

CFL/SE/2025-26/AUG/10

August 22, 2025

The Manager (Listing) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 508814	The Manager (Listing) National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex Mumbai-400 051 Security ID: “COSMOFIRST”
--	---

Sub: Transcript of Analyst/Investor Earnings Call

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of Analyst/Investor Earning Call held on August 14, 2025.

The same is also available on the website of the Company at the below mentioned link:
<https://www.cosmofirst.com/investors/investors-presentation>

You are requested to take the same on your records.

Thanking You

Yours faithfully
For **Cosmo First Limited**

Jyoti Dixit
Company Secretary & Compliance Officer

Encl.: as above

Cosmo First Limited
Q1 FY'26 Earnings Conference Call
August 14, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Cosmo First Limited to discuss the Q1 FY'26 Earnings Conference Call. Today, we have with us from the management Group Chief Executive Officer, Mr. Pankaj Poddar and Group Chief Financial Officer Mr. Neeraj Jain.

Starting off with the statutory declaration:

Certain statements in the conference call may be forward-looking. These statements are based on the management's current expectations and are subject to uncertainties and changes in circumstances. These statements are not guarantees of future results. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

Now, may I request Mr. Neeraj Jain to take us through his opening remarks after which we will open the floor for Q&A. Thank you and over to you sir.

Neeraj Jain: Thank you. Good afternoon, ladies and gentlemen, and thank you for joining us on Cosmo June, 2025 Quarter Results Conference Call. Our financial results for the June '25 Quarter and Investors Presentation are both available on company's website. Hope you could go through the same. We will begin this call with a brief opening remark on the Management which may be followed by the question.

First, talking about the Financial Results for the quarter:

Consolidated sales for the June '25 quarter is Rs.800 crore, which is higher by 16% from June 24 quarter, primarily on the back of higher volume by 19% and higher BOPP margins. The EBITDA for the quarter has increased to Rs.116 crores, compared to Rs.84 crores during June 24 quarter.

The improvement in EBITDA is backed by four primary factors:

1. Higher volume by 19%.
2. Better BOPP film margins.

3. Improved cost rationalization by about Rs.4 crore.
4. Enhanced performance of our specialty chemical subsidiary by close to Rs.4 crore.

BOPP film margins have been running close to Rs.25 per kg during June '25 quarter as against Rs.21 per kg in March '25 quarter and Rs.19 per kg in June 24 quarter.

During June '25 quarter, the company has commissioned two key assets:

- First new BOPP line with annual capacity of close to 81,000 metric tons, which started operations from June beginning and added close to 45% to the company BOPP capacity.
- Second is window film line which started operations in May 2025 under brand "Sunshield" and has gained momentum with more than 50 distributors.

Moving to outlook:

The company has invested in key packaging assets over last three years, including BOPP line, CPP line, window film line and paint production film. All these investments have started commercial production in recent months and should provide a significant ramp-up in revenue as well as profitability in coming years. The new film lines are one of the most cost efficient and should make Cosmo more competitive in the market. The company is growing specialty film sales by close to 10% CAGR growth over last six years, and we expect this trend to continue. For film business in fact, the company's focus will be on taking full leverage of new investments, grow specialty film sales and further push down the cost.

Specialty chemical subsidy:

The specialty chemical business continues to achieve traction and posted record EBITDA of Rs.12 crore on quarterly sales of Rs.49 crore in Quarter 1, June '25. The business vertical should continue to grow backed by new innovative products and specialty films sales.

Pet care venture, Zigly:

Zigly is all set for the next level of growth and should see higher momentum in FY'26. The business model is moving more towards services and house brands, which is a high margin business.

Some initiative from ESG:

Recognizing need for sustainability and future preparedness, the company is taking several initiatives on sustainability which improved initiatives, like all plants are now partially using renewable power as the source of energy. In FY'25 company has used more than 50% of its power consumption from renewable sources, which we expect to further increase to about two third in one to two years period. Besides the environment, this also facilitates cost

rationalization. Other initiatives include reduced power consumption through efficiency improvement, rainwater harvesting and many others.

On that note, we conclude our opening remarks, and would be glad to discuss any questions, comments or suggestions that you may have. I would now like to ask the moderator to open the line for Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

Rehan Saiyyed: I have couple of questions. So, sir my first question is around the BOPP line product mix strategy, the new 81,000 ton BOPP line is already running here with full utilization within a month. So, how soon will it have a higher sale in product mix.

