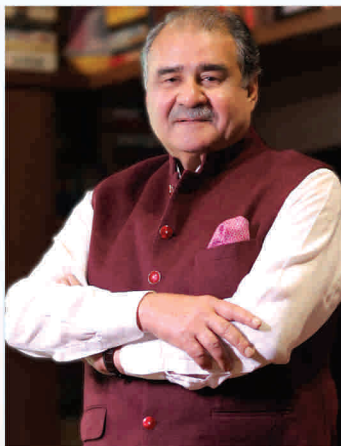




**ANNUAL REPORT**  
**2021-22**

**Growing**  
**with Innovation**  
**and Empathy**

## CHAIRMAN'S MESSAGE



All through our journey, we have prided ourselves in our ability to provide industry first niche solutions in the areas of packaging, lamination, industrial and labelling applications. Delivering the finest product and service experience, backed by innovation, people and processes. This is the philosophy Cosmo is committed to while embarking on a journey towards a sustainable future focusing on environmental sustainability, good governance, people and societal initiatives.

The year 2021-22 was both a challenging year due to pandemic impact and a year with ample opportunities as well. Our core spirit to do more and serve more helped us traverse the crisis with confidence, which truly tested our grit. Cosmo stood out these tough times with extraordinary resilience and adaptability. We were quick to adapt to the emerging realities, backed by the relentless support of our dynamic workforce.

### Our Industry

Over the last few years and especially during pandemic times, the 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. The Indian Packaging industry as well as flexible packaging industry is expected to register a CAGR of double digit growth during 2022-2027. Cosmo has accordingly tapped these opportunities and has planned for about 60% capacity increase over next three years in phases. The focus remain on value add research and innovation based products.

### Our Results

Product-process innovation, focus on value add films and the scaling of efficiencies are helping us stay ahead of the curve. In the past financial year, we registered sales of ₹ 3,038 crores with specialty films growth by 17%. The consolidated EBITDA for the year has increased by 44% to ₹ 620 crores. The EPS has grown by 74% to ₹ 222 per share. Net debt has come down to ₹ 303 crores with less than 0.5 times to EBITDA reflecting strong financials. Credit rating agency CRISIL has upgraded Company's long term credit rating to **AA-** with a stable outlook re-affirming strong financials. FY22 ROCE and ROE stands at 29% and 39% respectively.

### The Future

In the coming years, your Company will continue to focus on growth and a proactive approach to develop low carbon products and sustainable solutions.

The Company's growth during coming years will be driven by Films Division (about 60% capacity addition from Specialized Polyester line, largest CPP and BOPP line in next three years) as well as growth into consumer care, specialty chemicals & Pet care business under brand Zigly.

Some of the Company's key projects in pipeline includes Specialized BOPET line (Shrink labels and other high end specialty) expected to start operations from Q2, FY23. The Company has placed order for new BOPP line which will be World's largest production capacity line and is expected to commence commercial production during FY25. The Company has also announced CPP line which will commence commercial production in about two years. This will also promote sustainability as it will offer mono-layered structure. Some of the key products which will drive speciality sales growth include Synthetic Paper, Coating, technical films and thermal lamination. New products such as Direct Thermal Printable films also to contribute.

Pilot launch of our petcare division under brand name Zigly has delivered better than the forecast and the Company looks forward to rolling out its digital first Omni channel business model. The Company now plans to enhance presence by increasing online sales including launch of App and open new stores during FY23.

Textile Chemicals business which started commercial production in FY22 has taken off well. The Company has commercialized 50+ products and has started supplies to 40+ customers. Masterbatch line has been utilized more than 50% during FY22 and we expect to enhance capacity utilization significantly during FY23. The business is PAT positive in first year of operations. FY23 will be year of scale up the operations for masterbatch and textile chemicals.

The Company further accelerated its sustainability initiatives a) by investing in various commitments across climate change b) development of sustainable packaging c) reduction in carbon emission d) rain water harvesting e) using green energy f) offering mono-material poly-olefin films for ease of recycling g) manufacturing Oxo-Biodegradable Films h) using water based coatings i) constant monitoring of parameters like noise, illumination, ventilation and air quality.

### **Cosmo First**

Considering that Company's business activities have expanded beyond films into specialty chemicals (master batches, coatings, textile chemicals and soon-to-launch adhesives), D2C Pet care and soon-to-launch films for consumer applications, the Board of Directors of the Company at its meeting held on 9th May 2022 have recommended change in name of the Company from "Cosmo Films Limited" to "**Cosmo First Limited**", subject to shareholders approval. Cosmo First Limited stands for four-decade young Indian business conglomerate that thrives on innovation to unlock value in diverse sunrise sectors such as Films, Consumer care, Speciality Chemicals and D2C Pet Care.

