

Ref. CCL/BSE/2025-2026/13**Date: June 02, 2025**

To,
Listing Department,
BSE Limited
P.J. Towers,
Dalal Street
Mumbai-400001

Scrip Code: 543928

Dear Sir/ Madam,

Sub: Transcript of Conference Call with Analysts / Investors on Audited Standalone and Consolidated Financial Results for the Half Year and Financial Year ended March 31, 2025

Ref: Regulation 30 & 46 read with Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation of our letter dated May 22, 2025 giving intimation of the mentioned subject i.e conference call and subsequently furnishing the link for accessing the Audio & Video recording of the said conference call vide our letter dated May 27, 2025.

In terms of the subject and applicable referred regulations please find attached the transcript of the Conference Call held on May 27, 2025 with Analysts / Investors on Audited Standalone and Consolidated Financial Results of the Company for the Half year and Financial Year ended March 31, 2025.

Please note that the said transcript has also been uploaded on the website of the Company: www.cosmiccrf.com. The same can be accessed at the following link:

Link: <https://cosmiccrf.com/wp-content/uploads/2025/06/TRANSCRIPT-27052025.pdf>

This is for your information and records.

Thanking You,
Yours faithfully
For **Cosmic CRF Limited**

Trupti Upadhyay
Company Secretary & Compliance Officer





Cosmic CRF Limited

H2 and FY25

POST EARNINGS CONFERENCE CALL

May 27, 2025 03:00 PM IST

Management Team

Mr. Aditya Vikram Birla - Chairman and Managing Director

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the H2 and FY25 Post-Earnings Conference Call, Cosmic CRF Limited. Today on the call from the management team we have with us Mr. Aditya Vikram Birla, Chairman and Managing Director and Mr. Rajesh Sharma, Investor Relations.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to briefly run us through the investor presentation and the business and performance highlights for the period ended 31 March 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Aditya Vikram Birla:

Good afternoon, everyone. Thank you for joining us for our post-earnings call. This is basically done to give everybody a brief highlight on what we've done for the entire year, especially H2, FY25, along with the entire year and along with the consolidated books in place.

The screen, everybody that can see is basically a message from my desk. And I wanted to actually highlight this particular point where there are a lot of misnomers around these kinds of things where people are saying that the performance was not that great. So, I will hit the nail on the head to start with, rather than beating around the bush. So, I will talk about the pertinent points to go with and then probably we'll run through the entire presentation in a jiffy and then we can get down to the questions.

To start with the revenue for this year in consolidation has been almost INR402 crores compared to last year, which was INR253 crores. The jump year-on-year has been roughly 58.4%. The PAT, the profit after tax has shot up from INR12.75 crores last year to almost INR30.8 crores. That's almost INR31 crores, which is almost a 141.8% jump from last year. And the sales volume for this year has increased from 24,000 metric tons last year, roughly to 55,000 to 56,000 metric tons this year, which is roughly an approximation of a jump of 127% year-on-year.

As far as my team is concerned, as far as we are concerned, we think it's an exponential jump. This kind of jump has been happening with Cosmic from day one. The forward-looking statements and the guidance that had given last year and also in the half yearly was that we will touch INR500 crores. To give you a

basic idea on what that looked like or what that should have been, it is instead of INR500 crores, why did we achieve INR401 crores? The simple math is that last year we were doing an average selling price on all the products that we would sell at INR102,880 per metric ton. The total metric ton was roughly 24,000, 24,000, 25,000, including the scrap. This year, we have done an average selling price of INR78,850, if I'm not wrong. That's a ballpark, right? It can be a INR50, a INR100 here and there. So that is the average price.

So, if you do the math as per last year, then we will be like -- okay we will do 55,941 tons to be precise into INR1,02,850, which is roughly INR575 odd crores in totality. And if you talk about the standalone balance sheet alone, then we have done 38,850 metric tons into a totality of last year's average selling price of INR1,02,850 that would have been INR399 million, roughly INR400 crores. And NS did almost INR101 crores. So, totality would have been INR501 crores to INR502 crores without taking spring in consideration.

My idea of specifying this is that we are not away, or we have not missed our guidance. We've not missed our bullseye point, where the management has stated and given a guidance that we will touch INR500 crores. The management can only give these guidances on the basis of the volume output and the churning around or the production capacity that the management is building. From day one, I have been very precise about the idea that we do not drive the steel prices in this country. We are not even 0.001% of the purchaser in terms of the quantity that we purchase compared to the entire sales and the purchase and the production of steel that happens pan-India. That's why we don't drive the prices of steel. It's dynamic in nature.

So, the prices of steel differ. Along with that, somebody recently had asked me that why are the price in our own team that the prices of steel are shot down by maybe roughly 20%, 22%. Then why this change? This change is because last year, we had almost 82% of our output in stainless steel grade, which is mainly used for BOXNHL wagons and wagons that use stainless steel like BOSM. This year, there have been hardly any BOXNHL. And roughly every wagon and every work that we've done in the infra has been to deal with mild steel.

Mild steel product, which used to be sold, the specific work grade of IS 2062, FE 570, E450, BUCR was roughly at a price of around INR71 plus GST per kilo, which went down to INR62. Today, it's available at INR58,000 per metric ton plus GST, which is a consideration of almost 22% to 23% drop on that individual price.

Along with that, the shift in the blend of raw materials that are used to give the finished product has shifted from 80% of stainless steel and 20% of mild steel to roughly 25% or 30% of stainless steel and roughly 70% of mild steel. That is why the average price along with the contraction of the price on the raw material has shot down. And that is why we did not touch INR500 crores, we touched INR400 crores.

We had promised that we will be able to do, we will be able to actually start NS Engineering at God speed. We got the plant in the month of June handover. We started work in it in June 3rd week and we probably started working like started production on the first phase and started selling material around September, around August-end, September. We did almost INR11 odd crores in the first half year. Went on to make almost INR90 crores of top line in the next half and we've only achieved 15,500 metric tons against 65,000 metric tons of totality.

So, like the slide says, the upgradation on the Singur plant has happened with the 6,000 square feet of an additional shed along with some certain set of machineries, which makes us one of the largest bodybuilders, the side wagons, side body and the end body of the wagons in larger scales. So, we are doing roughly 20, 22 pieces per day roughly. There are days where we do maybe eight or nine, but there is work every day on that shed and that has added value to the entire output of CRF.