Management: The new BOPP line will ramp up to 100% capacity within the next two to three months. We will be filling up with specialty films over a period of time. So, our objective is again to have more specialty mix even from the new line.

Rehan Saiyyed: Okay. And then next, I want some more understanding on the windows films global opportunity. What are you prioritizing, domestic or exports and what would be your strategy?

Management: Our first target is the domestic market. We feel there is a very significant potential to make a brand here, and we have already started with certain ATL and BTL activities to create the brand, it's starting of the journey it will take its own time. And we are also looking at exports in multiple markets to begin with. Our focus is America's and Europe. So, those are the two markets where we will focus the most to begin with also with the Middle East.

Rehan Saiyyed: Okay. Sir, one more last bookkeeping question from my side. Sir, on Zigly demerger timeline, you have indicated the medium-term plan to demerge Zigly. So, can you share a more specific timeline, whether you intend to bring in a strategic or a financial partner before the demerger?

Management: Yes, so we must scale up to a certain level before we even decide whether we want any financial or strategic player. We are bringing very sound business principles. I feel that it's very difficult to assess at this stage what time we will bring, but more than likely it will be anywhere by latest by 2028, or 29 it can happen even earlier than that, but it's too early to predict anything on this. We keep getting lot of interest from globally many players, but at this stage we are not immediately looking, at least in the last 12 months we have not looked to get any partner into the business, because we feel that we must achieve a certain size before we induct someone.

Moderator: Thank you. The next question is from the line of Gaurav from Capital Farming Consultants. Please go ahead.

- Gaurav:** Just a clarification, since first time we have reported segment wise revenue in our quarterly results. So, in that which all line of businesses we have included, when we have mentioned a separate segment as others reported turnover as Rs.25 crore approximately Q1 FY'26, just a clarification.
- Management:** The segments include packaging, which is films business, specialty chemical of course the specialty chemical business which we have in 100% subsidiary, pet care is a Zigly business. Then others include Sunshield and rigid packaging business. These two are relatively very new businesses and therefore been included in others. Once we scale them up, we will evaluate to show them as well separately.
- Gaurav:** Sure, thanks for this clarification. So, my first question is about our newly commissioned BOPP line that was commissioned in the last week of May 2025. So, considering the current industry dynamics, specifically the BOPP segment. So, if you would like to give some color, that after one of the major player capacity is now out of stream. What is the current installed capacity in Indian market, vis-à-vis the utilization level. And how do you foresee, maybe one year down the line, that how it is going to pan out, either increasing capacity or maybe some better utilization level, or some moderate level from here onwards, your views on that?
- Management:** Yes. So, we understand that there was around 15,000 tons produced by the player you are talking about, close to 11,000- 11,500 tons of domestic sales, and close to 3,500 tons of exports. Obviously, these numbers used to change a little bit here and there, but broadly we understand that 15,000 tons was what they were producing on average. We have to also remind the investors and the listeners here that in this year four lines have to be added, out of which three have already been added and the fourth line will be added soon. These four lines put together will add 10,000 to 12,000 tons of additional capacity. So, on a net basis, right now the reduction is 3000 to 4000 tons of capacity. Right now, the entire capacity is utilized. India is right now sitting at 65,000 to 70,000 tons of domestic consumption. And India is doing exports of close to 15,000 tons, of which Cosmo is by far the largest player in exports.
- Gaurav:** Sure, thanks a lot. So, second question with related to BOPP line only, the line that we have commissioned. So, that is just as of now the majorly producing the commodity line of packaging, films, or it also include the specialty, and within this if consider that it operate at an optimum level of let's say, 80% to 90% of capacity utilization, what could be the revenue potential in 12 months or training 12 months like, or 4 Quarters down the line. So, thanks a lot, these are my questions.
- Management:** This new line can add close to Rs.750 crores of revenue, when it is running at full capacity. Given that we have lot of queuing up for specialty orders within the first two months itself we have been able to move certain businesses to specialty. Right now, that number is still small, we are also adding many assets alongside in the coming months to increase the specialty sales

from this asset. So, eventually, in three years' time we want a very significant part of this line to be sold into specialty film area.

Moderator: Thank you. The next question is from the line of Nirav Jimodia from Anvil Wealth. Please go ahead.

