison Illinois 60101
Tel: +1 302 238 7780
Fax: +1 302 295 9945

Korea

Cosmo Films Korea Limited
811, Sineon-Ri, Dogo-Myeon, Asan-Si,
Choongnam, 336-914 South Korea
Tel: +82-41-531-1830
Fax: 82-41-531-1831

Japan

Cosmo Films Japan, GK
Yamatane-Nai Tokyo-Danchisoko
6-2-11, Iriya Adachi, Ku,
Tokyo, 121-0836, Japan
Tel: +81-3-5837-1805
Fax: +81-3-5837-1807

Netherlands

CF (Netherlands) Holdings Limited B.V.
Regd. Office.- Strawinskylaan 937,1077
XX Amsterdam, Netherlands
Tel: +31 20 312 12 12
Fax: +31 20 312 12 10.

Thailand

CF Investment Holding Private (Thailand)
Company Limited
100/208 Moo 3, Kamala
Sub District, Kathu District,
Phuket, Thailand

Singapore

Cosmo Films Singapore Pte. Ltd
10, Jalan Besar #10-12,
Sim Lim Tower, Singapore 208787
Tel: 65-6293 8089

Poland

Cosmo Films Poland SP. Z.O.O.
Aleja Wilanowska 277, 02-730,
Warsaw, Poland

SALES OFFICE

New Delhi

1008,DLF Tower -A, Jasola District Centre,
New Delhi - 110 025 India
Phone: + 91-11-49 49 49 49

Mumbai

303, 3rd Floor, Gokul Arcade, A Wing,
Nr. Garware House, Subhash Road,
Vile Parle(E), Mumbai - 400 057 India
Phone: +91 22 28261195 / +91 22 28261197 /
+91 22 28266395

Chennai

Flat No.102, Block - A First Floor
Door No.127, Panjali Amman Koil St.,
Arumbakkam
Chennai - 600 106 India
Phone: +91 44 23637165

Aurangabad

B-14/8-9, MIDC Industrial Area, Waluj,
Aurangabad - 431 136 India
Phone: +91 240 6660000

Vadodara

Vemardi Road, Village Navi Jithardi,
Near Inox, Off N.H. No 8,
Taluka: Karjan, District:
Vadodara - 391240 India
Phone: +91 2666 232960 / +91 2666 320707

USA

Cosmo Films, Inc.
775 West Belden Avenue, Suite D
Addison - IL 60101
Phone: +1 800 422 7655

Korea

Cosmo Films Korea Limited
811, Sineon-Ri, Dogo-Myeon, Asan-Si,
Choongnam, 336-914 South Korea
Tel: +82-41-531-1830
Fax: 82-41-531-1831

Japan

Cosmo Films Japan, GK
Yamatane-Nai Tokyo-Danchisoko
6-2-11, Iriya Adachi, Ku,
Tokyo, 121-0836, Japan
Tel: +81-3-5837-1805
Fax: +81-3-5837-1807

Netherlands

CF (Netherlands) Holdings Limited B.V.
Regd. Office.- Strawinskylaan 937,1077
XX Amsterdam, Netherlands
Tel: +31 20 312 12 12
Fax: +31 20 312 12 10.

CONTENTS

Directors' Report	[17]
Management Discussion & Analysis Report	[38]
Corporate Governance Report	[46]
Business Responsibility Report	[61]
Corporate Social Responsibility	[72]
Standalone Financial Results	
Auditors' Report	[74]
Balance Sheet	[81]
Profit & Loss Account	[82]
Cash Flow Statement	[84]
Notes to the Financial Statements	[85]
Consolidated Financial Results	
Auditors' Report	[150]
Consolidated Balance Sheet	[157]
Consolidated Profit & Loss Account	[158]
Consolidated Cash Flow Statement	[160]
Notes to the Consolidated Financial Statements	[161]
Financial Information of Subsidiary Companies (AOC-1)	[231]