So, the production capacity last year in standalone books of Cosmic CRF, which is the Singur plant was 32,000 metric tons, which has shot up to 45,000 metric tons as guided.

Along with the NS Engineering Projects Private Limited, which was bought out from the NCLT and handed over in June 2024, the capacity when we took over the plant was roughly 11,000 to 12,000 metric tons. And we can substantiate this claim by stating that the original promoters, the ex-promoters of NS Engineering prior to the NCLT and the IBC did not cross INR87 crores as a total turnover at any point of time over the last 16 years of existence. We did INR101 crores because of the simple reason that we shot up to 15,500 metric tons.

The prices might have contracted, but it is still at an average price of what they would have done probably at that point of time, maybe six years back in the day. So, we've achieved 15,000 metric tons in this point.

Let's go to the next slide. The third part that is the third wholly-owned subsidiary of Cosmic CRF Limited is the Cosmic Springs

& Engineers Limited. They have bought a plant out of the process of a BTA and there's a business transfer agreement. That is exactly how we had bought Cosmic CRF also. And the entire capacity of this plant is roughly 14,400 sets of springs, Casnub and Helical in totality. We are more concerned and more focused towards supplying these springs to the wagon builders as a bogie part and not as for the coaches as of now.

Along with that, we are also very, very focused on setting up a forging unit against which we have already bought a piece of land in the same vicinity along with Cosmic Springs & Engineers, the vicinity that we have taken up for the spring unit. The forging unit is also just 100 meters away from where this unit is, so that it's easier for us to handle both the plants and for the operations sake as well. Plus, it reduces our overheads cost as well. So, both the plants have been taken over. This plant, the new one, the land that we've taken, it's taken up, the shed has already been set up and the machineries are on its way of being set up.

So that plant will have a total capacity of 7,200 metric tons per annum of forging items, only and only supplied to the railways. And why? Because railway has changed a lot of its STRs from casting units to -- casting items to forging items, particularly for strength and for the design ability of it. So, we are taking that jump of faith eventually because today there are only three parties in the manufacturing of the product right now. But in the eventuality, there will be more parties. So, the margin today on that business is very, very heavy compared to the margin that we see in Cosmic CRF or in any other industry that we are dealing with.

Along with that, I would like to throw some light on the Amzen Transportation Industries Private Limited, which is something which is extremely spoken about inside our house, inside the four walls of my office, inside the factories and also in the society and among all the investors at large. Yes, this is worth speaking about because Amzen Transportation Industries Private Limited individually is a book which is as big or maybe twice, 2x of what we are today with all our subsidiaries in place. Amzen Transportation Industries Private Limited, we got into this entire takeover bid in the month of August, roughly June, July, August was the month where we were actually going through the entire procedure starting from Form G to getting into the bidding of the plant through the process of online biddings as well as face-front bidding through a Swiss mechanism. Eventually, it went into some sort of a hold-up period where there were people like the H2 bidder and the H3 bidder probably were challenging the fact that we are not capable or probably we are not eligible to bid for an asset like this.

These are normal tactics used in the BFIR or DRT or for the matter of fact, the IBC methodology to get a unit out of the other's clutches and we fought it very well. We represented ourselves in the NCLT court very strongly and we are in a position where we are -- today we understand and we don't have a document which states that but in court, we understand that we are the only bidder which stands on the court because the H2 bidder as per our knowledge from the documentation that's already available in the market as well as in the court orders, the consortium for the H2 has broken. So that is something that the COC has to take care of or take a call on.

However, the COC has asked us, the RP on behalf of the COC, that's the Committee of Creditors for Amzen Transportation Industries Private Limited has asked us to submit the resolution plan by the 27th May 2025 which is today. So, after this call, we will be submitting the final resolution plan after which we don't have much to do. We have just the payments to make and probably take the handover if everything goes smoothly after the approval from the NCLT court as and when it comes to the best of our ability.

We go to the next slide. The key highlights for the last year and this year is that the order book stands at INR550 crores which is almost 1.8x of what we have done this year. Roughly, we understand that the credit rating upgrade has been very stable. The performances are stable. We have a solid FD from the fund that we have picked up from or raised from our preferential raise that we have done this year itself with marquee investors. Along with that, we have a good position. The position has been created to take over the asset that we just spoke about the company, Amzen Transportation Industries Private Limited. That is the objective.

Along with that, the objective is also to support the takeover and the build-up of the capacities in the existing plants along with the NS Engineering and the third subsidiary, the wholly-owned subsidiary that we have taken that is Cosmic Springs & Engineers Limited. The sales growth in standalone, individually, in terms of its volume has gone almost 58%. The sales volume on the consolidated level, like I spoke on my first page, was 127%. We happen to understand that the credit rating will become even more buoyant, even more prosperous in the coming quarters because we will get our credit rating done. We haven't got it done yet for this financial year, so we will get it done again. And this time, we are expecting a better outcome of the same.

We go to the next one. The new business interest that we have, like everyone is aware of, is the ones who are invested with us and the people who are not aware let me throw some light on this. We already have a CRF unit, which is working very well, which is working to the best of its ability. Along with that, we have a spring unit now, which is on the moment of its commensuration. So basically, it can start any point of time. Along with that, we are setting up a forging unit that gives us a wholesome ideology about the supplies in terms of kits for the wagon builders, and if we become a wagon builder, which is the fourth step, through the Amzen Transportation Industry, by God's grace, fingers crossed. We've put the name for it, is going to basically make us an integrated wagon builder in all its right and all its ways. And that also helps us to turn out the wagons at the best price, at the most efficient and the most effective manner.

The reason why wagon builders ever had to face a problem is because of the supplies that they had to take from the various integrated -- from various smaller players like us, like the component manufacturers, the casting units, the forging units, as well as, you know, the non-DM units. And that issue is resolved here. And the ideology of me being in this industry for over 14 odd years individually, my family being in this industry for over 50 odd years, understand that this is the most important part, if you want to be serious, big, large, integrated wagon manufacturers.

