

We Would Be Launching More Experience Centers Across India

Read this exclusive interview with Pankaj Poddar, Group CEO, Cosmo and Zigly.



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Pankaj Poddar, Group CEO of Cosmo and Zigly recently spoke to BW Applause and Everything speaks about reimagining the four decade old brand and more.

Excerpts:

With a legacy of 40 years now Cosmo is ready to reinvent itself, what is the reason behind the change in Company's name from Cosmo Films to Cosmo First?

Cosmo's journey started 40 years ago with Cosmo Films. Today we have grown into multiple business verticals beyond films such as masterbatches, textile chemicals, adhesives, window films, and pet care. We have always valued our stakeholders above everything else and want to continue being first to all our stakeholders, both internal and external.

All through our journey, we have prided ourselves in our ability to provide industry-first niche solutions in the areas of packaging, lamination, and industrial and labeling applications. Now, we have made inspiring diversifications into specialty chemicals, consumer care, and D2C retail, aiming to be a pioneer in these previously fragmented industries.

We have always been first and it is therefore fitting that we have a name that represents this new Cosmo. A name that captures the heartbeat of who we are and a name that we can all be truly proud of.

Company's last quarter results have been positive; can you share some light on the performance and outlook for the coming quarters across businesses?

Cosmo Films have witnessed remarkable growth over the few years. Our quarter results for March 2022 came out recently and the company's net revenue has increased by 22% on a YoY basis backed by higher specialty sales, better-operating margins, and an uptick in performance by subsidiaries. Our EBITDA increased by 31%.

For FY23, we remain optimistic about the future demand and market conditions and hope to see sustainable growth in this financial year backed by continuous R&D and customer satisfaction.

Cosmo Films recently announced CPP film expansion; please share your expansion plans and tech advancements in line?

We have recently expanded into Cast Polypropylene (CPP) films with a new production line in Aurangabad with an annual rated capacity of 25,000 MT. Cosmo Films has also announced the commissioning of the world's largest BOPP film production line at Aurangabad, India, with an annual rated capacity of 67,000 metric tons. A new BOPET film line will also be commissioned by the 2nd quarter of 2022 and this will greatly help the company to ramp up the production and sales.

Cosmo Films is also entering the consumer segment with the manufacturing of Windows lamination films for heat control and reduction. Rising temperature around the country can lead to environmental sustainability, reduction in carbon footprint, and lower consumption of electricity.

Under our Subsidiary – Cosmo Speciality Chemicals, we have launched close to 60 products for the textile industry, which are completely eco-friendly and are GOTS certified. Under the same subsidiary, the company is planning to expand to Industrial Adhesives as well, by the next quarter. This will help us provide a 360-degree holistic solution with films and adhesives. Cosmo will offer adhesives in paper to film, film to film, and film to bottle lamination.

With Zigly, we have already opened 3 stores in different locations in Delhi. We would be launching more experience centers for our consumers across pan India. Our plan is to open 150 stores in 5 years.

Worldwide, significant focus is being given to the recyclability and sustainability of packaging films. Along similar lines, what are the initiatives undertaken by Cosmo Films?

Cosmo Films have two priorities when it comes to sustainability – efficiency and the three R's – Recycle, Reduce, Reuse. We are designing packaging that lasts longer, has monolayer materials, and retains its recyclable abilities. The CPP and BOPP films are made from a monolayer material making them highly recyclable and sustainable. These films also offer better yield and in turn, leads to less consumption of plastics.

Beyond packaging, Cosmo Films is working towards a sustainability plan to reduce waste by improving waste collection and re-granulation process to increase the production of usable re-purposed granules. A major proportion of Cosmo's investment goes into sustainability and we are dedicated to the goal of the circular economy.

On the manufacturing front, Cosmo Films is increasingly depending on renewable energy as a source of power. All the manufacturing plants at Cosmo are integrated with solar power which contributes significantly to the total power consumption. In terms of the output, manufacturing waste is recycled for film production and for creating packing materials. The company makes conscious efforts to reduce water consumption and is practicing rainwater harvesting & reuse of effluent-treated water. We also have worked to reduce noise pollution and have planted more than 15,000 trees in the nearby area.

How do you evaluate the business growth of Cosmo Ferrites in the electronics industry? Also, share opportunities you see for Ferrites business in India and abroad?

The company is doing well in terms of business numbers. Our quarter results for March 2022 came out recently. The company's net revenue has increased by 75% and our EBITDA increased by 272% to 9.38 crores. Going forward, the company's expansion plans to increase Soft Ferrites manufacturing capacity from 2400 MT per annum to 3600 MT per annum will be operational from Q2 FY23. Our aim is to capture at least a 5% share of the global market in the next few years which currently is below 1%.

Cosmo ferrites manufacture soft ferrites which have multiple applications across Industries in power electronics, telecom, EV, solar, home appliances, automobiles, medicine, railway, and more. With the government's push towards developing India into a major electronic hub, we are expecting quite a huge demand for ferrites in the coming years. Schemes like PLI, SPECS, and others have already attracted crores of investment into the country in the electronics space. Ferrite is one of the rising sectors in the country and the manufacturing of electronic products presents a huge opportunity for its growth.

Zigly is a unique venture considering Cosmo's corporate profile. What made Cosmo enter the pet care segment?

Pets which were a social media phenomenon some time back have slowly become a part of our family. There is a lot of expectance and enthusiasm for pets – and people are adopting animals at an unprecedented rate. India is the fastest-growing pet care market home to about 20 million pet dogs and about 19 million other pets. We also see social awareness towards animal protection and their rights. Cosmo believes it to be a great market opportunity and wants to tap it through their D2C platform plus offline experience centers. At Zigly, we aim to provide a one-stop solution for everything related to pets and pet care.