Nirav Jimodia: Sir, my question persists to the Rs.25 crores of revenue what we have shown between window films and rigid packaging. Sir, in one of the earlier conversations you mentioned that the breakeven sales for window films could be anywhere between Rs.30, Rs.35 crores. So, let's say between Rs.25 crores of revenue, how much would be window films because we have just started, so the losses in this division is predominantly for the window films or if you can just help us with respect to this?

Management: The first is this vertical is no longer just a window film. If you remember we also launched Paint protection films and after that we also launched ceramic coatings for the car. We are the first manufacturer of ceramic coatings for the car. Till now, all these ceramic coatings have been coming from overseas market. So, Paint protection film is a premium solution, while ceramic coating is a little lower price solution. As of now, the window film sale in the one month of operation is still a small number. And the overall loss is actually a loss in both the business verticals, which is rigid packaging, as well as the Cosmo consumer vertical. What we expect is that the rigid packaging should start making positive EBITDA. Let's say in September month of most likely in September month, it could be September or October. And we expect that Quarter 3 should have positive EBITDA coming from rigid packaging. And within Quarter 3 or Quarter 4, we should start making a positive profit before tax also in the rigid packaging business.

As far as the Cosmo consumer vertical is concerned, the paint protection film is already making profit without the fixed overheads. Fixed overheads have to be obviously allocated to all three businesses. So, majority of the losses are actually coming from the marketing costs that we have already started incurring, and the employee costs.

Nirav Jimodia : Got it, sir. So, for rigid packaging, if we see the run rate of revenues for making break even at the EBITDA level, can a quarterly run rate of Rs.20, Rs.22 crores is a right number to work with at which possibly we could break even?

Management: Yes, you are right. We should be breaking even at Rs.25 crore roughly, sales number. Obviously, we have made lot of cost improvements in last two, three months and we will continue to do lot of other cost improvements. The second focus area for the company is to increase our presence with the brands, because when we started this business, to fill up the lines initially we had to sell to distributors and sell to other converters. But our ultimate objective is to sell premium products, which are various specialty products which companies have made, whether these are high shelf-life products, whether these are products meant for automotive industry, electronic industry and so on. So, we have already started focusing on those high premium

markets where we can earn better margins and as well as cut down costs because there are a lot of opportunities for us to cut down on the cost. So, we expect that even with the current mix of customers that we have, we should be able to start doing breakeven close to Rs.25 crores. And beyond that, start making positive EBITDA on those sales, from the current set of assets that we have we should be able to do an annual sale of anywhere between Rs.130 to Rs.160 crores.

Nirav Jimodia : Got it sir perfect. The second question is on the newly commissioned line, last interaction you mentioned that this new line could have a lower fixed cost to an extent of Rs.7 to Rs.8 crores, as against the traditional lines what we have. So, let's say in terms of the numbers, with the addition of this line, how much of the fixed cost we have added on a quarterly basis, if you can just share your thoughts here?

Management: The cost for the new line is quite minimal right now, because we have hardly hired anybody at middle or senior level, barring two or three people in sales. So, we do not expect that the incremental fixed cost because of this new line will be more than Rs.6 to Rs.8 crores in a year.

Nirav Jimodia : Okay, on an annual basis once the line fully ramps up?

Management: Yes.

Nirav Jimodia : Got it. Sir, third question is on the cost-saving initiatives as you mentioned in the presentation and also on your opening remark that we have got some Rs.4 crores of benefit this quarter. So, is this a peak number of the benefits which we are supposed to derive through renewable power, obviously you mentioned that this is going to go up but let's say, apart from this renewable power we were also working on some other cost initiatives. So, what we could see is the potential benefit of these cost initiatives in the subsequent quarters, so over and above this Rs.4 crores, if you can help.

Management: The last year we saved around Rs.40 crores on cost reduction exercises. So, this year also we are targeting to achieve Rs.40 crore cost reduction.

Nirav Jimodia : Correct, thank you so much. Sir, last bit from my side, your thoughts on our exports to USA and the ongoing interest between the tariffs and everything. So, A, how we would be impacted and B, what are we doing in terms of minimizing the tariff impact on our exports to USA. Thank you so much.