We go to the next one. The Group plans to acquire a liquid metal asset. This is something that has been there on my mind for quite some time. The reason is very simple. I'll give it a short time to this so that everybody has an idea as to what I want to say. The ideology starts with what we are having to deal with today. So we are having to buy steel of various special grades, not the steel that is very easily available, like the grade that I just mentioned, IS 2062 E450, copper bearing, FE 570, specifically made for the railways, or for that matter of fact, the width cuts, which is basically 1,250 mm in the width, or in the thickness, we need a specific 3.3 mm or 3.2 mm for specific items. These things are manufactured only on order because these are not bulk items.

So, we realize that if we have a liquid metal asset, we can always leverage our purchase against the supplies from the company that we already -- we probably will build or we buy, so that we have a long-term contract with these guys. A lot of people might question this by saying that, okay, you can open a LC and you can book it the whole time. But if you open an LC today, and by default, you're paying the interest on the LC at a larger perspective at 7.5%, 8% also, for a requirement that you have to fulfil to the tune of almost 1.5 lakh tons to 2 lakh tons, almost in this coming year and

the next year, and it will go up to almost 4.5 lakh tons in the next three and a half to four years. So, you can imagine that will be a huge amount of specialized steel that we'll have to purchase and probably we'll have to book a huge quantity and open that kind of LC. So that kind of working capital generation, that kind of LC limits with the bankers will only hit the top line.

Now I understand that when you're buying a 4 lakh ton at a totality after three years or four years, or you're buying say 1.5 lakh tons in this year, or 1 lakh tons in this coming year, what happens is you have to book this almost once in every quarter. And every quarter means that if you divide 1 lakh tons roughly divide into say the purchase price of say INR62,000 that's INR620 crores, which comes up to be somewhere around INR150 odd crores of LC limits or CC limits that you have to use, against which if you buy a liquid metal asset, the running and the operation and the entire purchase will be less than INR100 crores. That adds value to the company, that adds value to the total turnaround, the total turnover, as well as the bottom lines are not affected because of the long term capital issue, where basically what happens is that you are not going out in the market and selling steel.

What you're doing is you're just pegging it as a conversion rate at 3.5% to 4%, which does not bring or contracts the pricing because the average margin on a consolidated date on a consolidated books will be very buoyant because of Amzen, because of the wagon manufacturing dream that we have, which should be fulfilled asap. Along with that the component manufacturing facilities that we have in terms of our Cosmic Springs & Engineers, through the forging and the spring unit. And yes, NS, nevertheless, I mean, we cannot hide out from the fact that NS and CRF in itself is a 6.5% to 7% PAT business, which is extremely good, and the PAT will only increase from here. And I know a lot of people listening to me right now will think, okay, the PAT this half yearly was not that much. We'll come to that, I'll throw light and I believe, I strongly believe that you will be able to understand as to what I'm trying to say.

This is a one-time issue. It is not something that has happened for the mistakes that we have made, but for the decisions that we have taken to become bigger than what we've ever imagined in times to come.

We can go to the next one. Okay, these are, these are repetitive in nature. So, this is something that -- this entire presentation is available on the BSE as well as on our site. And I believe that these are things which you can just read up. I don't have to repeat this. So, we can go to the next one.

Vinay Pandit: Shall we move to the Q&A because the rest is all about the business?

Aditya Vikram Birla: Right, so we can go to the Q&A straight.

Vinay Pandit: Okay.

Aditya Vikram Birla: I just want to take just one minute, I want to go into the standalone, the standalone PL for Cosmic CRF.

Vinay Pandit: I'll go there.

Aditya Vikram Birla: Yeah, that's on page 12, if I'm not wrong. Yeah, perfect. So, for everybody, for all the dear investors who are here and are listening to me, so I would like to specify on H2 FY25, which has been a point of contention, a point of debate and a point of discussion over the last weekend. So, we'll go to INR143 crores. So why did we do INR143 crores? So, the raw material price was one of the main reasons. Otherwise, if you've done 38,850 tons in standalone, the first half was roughly 18,800 tons. So, the next half is roughly 20,000 metric tons, roughly. So, what happens is the contraction is on the pricing. Also, there are two major reasons as to why this contraction happens. One is we dealt more with infra products than supplying railway products. Infra products primarily are made out of cotton steel or mild steel, the prices of which anywhere hover between INR60,000 to INR70,000 per metric ton. So, the price, the top line takes a hit there and the average selling price also reduces to that extent.

The idea as to why did we do that and why did we not sell to the railways only was because of this -- or more to the railways is because the railways have been dealing, the wagon building industry has been dealing with an issue over the last four months, which is going to, as I say this, I should also specify, this is a one-time issue. It will get resolved in the next one, 1.5 months at best, as all the wagon builders are also suffering from this. And this is a problem that happens in every business. The RFW was supposed to supply wheelsets. There's a shortage of wheelsets today. Over the last three, three and a half months from the last quarter till now, there have been always a shortage of wheelsets. The turnaround of wagon sets would have -- was roughly 3,400 to 3,600 wagons per month compared to last month, which was 950 to 970 wagons to be precise.

So, the turnaround has also taken a hit. Now this, this issue was going on for a bit from roughly November, December onwards. And we were hoping that this issue will solve. However, that in

itself created issues where there was no offtake. So, the offtake, the orders were fine, but the offtake was limited. So, we could not have stopped our rolling. We are a rolling company. We are a cold rolling business -- firm. And we have an interchangeable expertise in interchanging our interests and our supplies from railways to infra and infra to railways. So, we chose the latter. The only reason is that we do not want further working capital to get stuck. Because as you see, the OCF that we have, the operating cash flow has been negative.

There are again, two, three reasons primarily for this. The OCF takes a hit primarily for the reason that that we are basically buying raw material for NS, for springs also, because they do not have the money other than what Cosmic CRF has to lend them or probably give them advances for. So that is one point.

Point two, if you reduce from the debtor book, the debtor position, the NS part, as well as the Cosmic Springs part and the Engineers part, then you'll see we are up here at INR69 to INR70 odd crores on debtors. Now, that is what should have been at INR50 crores, but got stretched to INR70 crores for the simple reason being that INR20 crores is the leverage that we have to use.

So, for example, I will not name any wagon builder, but there are a couple of wagon builders who have given us an assurity of making payments after a sale to them for 30 days, but they've not made payments for almost four to five months. And this is a disclosed event and this is something that is there in our books of accounts as well. We cannot chase them because we understand that they are also stuck because their wagons are also not flowing out as per what they had planned because of the wheel sets. And this is an issue that has plagued everybody to a certain extent over the last quarter. But with all understanding from the railways and from the wagon builders and from our seniors in the market, we realise that this is something that we are in the end of the road in terms of the process and the problems for, we will see a new moon, a new sun by the end of next month. So that is one thing.

