

COSMO** **CONNECT

Quarterly Newsletter

Q2 FY 2017-18 | Vol. 3.2



CF **COSMO FILMS**
Engineered to Enhance

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Company updates

First Quarter Results 2017-18



Financial results for the first quarter ended June 30, 2017 were declared on August 9, 2017.

In Rs. crore	Q1 FY18	Q1 FY17
Total Revenue	470.7	408.8
EBITDA	35.3	43.4
PAT	9.2	18.3
EPS(in Rs.)	4.82	9.52

Cosmo Films declared its financial results for the first quarter ended June 30, 2017 on August 9, 2017.

Total Revenue for the quarter ended June 30, 2017 increased to Rs. 471 crores, from Rs. 409 crores in Q1FY17. The increase in revenue could have been higher but for the de-stocking and deferment of purchases by customers in June in preparation for GST. The GST transition also affected the margins. The declining raw material prices led to one time stock loss of Rs. 5.3 crores in the quarter.

The company could partly compensate the above adverse impacts by more than 25% increase in speciality films and additional volume from the new line commissioned in Feb 2017.

Product Updates

Cosmo Films offers a comprehensive range of overwrap films



Cosmo Films now offers a comprehensive range of overwrap films which include high shrink tight wrap, medium shrink, general overwrap and cable overwrap films.

The overwrap films offered are untreated both side heat sealable films which not only offer protection to products packed inside due to their moisture barrier property but also enhance the pack optics because of their transparency, clarity and wrinkle free appearance. The high shrink tight wrap films offer shrinkage values in range of 9-11% and are meant for individual cigarette packs. Medium shrink films offer shrinkage in range of 4-6% and are suitable for bundling individual cartons. General overwrap

films are used for general purpose printing, pouching & packaging of snacks, bakery products; IV fluids overwraps, textile & hosiery overwraps etc. Cable insulation overwrap films offer excellent moisture barrier and protection from grease, oil and dust.

The films are capable of running at high speed wrapping machines. For instance, tight wrap films enable seamless application at 350 to 380 packets per minute. They also offer excellent hot slip properties, high stiffness and good machinability.

Participation at Labelexpo Europe 2017

Cosmo Films showcased its speciality PSA labeling products at the recently concluded Labelexpo Europe which took place from 25th September 2017 at Brussels Expo, Belgium.

The speciality portfolio included specialized films for PS self-adhesive labeling as well as direct thermal printable top coated films and universal printable synthetic paper for labeling applications.

The products on display have been detailed out as follows:

Universal Printable Coated BOPP Label Facestock Films:

These films which go in for label facestock applications are available in transparent, white and metalized varieties (both coated and uncoated options). The films are compatible with UV, water based and solvent based ink systems and deliver spectacular print performance across wide variety of printing processes which include flexography, gravure, letterpress, offset, screen, thermal transfer and HP Indigo digital. The films also offer high stiffness for conversion and dispensing.



Product Updates

Label over Lamination Films:

Standard over Lamination Films-

- Gloss and Matte- We offer both transparent gloss and matte films for over laminating PS labels for print protection.

Premium Label over Lamination Films

- Velvet Film- Engineered on a special matte base, the film is used for over lamination of labels. This film offers rich velvet finish to the printed labels.
- Scuff Free Matte Film- This over lamination film for labels provides excellent scuff/ scratch resistance which could develop during transportation and handling of the pack.
- Black Velvet Films- Black velvet film offers an intense black colour along with a velvet touch to the package thereby enhancing overall aesthetics.

Direct Thermal Printable films:

Recently launched top coated direct thermal printable film goes in for all information, track & trace labeling applications. The product is water and solvent resistant, has matte paper like appearance and can endure temperature range of -20 to 70 degrees. This product is available in 60/75/87/100 microns. A high temperature variety which can endure temperatures of -20 to 130 degrees has also been launched. This variety is mainly used for carcass tagging and deep freeze labeling. Economic non top coated variety is also available.

Universal Printable Synthetic Paper:

It is a white opaque polypropylene based film which resembles paper in appearance. The film is printable with most available printing technologies which include wet & UV offset, wet & UV flexo, letterpress, screen, thermal transfer and most of the digital toner technologies. It is a replacement of paper in applications where durability and longevity is desired. It is non-tearable, has moisture & chemical resistance and excellent lay flatness. The versatility of synthetic paper is reflected in the vast number of applications where it can be used which includes labeling in retail environment, outdoors as well. The product is available both in sheet and rolls format from 75 to 430 microns.

Events & Exhibitions

Labelexpo Europe 2017

Participation: Exhibitor
Location: Brussels, Belgium
Date: 25th to 28th September 2017

Significance: Labelexpo Europe is the world's largest event for label and package printing industry. The company showcased its speciality PSA labeling product at the show and received overwhelming response from the key stakeholders of the industry.