Management: See, the current tariffs are quite crazy, and what we feel are unsustainable, if it remains at the current level, then it is a precarious position. A significant part of our sales can be impacted to America. Last year, we had done close to Rs.250 crores to Rs.280 crores of sales, and so we may have to shift that sales to other markets if it has to continue at 55%, but what we feel is that better sense will prevail, and these will come to more realistic levels. If it stays around 15%

to 20% then we do not foresee any impact, because all the competition countries have also been charged with similar duty rates. If it remains at 55% then we expect close to 50%, 50% business may get impacted, but hopefully the duty rates must come down.

Moderator: Thank you. The next question is from the line of Aman Kumar from AK Securities. Please go ahead.

Aman Kumar: My question is related to the margins, in the month of June, we have very good margin in the BOPP line. But then some of the competitors have imported lot of quantities of BOPP films, then the margins and the prices has come down. So, what is the current margin sir, and how do you see the margins going forward because imports will be a threat in the future also?

Management: See lot of dealers in India thought that film companies will take the margins to a very high level. We were mindful of this, and therefore we never took very high price increases, we were always very rational in that. But we were expecting that lot of imports would come, and they came because traders anticipated that companies will increase prices far beyond. Now, these traders are struggling because they are not making those margins that they had expected, many of them will have to sell their inventory at a significant loss. Having said so, this should be a temporary phenomenon, because traders have really understood that companies are here not to make extraordinary margins, but reasonable margins. And therefore, we feel that, yes, there is a temporary import which happened in the month of July. It may happen, some of this may land even in August, but this should get sorted out in next 30 to 45 days, and the market will be back to normal. And as we said, there is no real need for imports, because close to 15,000 tons of capacity has gone away from the market, and 11,000, 12,000 tons of new capacity has already come up, or is about to come up. So, there is no reason for why India should import these films. And we do not anticipate that such kind of imports will happen in the future.

Aman Kumar: My understanding is that there are two types of film. One is in food grade films, and another is textile grade films. So, the price fall is much higher in textile grade film, and there is less fall in the food grade film is it right?

Management: See, it's always more difficult to import food grade film. Right now, the margin despite this import is quite decent. The value add in tape textile film is +30, while in the non-tape is close to +45, these are decent margins. These are the margins which in a normal market we expect to earn, and that is what we are earning right now. There is nothing to really worry about. If at all anybody has to worry are those traders on which we feel sorry that they have to incur losses. Let us understand that if somebody imports these films into India, there is a 10% custom duty. And also the logistic cost is so high, especially from East Asia to India, it is never going to be profitable to import these things into the country. Unless somebody is looking to export these where they can import against advanced license. So, only for the exporters, it may make sense

to import, but for everybody else, it does not make sense and therefore some of the distributors have already burned their fingers on it.

Aman Kumar: And sir how true is that the manufacturers, the producers of BOPP and BOPP films, are asking the government for BIS in the film import?

Management: Yes, because these films are required for packaging. Government is evaluating in different areas, and there is nothing wrong. Government has already implemented in many areas to ensure that there is a quality. We do understand that in many segments, many of the traders were importing very poor quality products into the country, and consumers were not very happy. So, I do not have any news that any BIS standards have been implemented, but it should be a welcome step if government really considers implementing BIS into this industry also.

Aman Kumar: And sir, one last question that recently we have seen that we have taken over some pet hospitals. So, what is our target in the pet hospital business and number two, we have seen that sequentially there is a flat growth in Zigly. So, can you throw some light on this?

Management: Yes, so vet care, I would say the most critical aspect which a consumer expects and where standardization has not happened in the country. Vets are the biggest influence for the pet parents, and therefore as Mr. Neeraj Jain has earlier stated, that Cosmo as a group, has lot of focus on services and in-house brands. So, these are not very big sized hospitals. These are vet care hospitals which are really small in size. And if you have seen that the capital outlay we have made is not that significant. So, this will help us increase our overall vet care revenue as such. In fact, one of the centers that we had acquired just couple of months back, we have already been able to increase its sales by good 20%, 25% which is quite positive for us, that we are able to add value to that acquisition. And as far as your other question that why it is just a very small growth of 2%, 3% in this quarter versus much higher growth in earlier quarters. The reason is that in February we implemented omni channel, which basically means that now we can dispatch our products from any center for an online order. Now what unfortunately happened is that Amazon and Flipkart, which are the marketplaces if you have some cancelations beyond 1.5%, 2% then they put you on hold. Now, given that this was a new system and we were dispatching from various locations. Some of the orders they got canceled because they could not be dispatched on the same day. That was a learning for us and because some orders could not be dispatched, our online revenue went down in this quarter. The retail sales experienced very good growth once again in this quarter. So, what happened is, when we implemented this omni channel in February month, February, March, we had 30%, 30% growth in online orders. But then we had account blockages from Amazon and Flipkart because of more cancelations than their standard cancelation of 1.5%, almost for two months we were not able to sell on these platforms, in the right manner, right value, and that impacted our online sales. So, retail has a very good growth while there was negative growth in the online and we are trying to correct the situation. Hopefully in the next quarter, we should start seeing the real benefits of omni channel sales.