Along with that, the capital expenditure that shot up and reduced and basically showed a negative cash flow is only because we took over NS and we started making the investments in NS. Today, NS does not have a debt in its book. The debt till 31 March, there is zero debt. The entire amount of NS that has been transferred in terms of INR360 odd crores, INR370 odd crores is completely from the books of Cosmic CRF because we had raised, we had done a raise through preferential equity in February and March 2024, primarily for the takeover of NS and for the operations of NS. It's like a chicken and egg story. If we wouldn't want to go for

the negative cash flow, then we would have had to have a solid positive free cash flow, but we would not have raised it and we wouldn't be able to buy NS.

Now that we bought NS and we wouldn't start it and we wouldn't make it into a INR100 crore top line business, then we wouldn't have had to invest and we would still have the cash in our books and showing positive cash flow. So, I personally believe from the little knowledge that I have about the business, about the industry, I know about my business, but about the industry at large, is that we are at a point where it's like we are planning to grow exponentially. We are growing exponentially, but what we envisage in terms of the growth is yet to come.

We haven't even seen what Cosmic CRF along with its subsidiaries can do over the next 1, 2, 3, 4, 5 years. It's going to be massive. But along with that, this kind of investment, this kind of stretch is required. We need to go that extra mile to make sure that we have the assets in place. All our businesses are healthy. So, we can go to the next slide.

Vinay Pandit: Which slide would you want to cover?

Aditya Vikram Birla: So, this is what I wanted to say. We can straight away go into question-and-answer and let's answer everybody's and address everybody's questions.

Moderator: Sure, sure. All those who wish to ask a question, may use the option of raise hand and we will invite you to ask a question. Mr. Hanu Rao has put a request on the chat. Hanu, you can go ahead, please.

Hanu Rao: Yes. Thank you. Thank you. Yeah.

Aditya Vikram Birla: Hello.

Hanu Rao: Yes. Yeah. Can you hear me?

Aditya Vikram Birla: Yes, I can hear you.

Hanu Rao: Thank you. And it's a good set of numbers from Cosmic CRF. So, my first question from my side is about the announcements to the BSE. These days, every company, even it is a INR10 lakhs or INR20 lakhs or anything they are announcing to the BSE. But when coming to the Cosmic CRF, after seeing the yesterday highlights to the BSE announcement, we are not aware of so many things. It's like Cosmic Springs acquisition or land parcel acquisition. We are missing it.

So not me and most of our stakeholders don't know exactly what is happening. We are making a very good progress and a lot of things. But because we are not aware of what exactly is going on. So, a lot of fake news or fake things are happening in social media. And it's demotivating the stakeholders. That's my first question.

And the second question is like about the order pipelines or order book is INR550 crores. So, can you specify which is infrastructure and what is the next portion of railways? So, could you please briefly break and what is the timeline to execute those orders? That's it. Thank you.

Aditya Vikram Birla: Okay. Thank you. Thank you. I will answer the first one. So, you're right. I mean, over the last four, five, six months, I think we have given whatever we felt was material in nature to the BSE. But however, we were being told that every small information to the BSE is just unnecessary and it's not material worthy. And that is why we were not certain about it. The BTA that happened hasn't been registered yet, due to which we did not send it to the BSE. We actually did not notify to the BSE. Once it's registered, then only will we want to give it as per our individual compliance team. But however, your point is noted.

So, we will try and inform every small thing also that happens to the BSE so that the investors are well aware of. So now that you've pointed out this point, I would, since we are in a conversation and I'm in no hurry, I will tell you one thing that the idea is that a lot of people in my IR and this PR team and everyone, they keep telling us that Adityaji, you are -- the promoter should not be too much available, should not be telling too many guiding statements, should not be notifying to the BSE, every small move that happens. It kind of tries to trigger the market unnecessarily.

The second point is that the half of the public believes that the promoter should be on the screen and should be updating everybody and plus the team should do it. But the second half of the team believes that the promoter is just trying to act like celebrity. Now sir, I am a proper businessman. I literally spend 18 hours a day at work, so I'd have no interest in being a celebrity. But however, with all due respect to everybody who has a thought process and they are free to have their wilful thought process, the idea is from the time that we got listed 2023, 30 June till date, I have not been in more than five concalls, half yearly and full years. So, I have not been actually aware all over the place in terms of me being media friendly.

Point two, there have been a lot of articles written about me, about my family, about not just me, about Cosmic Birla group at large, which is a 52-53-year-old group. And people like to know probably -- the IR team gives like an initiative and then it is taken up. It kind of rolls through with all these media houses. So, it comes a lot. And it's very repetitive in nature also to the best of my knowledge. I read it once or twice and I don't read it because I find it very repetitive.

However, this is all that I have to say that your point, sir, is very well noted. And we at Cosmic CRF are busy building this business. We are not wanting to become the next Shah Rukh Khan. So that is the idea, point one.

Point two, sir, is that the INR550 crores of the consolidated order book that we are carrying, sir, is to the tune of 52% of the railways, 48% of Infra. The reason for that is very simple, sir. We are already carrying old orders that have not been executed in the railways. And today, we believe very strongly that railway at large has -- the wagon building industry at large, has an outstanding order book of almost 45,000 to 50,000 wagons, if not more from the private wagons.

They will need at least one year from here, at least, maybe a little bit more actually, one year, two months, one year, three months to fulfil the entire order book. So, usually, what happens and what we've seen over so many years trends is that people actually take -- they get the orders of the railway board also decides to come up with a new tender once they realize that the execution can happen and there is no LTs that the people have to face, the wagon builders have to face. Their interests are also protected and the flow out of the wagons can happen that way.

India at large, like I always say, needs eight and a half lakh wagons. It has been a part of the Rail Plan 2030. And with the DFCC being invested so highly on, there is a requirement of railways and wagons in totality.