Cosmo Films at Labelexpo Europe 2017

Participation in upcoming events and exhibitions:

IPEX 2017

Participation: Exhibitor
Location: Birmingham, UK
Date: 31st October to 3rd November 2017

Paperex 2017

Participation: Exhibitor
Location: New Delhi, India
Date: 1st to 4th November 2017

Pamex 2017

Participation: Exhibitor
Location: Mumbai, India
Date: 18th to 21st December 2017

Media Coverage



Dalal Street interviewed the CFO

Dalal Street, in its August-September 2017 edition published an interview of Mr. Neeraj Jain, CFO, Cosmo Films. In the interview, he primarily talked about the role of CFOs in India and how it is evolving. He also highlighted few points about the company.

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Coverage in Industrial Product Finder

In its August 2017 edition, Industrial Product Finder talked about the implementation and compliance of GST. Its also included inputs from Mr. Neeraj Jain, CFO, Cosmo Films.

[Read More](#)



Coverage in Plastics in Packaging

In its Interpack review section of August 2017 edition, Plastics in Packaging featured an article titled “Fair’s fair”. In this article, it reported about the exhibits of different companies. It also mentioned about the black velvet lamination films offered by Cosmo Films.

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Media Coverage



Cosmo Films covered in IFCA magazine

IFCA, in its July-September 2017 edition covered the achievement of Cosmo Films as the company made it to Fortune India's Elite list of top 25 greatest value creators companies from among its The Next 500, which enlists the most valuable mid-size enterprises.

[Read More](#)



Cosmo Films covered in Film & Sheet Extrusion

Film Sheet and Extrusion, in its July- August 2017 edition published an article titled, "Bagging a Winner: advances in converting and bag making" on converting technologies for making bags. In the article, it also talked about Cosmo's special BOPP film used for cement protection.

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CSR Updates



Mr. Anuj Kapoor and Mr. Anurag Hukku interacting with the students

Employee Interaction Programme

Under the Employee Interaction Programme, Mr. Anuj Kapoor and Mr. Anurag Hukku from International Marketing department, Cosmo Films, New Delhi had an interactive session with the students of Shree Ganesh Vidhyalaya, Village-Gajgao, Aurangabad. They shared their journey from being a student to marketing professionals. They focused on importance of education as well as communication and IT skills. They also taught tricky formulas of Ms Excel to the students.



Story telling competition conducted by Cosmo Foundation

“One Day One Story” Campaign

Cosmo Foundation partnered with “One Day One Story” campaign which was initiated by Pratham Book Champions. This was launched on the International Literacy Day i.e. 8th September and the objective of the campaign was to encourage children to read. Cosmo Foundation conducted creative story telling sessions with 2900 students of 20 Primary schools and 16 Anganwadis across Gujarat and Maharashtra. 43 balmitras and computer teachers of Cosmo foundation conducted story telling sessions with creative methods such as flashcards, puppets, posters and presentation on projector.



Sanitation block under construction

Sanitation Blocks for Girls in Rural Schools

Keeping the local need of hygiene in mind, Cosmo Foundation has planned to build sanitation blocks for girls in eight government schools located across seven villages in Karjan. The layout and construction is carried out by Vadodara based nonprofit group-“SVADES”.

CSR Updates



Teachers and interns at vision building workshop

Vision Building with Cosmo Teachers

A workshop was organized for the teachers and interns of Cosmo Foundation at Karjan. The focus of the workshop was to revisit the vision and strategies of the programs conducted by the foundation. Various creative exercises and brain storming sessions were held to bring innovation in program implementation.



A doctor examining a student

Oral Hygiene Awareness Program

Dental check up and oral hygiene awareness programme was organized in a primary school of village Kanbha, Karjan which aided 178 students. Toothpaste and toothbrush were provided to all children to encourage oral hygiene. Dental checkups, awareness building, treatment and transportation from village to hospital were provided by department of public dentistry, K.M. Shah Dental College, Vadodara.

Employee Engagement

Activity: Independence Day Celebration as well as Merit Awards for the Children of Staff and Workmen

Location: Waluj & Shendra plants in Aurangabad & Karjan plant in Vadodara

Date: 15th August 2017

Objective - Independence Day was celebrated at all the facilities on 15th August 2017 and was commemorated by flag hoisting ceremony. Every year this day is celebrated to pay regards to the brave leaders and fighters of the country. It also creates a lot of pride and togetherness within employees. On this occasion, merit awards were distributed to the meritorious children of Cosmo family as a token of appreciation.



Flag hoisting ceremony at different locations

Activity: Carrom Tournament

Location: Delhi

Date: 18th August 2017

Objective - Pre-festive season at Cosmo Delhi office was marked by Carrom Tournament. It was organized to break the monotony and have some fun at work. Apart from fun at work, the event also involved a lot of inter-departmental interactions and encouraged employee bonding.