All through our journey, we have prided ourselves in our ability to provide **industry first niche solutions** in the areas of packaging, lamination, industrial and labelling applications. We have made inspired diversifications into Speciality Chemicals, Consumer care and D2C retail, aiming to be a pioneer in previously fragmented industries.

### **Giving Back to the Society**

CSR Wing of the Company-Cosmo foundation has been making relentless efforts from more than a decade in improving education in the rural areas and contribute to the environment. 40,000 Fruit Bearing Saplings were planted in the farm lands of 115 farmers, 19 villages and 148 Arc of land in Karjan and Gangapur blocks which would improve the livelihood of the farmers along with post maintenance support for the next three years.

Our existing programs of Computer Literacy, Foundational Literacy, Basic English Learning, and Life Skill Education were rigorously executed both in digital and offline classes. In 2008 Cosmo Foundation started intervention with 5 schools, 5 villages and 876 students. At present we have partnership with 43 Government schools across 29 villages, 112 extended villages impacting 47000 students. With the aim of making digital services available free of cost to the villagers, 'Cosmo E-Service and E-Resource Station' was set up in villages near Karjan area.


















In response to the pandemic, Cosmo foundation organised mega vacation camps across different locations. We supported Leprosy patients with medical equipment at Leprosy colony and Safdarjung Hospital in New Delhi.

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 aims to conquer in pursuit of its corporate mission.

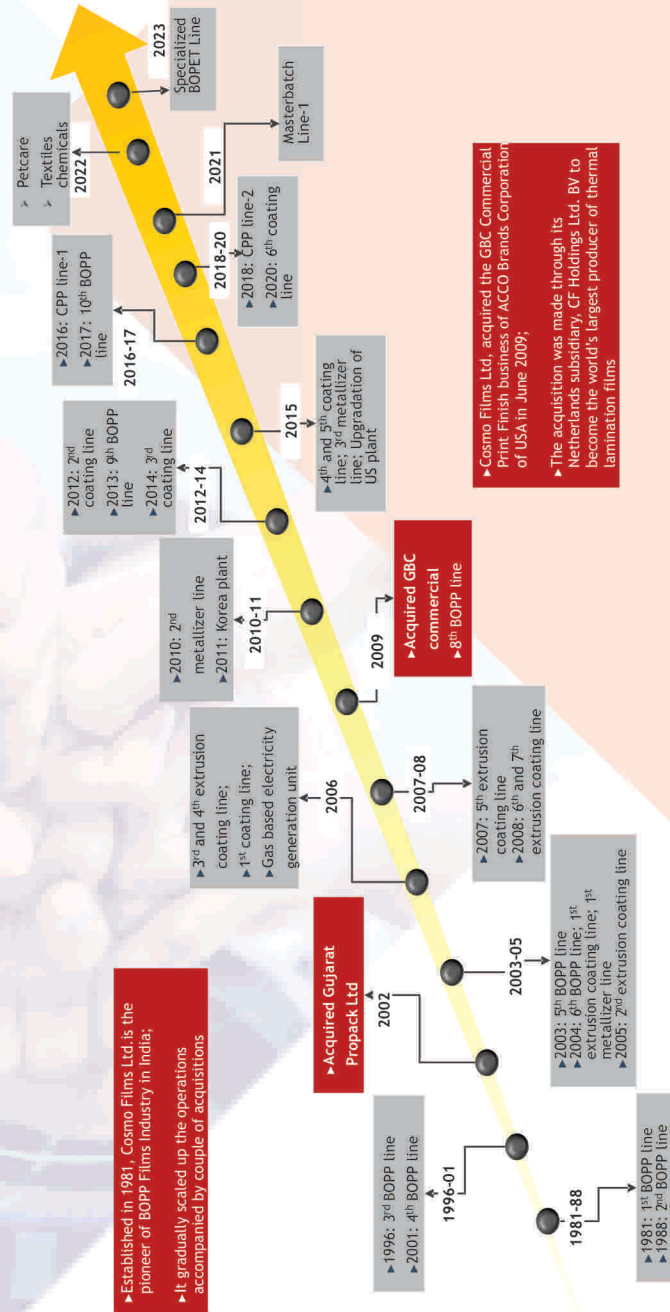
**Ashok Jaipuria**  
Chairman and Managing Director



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## MILESTONES



## Sustainable Manufacturing Practices

Recycling of manufacturing waste for further film production as well as packing materials such as cores, hollow sheets etc.