I mean, there is always, and it keeps growing at 18%, 20% per annum. So, the refurbishments are slower than it should have been. Plus, this wheelset issue has created some sort of a lag behind. So, I believe by September, October, when the orders will start coming in for the new, maybe it comes in a one big tranche, or it comes in two or three, four tranches. But in any way, the tranches will come through. And that is when we will start building on the orders again with fresh pricing, with fresh negotiation, and with fresh products.

Till such time, INR250 crores will fulfil us in totality. Yes, we will -- we are looking forward to raising another INR100 crores of orders in the railways, and roughly INR250 crores of orders in infra. So, if we stand at INR550 crore and we execute even 50% of this in the next two quarters, we understand very clearly that we will be able to have the similar order book carrying forward in half yearly also.

And now that I've said this, please do not, you know, drag this point by saying, oh, we are only talking about INR250 crores of execution, because you know what, we are talking about more. I hope that I've answered your question.

Hanu Rao: Yeah, thank you, sir.

Aditya Vikram Birla: All the best. Thank you. Thank you, sir.

Moderator: We'll take the next question from Vaibhav Lohia. Vaibhav, you can go ahead.

Vaibhav Lohia: Yeah, thanks for the opportunity. So, I wanted to understand the PAT margins on a standalone basis for Cosmic CRF, Springs and NS Engineering. And I have a request from my end that, like, if you can push the separate data, like for what is the revenue and PAT for Cosmic Springs, Cosmic CRF and NS Engineering, like separately.

Aditya Vikram Birla: So, I will give you ballpark figures, Vaibhav, in that work. And the ballpark figures will be very, very pretty accurate. So, we are talking about roughly INR301 crores of top line in Cosmic CRF Limited. We are talking about INR101 crore top line in NS Engineering. And the Cosmic Springs and Engineers Limited has just started one and a half months before we filed our balance sheets, before the 31 of March. Since they haven't got their RDSO license, because the BT has not been registered yet.

So, that is why they are right now doing job work for already existing orders of Cosmic and of NS. So, what has happened is that their turnover of INR8.5 crores, though the tonnage pops up, but the INR8 crore turnover has been recorded here in this book rather than in their book separately. So, let's say if you are individually talking about Cosmic CRF, then we are talking about a top line of INR301 crore and a bottom line of INR18.7 crores. When we are talking about, just give me a second. When we are talking about NS Engineering, we are talking about roughly INR11.5 crores of bottom line. That's the PAT and the top line of INR101 crores. The reason is very simple for that. We had 4.5% to 5% of PAT there, because as I say, it should be 5%, 6.5% to 7% is full flow. But

obviously, it's at 100, it's at only 25%, 30% of its utilization. So that is why it's a little crunched.

The next, the rest of the INR4.5 crores, INR5 crores that comes into it is fine, because at 4.5%, 5%, you should be at INR4.5 crores, INR5 crores of PAT, but it's actually INR11 crores of PAT, INR11.5 crores of PAT. The reason is very simple. We have an exceptional profit that we drove after the NCLT, after the takeover by realizing the dead craters into the books of accounts.

Also, the NS -- the Cosmic Springs and Engineers have done a turnover of INR8 crores roughly, with a PAT of INR27 lakhs, because obviously, the capital expenditure along with the operational expenditure is much more. In the spring business, as well as in the forging business, you have to take the teams in lots. So, they come with contractors, as well as the power demand is not very away from the actual pricing of the power.

So, what happens is the fabricators and everybody come in and there's a cost attached to it. So, the cost has been borne, but the obviously the entire template of the runway in terms of the operation capacity, as well as the manufacturing and the sales will come in this year. So that is what the deal is.

Vaibhav Lohia: Okay, got it. Thank you.

Aditya Vikram Birla: Thank you.

Vinay Pandit: We'll take the next question from Hardik Gandhi. Please go ahead.

Hardik Gandhi: Hello, sir. Am I audible?

Aditya Vikram Birla: Yes, you are audible.

Hardik Gandhi: Yeah. So, sir just two questions. First, that given we have so many ambitious targets for the near future, how are you expecting to fund all that and what will be the CapEx plan? I know we have raised some funds and I can see some INR70 crore to INR80 crore book debt on the books right now, including long term and short term. So, what is the CapEx plan?

Aditya Vikram Birla: So, sir, I will start off from explaining what we are at the level right now. So, we are at INR70 crores on its debt in Cosmic CRF and NS together. INR70 crores of debt includes INR65 crores of working capital and INR5 crores of term loan, which has been continuing from the time we took Cosmic CRF over. So, we took Cosmic CRF back in 2022, and we had a debt of INR20 crores that has been reduced to INR5 crores by now. And the INR65 crores is

the additional working capital, which we used to be INR30 crores last year, INR40 crores last year. We have only picked up INR30 crores in Cosmic CRF because the CRF turnover has short up from almost roughly INR121 crores when it was INR35 crores to almost INR253 crores and further INR301 crores this year.

Along with that, sir, what has happened is now we come back to what is the capital plan that we have. So, I will run you through what we want to do. So first, we've picked up INR84 crores from our Pref raise in 2024 Feb and March. That was basically done for the takeover of NS Engineering. So, we do not want any bankers to come in because such small projects usually are funded. And it was not a small project actually, the INR155 crore debt that was settled at INR30 crores. But these projects are usually funded by NBFCs, not by bankers because they do not get a clear stance on the asset, the asset plowback.

Like, basically, they feel the asset is all dilapidated and you have not invested in it. You have not started it. The book of accounts has not been working for the past 3.5, four years. So, they do not know what to really mortgage and what to really hold on to. So, that's why they tell you to actually take this over, run this for a year or maybe for a couple of quarters, put up a balance sheet and then only they will take interest in this. So, we knew this would come. So that is why we had taken the -- we had taken a liquidation in terms of our dilution in our equity holding and we raised INR84 crores.

We used INR65 crores out of that money. Along with that, our self-accruals are actually stuck in our working capital that is being seen. However, as of now, we have raised INR172.5 crores, which is INR160 crores from our pref raise and there is a warrant that is being funded by the family and by the promoters themselves to the tune of INR50 crores. So out of which INR12.5 crores has been paid, INR38 crores is supposed to be coming as soon as possible. And we can trigger that as soon as Amzen comes in. So INR172.5 crores plus INR38.5 crores, roughly gives you INR211 crores. That is the capital that we are carrying. Along with that, we have self-accrued funds of almost to the tune of INR20 crores, INR30 crores. So now we can say roughly by say, by say September, we should be sitting at INR50 crores, even if everything is the way it is, even if the books are stretched. And I will give you a note down there that it will not be stretched. We will come to that point. But say INR250 crores. So INR250 crores is what you are carrying. And now what your ambitions are? Your ambitions are basically to take up a INR20 crore, to invest INR20 crores in your spring plant, around INR45 crores, which has been mentioned in this PPT, in your forging plant, which gives you a total turnover of INR150

crores with a bottom line of not less than, at the top line, with the FY26 and '27 will give you a bottom line of roughly 15% to 20% odd and anywhere between that.