Carrom tournament being held at Delhi office

Technical Column

BOPP based Anti-fog film

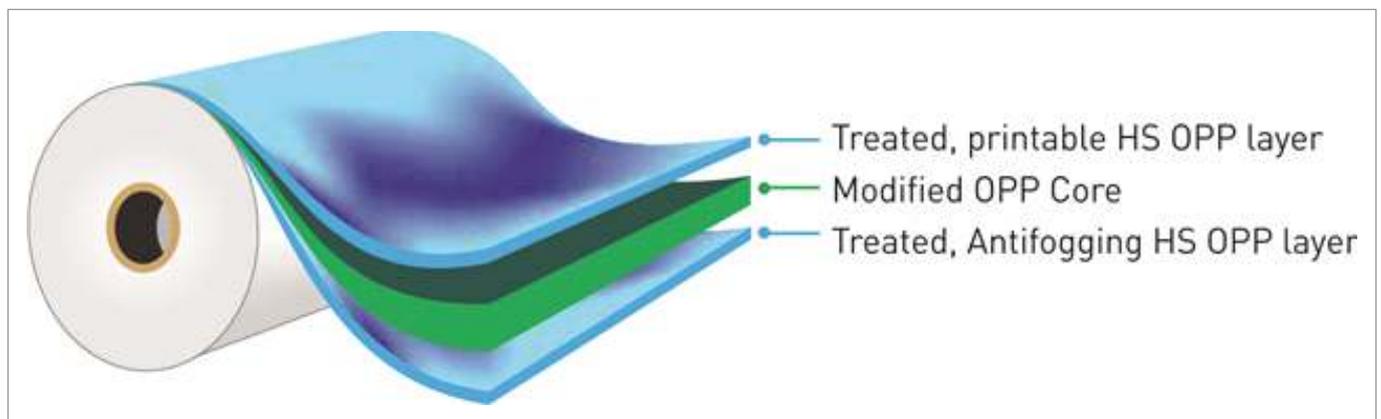
Description

It is a bi-axially oriented polypropylene (BOPP) film with modified surface to render high surface energy.

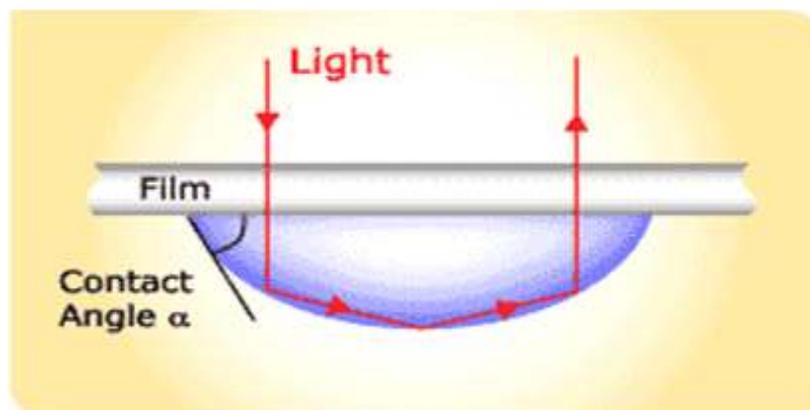
What is anti-fogging effect?

When products with high moisture content, for example, fruits, salads, fresh vegetables, meat, etc. are packed in transparent film, moisture from the products condenses on the inside surface. This condensed moisture envelops into droplets, which gives a foggy effect. Whereas, this specialized film keeps the transparency intact so as to give a clear view of the products.

Structure of an Anti-fog film

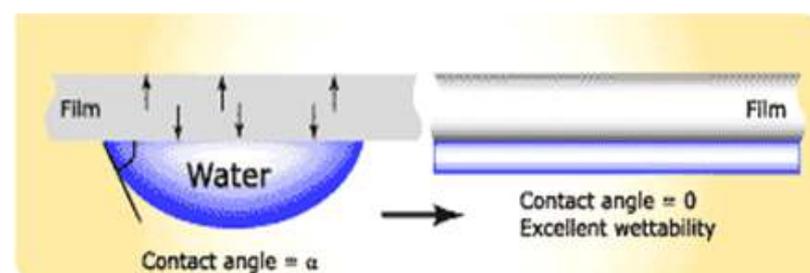


Mechanism of fogging & anti fogging



The droplets formed on the film's surface cause internal reflections of light and as a result fogginess develops.

On the contrary, when moisture condenses on the surface of antifog film having very high surface energy, condensed moisture spreads out on the surface to form a layer. This layer doesn't cause internal reflections or refractions.



Technical Column

Consequences of fogging

Higher the contact angle of droplet, lower will be the transparency. Fogging resulted from the formation of water droplets on the film surface can cause the following issues.

- The reduction of transparency makes such package and its contents visually less attractive
- The food packed inside would appear rancid

Advantages of Anti-fog film

- Clear view of the contents inside the pack
- Freshness of the products is apparent

Features

- Excellent cold and hot fog properties/good optics
- High seal strength (600 - 1100 g/inch)/high hot tack
- Coefficient of friction (0.15 - 0.30)

Applications

Anti-fog film maintains excellent transparency when used for packing of fresh-cut vegetables, flowers, salads, fruits and meat.