Moderator: Thank you. The next question is from the line of the Tushar Gupta from Sagun Capital. Please go ahead.

Tushar Gupta: Sir, I want to know about the monthly revenue for June especially and segmental gross margin in Q1?

Management: It's already there as part of the investor presentation if you see.

Tushar Gupta: No, I am asking about the monthly revenue if you can provide it?

Management: Monthly revenue for each segment, it will be little difficult to provide over the call. Maybe we will request you to send an email communication, we will come back to you.

Management: I would like to add that , our revenue numbers should go up because the new line has been implemented, and even in the new businesses revenue is growing. So, you should be able to see ramp up in revenue numbers in the coming quarters.

Tushar Gupta: Okay, sir. Sir, second question is, what is the total current capacity in terms of revenue at current BOPP prices?

Management: Capacity has nothing to do with BOPP prices, you mean in revenue terms?

Tushar Gupta: Yes.

Management: Again, this number would not be available on an immediate basis because we are into multiple businesses and we won't have such numbers in hand. You can write an email, and we will try to answer that.

Tushar Gupta: Okay. Sir my last question, as we are working on 100% capacity as mentioned in presentation. So, in AGM management has said we are going to de-bottleneck it. So, sir by de-bottlenecking how much capacity will increase and what will be the revenue from that de-bottlenecking?

Management: The company is running a total quality management project. And we do expect that our earlier lines will be able to do 6%, 7% more production over the coming quarters. It's a very large organization-based project which is based on two fundamentals, total employee involvement and continuous improvement. So, that's a very large project which we have taken on for the entire film business, and that would also figure out in the coming quarters when the revenue will go up for us.

Moderator: Thank you. The next question is from the line of Amit Agarwal from E-way Investments. Please go ahead.

Amit Agarwal: My question is regarding import duties with America, what import duties were we paying last year?

Management: Till last year it was 5% and this year it's 55% at the moment.

Amit Agarwal: If they come down to 20% also, then also we will be able to maintain the margins.

Management: Yes, if it stays at 20% then we have no problem whatsoever.

Amit Agarwal: My next question is regarding Zigly, how many stores are there right now currently?

Management: We have already opened 34 centers, and then next three months we will cross 40.

Amit Agarwal: 40 by what time?

Management: In three months.

Amit Agarwal: And how many are cash positive and how many stores are we using money?

Management: Some centers have started making money, but we then increased the vet care in all the centers, due to which you can understand that vets had a higher salary compared to other staff. So, we expect that by December, some old stores should start making money. Normally, the fundamentals of retail are that they typically tend to make money in the third year, there was fortunately an article in Economic Times even today, that spoke about it. And we hardly have three, four centers which are effectively more than two years old. So, most of the two-year-old centers we do expect that they will start making money by Quarter 4 latest.

Amit Agarwal: Is there any other player who is providing these services except us?

Management: Sorry?

Amit Agarwal: Is there any other player who is providing these services or are we the only one providing those services?

Management: We are the only player who provides the entire ecosystem to the customer including vet care, and it's serious vet care. We do even surgeries at most of our centers. And we do provide grooming, and we do provide a wide range of products as well.

Amit Agarwal: So, what is the percentage of vet service compared to the rest of the business?

Management: Right now, the services constitute roughly 60% of our total retail business.

Amit Agarwal: 60:40, right?

Management: Yes.

Amit Agarwal: And my last question, what is the net debt position as of June 30th?