Constant monitoring of parameters like noise, illumination, ventilation, air quality etc.

All plants use some amount of solar power as a source of energy.



Continuous efforts to reduce water usage, waste generation and GHG emissions.

Rain water harvesting and reuse of effluent treated water.

## Sustainable Product Practices

Offer mono-material poly-olefin films for ease of recycling.

Designed heat resistant BOPP films replacing BOPET; mostly used in print layer, giving last push to creation of mono-material structures.

Company has been partnering with some of the best global brands to offer structure rationalization.

Both BOPP and CPP films offer better yield, hence enabling reduced consumption of plastics.



UV stabilized Synthetic Paper can be used to replace PVC in outdoor promotional applications for shorter duration requirements up to one year.

Use of Water Based Coatings.

Offer Oxo-Biodegradable Films.

Offer a suitable substitute for aluminum foil in form of its Ultra-High Barrier Films.

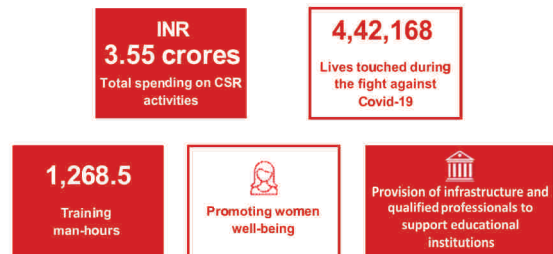
## ESG Initiatives



### Environmental



### Social



### Governance





## MANUFACTURING FOOTPRINT

### Waluj, Aurangabad, India

BOPP- 5 lines  
Thermal- 2 lines  
Coating -3 lines  
Metalizing- 1 line  
CPP- 1 line



### Shendra, Aurangabad, India

BOPP- 1 line  
Thermal- 5 lines  
Coating- 2 lines  
Metalizing- 1 line



### Karjan, Vadodara, India

BOPP- 3 lines  
Coating - 1 line  
Metalizing - 2 lines  
CPP - 1 line  
CSP - 1 line



### Asan, Korea

Thermal- 1 line

### TOTAL INSTALLED CAPACITY

<b>BOPP</b>	- 1,96,000 TPA (9 lines)
<b>Thermal</b>	- 40,000 TPA (8 lines)
<b>Coating</b>	- 20,000 TPA (6 lines)
<b>Metalizing</b>	- 22,000 TPA (4 lines)
<b>CPP</b>	- 10,000 TPA (2 lines)
<b>CSP</b>	- 7,200 TPA (1 line)

# PRODUCT PORTFOLIO

## Packaging Films

### Printing And Pouching Films

- ✓ Anti-fog films/Keep Fresh Anti fog film
- ✓ Low COF & Stable COF films
- ✓ Cast Polypropylene(CPP) Films
- ✓ Thin metalized films
- ✓ Cold Seal Films
- ✓ Low SIT Films
- ✓ Low SIT metalized BOPP film
- ✓ Pearlised BOPP Film for Wet Tissue Packaging
- ✓ Teplor Heat Resistant BOPP Film



### Metalized Barrier Films

- ✓ High Moisture Barrier Films
- ✓ High Seal Strength Barrier Films(HSS)
- ✓ High Speed Barrier Films with High Hot Tack (HSB)
- ✓ Ultra High Barrier Films (UHB)
- ✓ Metallized High Barrier and High Hot Tack CPP Film

### TRANSPARENT BARRIER FILMS

- ✓ Aroma Barrier Films
- ✓ Aroma & Oxygen Barrier Films (AOB)

### OVERWRAP FILMS

- ✓ Overwrap Films

## Lamination Films

### Standard Range

- ✓ Thermal lamination films – BOPP
- ✓ Thermal lamination films – PET
- ✓ Wet lamination films – BOPP
- ✓ Thermal lamination Glueable/Stampable (GS) Film
- ✓ Anti-Viral and Anti-Bacterial Lamination Film



### Special Application Lamination Films

- ✓ Insulation Films – Thermal BOPP
- ✓ Mapped and Matched films – Thick PET

### Premium Lamination Films

- ✓ Velvet / Black Velvet Lamination Films
- ✓ Scuff Free Matte Lamination Films
- ✓ Digital Lamination Films