Why am I giving you the range and not a specific number is because it depends on the market-to-market situation. But yes, anywhere between the lower side 15%, higher side 20% in terms of PAT levels. So, it is a very positive and a very proactive business. But this INR65 crores, along with that Amzen, we stand at roughly INR265 crores in terms of our bid, including all costs. And along with that, I understand that there will be another INR100 odd crores of refurbishment, DFCC costs. That is the dedicated freight corridor. We will have to set up the entire math because the old promoters did not do it. They were working with a diamond crossing, whereas we will get the diamond crossing for the time being, but we will have to set that up with a DFCC, which is a part of the IM, which information memorandum provided to us by the RP.

So, totality, you are looking at INR330 crores. Now, with INR330 crores, if you look at the full scale of the output, then we are looking at around INR1,200 crores from here, the existing plants that you have and around INR1,500 crore to INR1,600 crores from what Amzen can do at its best.

So, we are looking at INR2,800 crore to INR3,000 crores with price improvement, so INR3,000 crores, you will need a working capital of roughly INR500 crores. But there is a huge but there. The INR500 crores is not something that you'll need. The reason is very simple, because Cosmic CRF and along with all the other companies that Cosmic Builder Group has, supplies materials at three and a half to four-month credit for smaller component, non-DM components, casting units, casting items to wagon builders. They will not do that. They will do it for Amzen.

So, that part is taken care of, which is to the tune of almost INR200 odd crores of working capital that will be required. So that will not be required. Along with that, here you can add INR100 crores of working capital from where we stand today. So, we are looking at INR430 crores. INR430 crores, in INR430 crores, you have INR230 crores, let's say. Now, INR250 crore let's say, for the roundabout thing. So, you will need a term loan and a working capital of roughly INR200 crores interchangeable. So, term loan can be INR150 crores, working capital INR50 crore, term loan can be INR100 crore, working capital can be INR100 crore. It depends on point to point, but this will happen over a period of one and a half, two years. So, it will not happen in one go.

By that time, you will be in a top line of say, INR1,500 crores, INR2,000 crores and you will do probably a PAT at this level, you will be doing beautiful PAT and it will not make much of a difference. Because today with INR70 crores on a book of INR400 crores is what you are feeling. But tomorrow when you are again bifurcating your entire investment, 50% equity, 50% debt, and with positive businesses running behind you, it will not affect you negatively. That is what I understand.

Hardik Gandhi: I understood. Sir, just asking you something is which rightly on a lot of people's minds. So just asking you very briefly, what are the chances of Amzen not coming to us?

Aditya Vikram Birla: See, I'll tell you a small -- I'll give you a small story, like we'll take two minutes. One of large investor had met me randomly in some event, which was organized by Capital Foundry and he kind of came and told me that what are the chances of us getting it. So, I used to say 99.9% when I filled the Form G. So, I have nowhere close to going below that. We are filing our final resolution plan today. As we speak, our team is already at it in the room beside this and we will be filing it right after this call ends and hoping to get the LOI ASAP faster than I and you can imagine.

Hardik Gandhi: Understood. So, and just assuming, just assuming, God forbid, if we don't get that, what is our top line expectation without the wagon building and what is the backup?

Aditya Vikram Birla: So, see, I'll tell you what, what happens is that today, Amzen, as it comes in, it takes six to eight months because Amzen is a huge plant. So huge, huge, huge, I mean, it's massive. So, for it to start off, it will take six to eight months at best, even if we are at God speed. So, I don't see Amzen, getting any numbers for this year. This will be a takeover year for Amzen with all refurbishments and the setup. By God's grace, touchwood, everything goes smoothly from where I think it is and with the timeline that I want to match. However, the top lines, like I said, will always double. Now when I say top lines will double, people really punished me for saying that. But the point is, I wasn't wrong really.

I mean, the number did not show up, but like I always say, yeah, we are working on the volumes and that is the best that we can do. Go up to INR1,50,000 and I go double from where I stand and I state.

Hardik Gandhi: Yeah, everyone does that. Sir just asking on the steel prices, do you think they are stabilized or do you think there is still chances for more dumping?

Aditya Vikram Birla: Yeah, I will tell you this, that what has happened over the last 14 years of my experience with the railways, I've seen that there are every two years that it kind of changes. So, I personally feel that this is like a friend-to-friend conversation that I'm having with you. I personally feel it is kind of a certain sort of lobby that probably works. There's a certain set of requirements, maybe railways kind of defers on buying or decides on buying a particular kind of item because of the budget allocations. It kind of depends on a lot of variable points. It's not like a unilateral decision that probably they take.

But along with that, I've seen that every two, three years, this momentum changes. So, one of the largest players in stainless steel supplies is not SAIL India Limited for railways, it's Jindal Stainless Limited. They have two plants, one is called Jajpur and one thing in the west. These guys, so Hisar -- Hisar and Jajpur. So, these guys basically create this raw material and they are best at it. They are one of the best players at it. Now obviously, last two years, they were basically supplying almost 80% to 90% of the entire requirement that the railway wagon system had.

Now this year, Tata and SAIL have enjoyed by supplying the majority items to the railway wagon bodybuilding business at large. But I personally believe this is going to switch again. And a very strong reason for that, not away from all these conversational points, are that India at large believes and is stagnated to a point where BOXNHL wagon is the sweetheart of the wagon industry. And that is a wagon that is used for transporting coal, manganese ore, iron ore, any sort of open top wagon or closed wagon. So that is a box wagon. And that is the highest number of wagons in the entire network with three and a half lakh wagons. That is a major wagon that is deployed. Last tender did not have that much of quantity because they believed they had a lot of quantity.

