

Cosmo reports profit of Rs 113 crores for FY20

Cosmo Films reported a profit of Rs 113 crores in its financial results declared for the quarter ended in March 2020.

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The interiors of the Cosmo Films plant at Shendra

Pankaj Poddar, CEO, Cosmo Films said, “Flexible packaging demand should increase in India and the world post Covid-19 with an increasing shift in consumer preference towards packaged products particularly in food and increased concern for cleanliness and hygiene. This should augur well for the company.”

The company suspended its operations at its Gujarat and Maharashtra plants due to the Covid-19 induced lockdown, which resumed in the first half of April.

“The management has evaluated the possible impact of Covid-19 pandemic on the business operations and believes that impact so far has been minimal. The management will continue to monitor the impact of the future economic conditions and an uncertain environment on the company’s operations,” he added.

Cosmo posted Rs 78 crores EBITDA during Q4 FY20 (34% higher on year-one-year). The company claims that better operational margins, efficiencies and improved performance by subsidiaries contributed to higher EBITDA.

Provisioning towards one-time impairment in market value of assets in overseas subsidiaries impacted the PBT and PAT. PAT was further impacted due to higher deferred tax provisioning on temporary timing differences relating to the special economic zone unit.

For the full year FY19-20, EBITDA increased by 55% primarily due to higher specialty sales (growth of 11%), balanced demand and supply scenario, operational efficiencies and an improved performance by subsidiaries.

During the year, the company paid an interim dividend of Rs 15 per equity share (150%) as per the board meeting dated 13 February 2020 for the financial year 2019-20.

The company's subsidiary project for masterbatches (an essential ingredient of flexible packaging film) is progressing as scheduled and is expected to commence operations from Q2, FY21.

"The company shall continue its focus on specialty films, supporting brands on building recyclable packaging structures, R&D and new product development," concluded Poddar.

Financial results for FY19 and FY20

Rs (in crores)	FY20	FY19
Net Revenue	2,203	2,156
EBITDA	280	181
PBT	163	72
PAT	113	61
EPS (in Rs.)	59.2	31.9