Management: So, we are at Rs.1140 crore of the net debt. But we also expect this to be close to the peak level. As the CAPEX plan for this year, although there is a reasonable number, but for the next year there is no major CAPEX plan, so we see a very significant reduction in the net debt level over the next two years or so.

Amit Agarwal: Right now, it's Rs.1140, right?

Management: Rs.1140, yes.

Amit Agarwal: So, from March onward it has increased by 200 crores?

Management: Yes, so you will appreciate that, and we kicked off almost 45% of the BOPP capacity addition and related to that, working capital increase will always happen, so that's why there is an increase in Quarter 1.

Moderator: Thank you. The next question is from the line of Vipulkumar Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: So, when we say 68% share in overall mix of specialty and semi specialty, is it by value or is it by volume sir?

Management: This is by volume.

Vipulkumar Shah: This is by volume?

Management: It is (+80%) by value.

Vipulkumar Shah: For value it is +80%?

Management: Yes.

Management: This speciality prices are always higher compared to the commodity, that's why in value terms, it would always be higher.

Vipulkumar Shah: Okay. And my second question relates to Zigly, so can you give GMV for this quarter, corresponding to the same quarter last year and last quarter, and losses for all the 3 Quarters?

- Management:** So, we can indicate you GMV for the current quarter. Quarter 1, it was close to Rs.16 crore. Rest all other numbers we have always indicated in our investor presentation. You may like to refer to it, in case still you have any open question, you can always ask us over the email.
- Vipulkumar Shah:** But if you have handy, you should share it.
- Management:** We may not be having it handy. And, for the current quarter, I have shared with you.
- Moderator:** Thank you. The next question is from the line of Raja Kumar Vaidyanathan from RK Investment. Please go ahead.
- Raja Kumar Vaidyanathan:** Sir, you mentioned that Rs.25 per kg is June quarter margin for BOPP segment. Sir, can you also give what is the exit?
- Management:** So, exit will be closer to Rs.30 or so.
- Raja Kumar Vaidyanathan:** Okay. So, then you would expect a better Q2 given that your new capacities are in place and you have a better margin?
- Management:** Sure, Q1 EBITDA is better, largely for the two factors, as we indicated at the beginning of the call, increase in volume and better margins. Based on this Q2 it should be better.
- Raja Kumar Vaidyanathan:** Okay. And just second question is, you said that the competitor who lost his capacity is importing. So, I believe he is importing from his subsidiaries in Europe is that the understanding correct, all the imports coming from European region, or is coming from other Asia Pacific?
- Management:** Import is coming mostly from China.
- Raja Kumar Vaidyanathan:** Okay. On this tariff situation, so if assuming this 50% tariff holds, do you think any of the geographies it can be will we be losing our market share to other geographies like Thailand and Indonesia?
- Management:** Could you please repeat your question?
- Raja Kumar Vaidyanathan:** Sir, you mentioned that if the tariff remains at 50% then it will be not possible for us to operate on a profitable manner. So, I just want to know which are the other competitors who will get an edge?
- Management:** So, as my colleague Pankaj said, close to 20%, 25% of tariffs, we should not have any major problem, that should be in general passed on to the customers.
- Moderator:** Thank you. The next question is from the line of Abhijit, an Individual Investor. Please go ahead.

Abhijit: I have two questions. First question is with regards to, the competitor whose supply has been kind of put on hold because of the unfortunate incident, how much has that translated or benefited the company directly?

Management: Number or we should even assess that number.

Abhijit: Sorry?

Management: Frankly, it will not be possible to assess that number.

Abhijit: But is it right to say that some amount of demand has come to you guys, and you benefited?

Management: Very difficult to say that, but as I said earlier, that close to 15,000 tons of production was being done by that company, and already 12,000 tons of capacity coming to the market, so there is not too much of an impact from that.

Abhijit: Okay. And I wanted to understand, if you look at the quarterly run rate the highest quarterly turnover you have done since June 2022, and the margins also are on the higher side. Can you give a fair guidance as to what you think group margins that are going to be in the next six to ten Quarter?

Management: I don't think we can share that kind of forecast.

Management: Generally, this depends on two factors, and you will appreciate the top line, or the volume of the company and the margins. So, top line, as we said at the beginning of the call, is going to increase, because we added close to 45% capacity in Quarter 1, and it started operation from the 1st of June. So, in the coming quarters we expect this volume to further increase, which will add to the top line. With respect to the margins, as we expect broadly Pankaj also mentioned during the call, a little favorable scenario for the FY'26 in terms of the demand supply of the BOPP industry in India, and that should also broadly prevail over the next year also. So, to summarize, on the margin front also the industry demand supply scenario looks fairly balanced, and the top line is going to increase, this should have impact bottom line as well.