Tomorrow railway body can come out with some other name, can maybe have some new designs. Obviously, they are trying to do an R&D on what can be best. We obviously cannot use a 50-year-old past design because the world is changing. We need to be best with it. But at the same time, this is the most favourite part of the industry and of the buyers and of the people who use the wagons for transporting the products and goods. BOXNHL, to the best of my knowledge, will be back. And once that is back or if any other name, in any other avatar, it will require stainless steel.

Hardik Gandhi: Best of luck sir. Sir, that's it for me. All the best, sir. Thank you.

Moderator: Thank you, Hardik. We will take the next question from Arnab Bhattacharjee. Please go ahead.

Arnab Bhattacharjee: Good afternoon, sir. I wanted to understand a few things. First of all, I am audible, I hope.

Aditya Vikram Birla: Yes, yes, please go on.

Arnab Bhattacharjee: So, I think I misread last time when you guided. So please correct me if I am wrong. But my understanding was that our EBITDAs were fixed. So, if I am buying steel, making a component and then delivering that component, my idea was that I am going to charge, let us say INR10 on INR100 and irrespective of whether the steel price goes to INR50, I will still be making 10 bucks. But I think I stand correct.

Aditya Vikram Birla: You are right, Arnab. You are right.

Arnab Bhattacharjee: Then how does our operating margin fall when our...?

Aditya Vikram Birla: I will show you. I will tell you. I was hoping somebody asked me this question. I would have to address this on my own. Nobody was asking it. So, thank you for asking me this question. See, Arnab, just take this. So, its reported PAT for you is at 6.3. Now, we go to say, I just work on the PAT and then you can do the math back on to the EBITDA levels. 6.3 is the PAT. The deferred tax that we had to deal with this year, which was given as an exception for INR80 lakhs last year, is to the tune of INR1.6 crores this year. So, if it adds up, it is basically 6.3, the PAT that we reported plus the deferred tax plus the legal expenses and the other expenses that we were having to bear for Amzen specifically. Only 20% of the cost is for NS because NS costs have come this year only. So that cost, but now it has been appropriated to the books of NS. Majority of it, only 10%, 15% is left, which will get appropriated this year because it is in CWIP.

But however, for Amzen, majority of the cost's legal, and if you go through the books, there are 8 or 10 legal cases that we were fighting. Right now, we have only one maintainability case coming out of the NCLT. Otherwise, we fought four cases in NCLT, two cases in NCLAT, one in Supreme Court, one in the Divisional Bench, one in High Court, and so much of legal expense, I have hired more than 22 CLOs to handle this utter bit of nonsense that happens in the NCLT through people who are not even serious buyers. But however, having said that, the entire cost accrued not just through legal, but also through management and through the people and carrying that kind of hiring that we have already done in the month of December has hit your books.

Why has it hit your books? Because you will not be able to appropriate or accrue that or for that matter of fact, post it as a capitalized expenditure on Amzen because Amzen is not yet a part of your book, not through the LOI, and there is no way you can do it. My auditors do not allow it or accept it. Point one. The cost came up to INR3.25 crores. So now if you see INR3.25 crores, INR1.6 crores plus INR6.3 crores, you are at INR11.15 crores, Arnab.

Arnab Bhattacharjee: Yeah. I understood your point. Thanks for answering. That is a very helpful answer. I have a few more things to add. I don't understand the obsession of 100% growth, Adityaji. Why can't we just set milestones? Why are we so bound on growing at 100% and why don't we just grow organically at what happens? Why does that number mean so much to you? I understand that it is an aspiration, but you are trying to grow in a geometric way. That's very risky. I worry about debt. If you keep on taking debt, there is leverage that you are deleveraging yourself. That scares me.

The other thing I want to understand from your perspective is, it is fine that you are producing more and manufacturing more, but I want to understand the value addition that you are going to bring in eventually. Your dream is to get into wagon manufacturing, have assembly lines. Basically, it is a complete structure. Over there, you also have to spend on R&D. These are things which we will keep adding on to. If you keep obsessing over 100% growth with these expenses hitting you, I am scared that you will keep on -- let us forget about it. Can we just go back on that 100% and make it milestone-based? These are the things that --

Aditya Vikram Birla: Arnab, I got your point. I got your point and I am glad somebody feels for me. I feel good about it. Jokes apart, I will try and explain as to where we are coming from in terms of my mindset and individually where I am coming from.

So, the idea was that today, railway wagon and the 100% has come as a by-product of what I absolutely think about this industry. This industry, see no industry at large is perennial in nature. I am not saying this industry is going to go like this and then going to go drop like that. I am not saying that. But yes, there is going to be some sort of a maturity in the industry where there is going to be no exponential growth to a certain extent like the way the US did. US had also shot up in 1978 to a tune of 1 lakh, 2 lakh, 3 lakh wagons and carriage bags. Cut to, they came down to 40,000.

I personally believe India is in that pedestal where by 2030, 2032 maximum, they will go into an exponential growth and then they will completely even out because by that time, they might be

looking at \$10 trillion in terms of GDP and the size and the containment of the entire economy at large cannot grow in the size of how you can expand the network or a railway network. Like today, DFCC, you built it up, you have spent INR3.5 crore, INR4 crore, INR5 lakh crores. But today, there are no wagons running on the DFCC to the tune which should have been running. Obviously, because everything around it takes time to be built and grow. I just wanted to shadow that growth, point one.

Point two is the NS story came to me as a point of deleverage. What if tomorrow, railway starts contracting? It's not my dad's. I can't tell my call up my dad and say, don't let it contract. It doesn't happen that way. It can have its ups and downs. So, we need at some point, a leverage point or an industry where we can supply material to and then eventually, when I looked at NS and I saw the math around it, I realized that I'm buying a product pennies worth a dollar. If I had to build NS over eight acres with the entire setup that it already had, I would have taken two and a half to three years. Today, I have started the plant in three months. So that is the advantage.

INR155 crores of debt has been bought out at INR28.76 crores and my investment further is INR38.440 crores -- INR38 crores to INR40 crores. Now, coming back to the debt leverage point. Today, you are at a turnover of INR401 crores, let's say. Your debt is INR65 crores. INR5 crores is the average, is the term loan that you have used or taken to buy an asset for INR45 crores and the term loan was INR20 crores. So that has come down to INR5 crores and that asset has become INR105 crores, just standalone Cosmic CRF. So, you are at a great space to be in, point one.