Abhijit: Okay. One last question with regard to the recent name that appeared on the shareholder, is also there on your presentation. Is he the family member of the promoter, is there this any material thing or is it just an investment?

Management: Well, no comment on this. This is more a question for the investor.

Moderator: Thank you. The next question is from the line of Yash Madhan from Mainstream. Please go ahead.

Yash Madhan: I would like to know in your presentation you haven't given any breakup of your overall export sales and domestic sales. So, what's the percentage between these two in terms of revenue?

Management: So, this is 55%, 50% of the domestic sales and the 45% export sales.

Yash Madhan: 45% is exports, and out of 45% how much would be to USA?

Management: US, last year we did close to Rs.250 crore or so annualized.

Yash Madhan: Okay. So, that would be around overall, 10% is to USA for you?

Management: Well, I would say less than 10% because, if we take the current run rate, it should be close to Rs.4000 crore annualized. So, on that Rs.250 crore, so little less than 10%.

Yash Madhan: Okay. I believe most of sales happen on long term contract basis, which is tagged to the crude pricing, in B2B segments especially, is my understanding correct?

Management: It's a mix bag actually. So, largely on the specialty side particularly, the sales happen on a contractual basis more. But it depends on the product category also, like the thermal lamination where we are the market leader globally, the sale is always through the distribution channel. So, it depends on the product also many other aspects also, but it's a mixed bag in terms of sales.

Yash Madhan: But if you overall can give some, throw some number, what percentage is through long term contract basis and what percentage is through distribution channel overall BOPP?

Management: It is difficult to quantify at this moment. But all we can say is, largely you can see our sales in three buckets, specialty, semi specialty and commodity. So, for a specialty, as you might have seen historically in the last few years, we are able to pass on the increase in the prices of the raw material or the increase in the cost. So, margins are largely protected. Semi specialty products always have an edge or delta over the pricing on the commodity. So, the pricing runs always on the additional pricing basis for semi specialty over the commodity. Commodity margin is something which is largely a function of demand and supply of industry.

Yash Madhan: So, in that case then, you must be gaining substantially last two, three months after this incident, because prices went up by 50%, 60% for a couple of weeks. Then could you get that gain or it's just myth?

Management: It will always happen on the commodity part of the business, answer is yes. On the specialty, it will not be.

Yash Madhan: So, then what will be the percentage between these two in terms of your sales 50:50, commodity and specialty?

- Management:** As we said in our presentation in Quarter 1, without taking the new BOPP line volume, 68% we did from the specialty and semi specialty products, and remaining was from the commodity products.
- Yash Madhan:** 32% basically you could have gained or something?
- Management:** Yes.
- Yash Madhan:** Okay, got it. So, overall, now, because of this event any kind of benefits to industry is not expected, because that is neutralized after even such a big capacity has gone out of the industry?
- Management:** Temporarily, at least for the 18, 20 months to two years period, it created a cushion in the industry in terms of the favorable demand supply scenario. So, yes, impact will always be on the entire industry.
- Moderator:** Thank you. Ladies and gentlemen as that was the last question for today's conference. I would now hand the conference over to the management for the closing comments. Over to you, sir.
- Management:** Thank you and to summarize, for film business, the company's focus will be on taking full leverage of the new investments, growth specialties and sales will further push down the cost. The company's specialty sales have increased by 10% in FY'25 and the similar trend we expect in the coming years as well, which further strengthens the business model. Among the new business vertical, specialty chemicals are already making decent profit and is growing. Growth and profitability will be the key focus for the other business verticals in the coming quarters, including Cosmo consumer, which includes window film business, paint protection film business and ceramic coatings and the Cosmo rigid packaging business under the brand name Plastech. While Zigly may take some time to become profitable, however, it should be a significant value creator.
- With this, I would like to repeat the statutory declaration. Certain statements in this concall may be forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results. With this we thank you all for joining the call.
- Moderator:** Thank you. On behalf of Cosmo First Limited that concludes this conference. Thank you for joining us, and you may now disconnect your lines.