Point two, if we do not take the wagon building. So, I'm coming back to Amzen. Amzen is the last of the last wagon building units that is available through the NCLT, IBC, BFI or DRT. There's no other wagon building unit that is available for sale. People can come and tell me Jessop, but Jessop is a political product stuck in various ways over the years and when it will get settled, who's going to take it, how is it going to be bought, nobody knows. Like One Standard was bought in, bought out by a realty firm and till date, nothing's really happened.

So, these companies that have a PSU nature have been dealt with by the political parties and have been dealt with various other agendas, take a long time to take out. Very few chances do we have where a company as expensive as this company goes into the NCLT. There's another advantage, Amzen Transportation, literally the asset is almost 2x of the value, the business and the asset size is almost 2x of the value of the debt outstanding right now, as we

speak. So, what happens is that today, they want to resolve this. They will get a good price for this. If this asset would have been like worth say INR300 crore, INR400 crores, and the debt would have been INR1,000 crores, they would have not wanted to do it because the liquidation value would have been higher than the money that you and me would want to give through the various processes of bidding.

Point three, why 100%? 100% like I said, is a by-product of this thought process. If we don't build a backward integrated formula, I already have a non-DM component, I already have casting, and I already have DM components that we manufacture through various processes in eight of SME and MSME units in my family companies that have been running for 52 years. CRF was my baby. We took it over and we realized that this is one big product in the entire puzzle.

Along with that, what do I need? I need these small products that is basically very crucial and critical for me to build the wagon very smoothly. If you realize, I will not take a name, but a very large wagon builder who just got sold to again a large wagon builder could not convert more than 150 to 160 average; in average totality of wagons per month compared to their size or their capacity was almost 3x of that. The reason is their availability or their hold on getting the components that together manufacture the wagon was almost always in a sort of limitation because they would have to beg borrow, steal from every small component holder like us and we would press them for prices and this is the way the market works.

So, for me to have a backward integration and then come in because it's a competitive market. There are people sitting there from 23 odd years. Probably the last guy who became a wagon builder in India was almost 20 years back. And that's I think if I'm not wrong is Jupiter. It was the last legit wagon builder to become a wagon builder, otherwise there's no other wagon builders post him. I think so, if I'm not wrong. So, I don't know if Orion became a wagon builder before that or after that, but irrespective, it's been more than one, one and a half, two decades. So, this opportunity will never show up again.

Point three, the debt that we are talking about, on a top line of INR1000 crore, INR1,500 crores, INR2,000 crores to be looking at, if you have a debt of INR400 crores or INR350 crores and it is sufficing to the point where you are understanding that it is not stretched on your books. It is not the interest portions will not stretch you out. Your operating margins are much higher than that. There is no reason to get concerned.

Yes, the 100% guidance that we keep giving is because we made a plan. We made a plan in 2023 when we took this over right before our listing, when we were giving our CMA data and that is when we started putting our heads into what is going to happen. Eventually, I always wanted to add a lot of things, probably merge my existing companies. But obviously, that's another detail that we can discuss on a different day. But you know, what happens is when you start making those products and you start building that up, you realize that if you do a little bit of a tweak and turn in your entire plan, it can become a perfect plan. And obviously, there's nothing called perfect plans. But obviously, your sense of execution becomes stronger and you start looking at things in a better way.

Now, just to end this entire monologue that I've been saying, the idea is if I would not have wanted to grow that way, then Arnab I would have been still making probably INR150 crores of top line, just manufacturing 12,000 to 15,000 metric tons or maybe 20,000 metric tons and giving you a forward guidance of 25,000 metric tons in the individual capacity of Cosmic Singur, Cosmic CRF Singur unit. And that would have not made me different from anyone else in the SME sector. SME is looked in a way where we are kids starting to walk and that's the truth of life. But I want to be looked at as somebody who's trying to make this a matured ground field, so that tomorrow, maybe the next year, when we are upgrading ourselves to the main board, we look like somebody who exists and is deserving to be in the main board rather than just an SME IPO.

Arnab Bhattacharjee: Thank you. Thank you, Aditya for your answer. Just one suggestion there. Yeah, my suggestion was not -- I want you to play the cycle. I wanted you to play the boom. The whole point of mine was that when the cycle ends, it shouldn't be doomsday for us. I want you to also invest in R&D. I also want you to upgrade your capabilities so that we don't fall hard, like that's the only thing.

Aditya Vikram Birla: I will just take two more minutes of yours to answer this. So, R&D, I forgot to answer that actually. R&D, so basically the R&D in the wagon industry, Arnab, happens with the component manufacturers. Nobody in the inside of the wagon builder makes an R&D separately. So, what happens is the steel manufacturers who like Jindal Steel, SAIL, Tata, they do their R&D. Like right now, Jindal is doing an R&D with a new product, which is a mixture of mild steel and stainless steel. And they're trying that in Cosmic CRF only. And in Comet and Comet Technocom are also

steel casting my units in my family. So, the R&D happens at our level.

Along with that, the Proto that we had mentioned last half yearly, when our profits short up, and by 1.5%, 2%, I said the Protos was something that we were delivering to. These Protos are basically a part of the R&D only. Along with that, the R&D happens on the STR level by the RDSO, where they take their inputs from the component manufacturers. So actually today, Cosmic CRF and Cosmic Builder Group is a component manufacturer, a big one, but a component manufacturer, not a wagon builder.

So, component manufacturer today is doing the R&D. It's not the wagon manufacturer who is doing the end part of the R&D. Yes, I do not want to be on the gunpoint of any wagon builder by saying that they don't do R&D. I'm sure they do massive R&Ds. They are massive players, very large players. But at the same time, we at our end are at a constant level of R&D. And we have to, because to be our best with all sorts of RDS on the STRs going on changing, we have to keep the R&D going.

Arnab Bhattacharjee: Thank you, Aditya. That answers all my questions. I wish you all the very best. I wish you all the success.

Moderator: Thank you, Arnab. We'll take the next question from Alok Shah and I request the participant to limit the questions to one per participant. Please go ahead, Alok.

Alok Shah: Hello sir. Sir, you had mentioned that by September '25, you are expecting that maybe a tender of 75,000 wagons would come from...

Aditya Vikram Birla: Alokji, I can't hear you very clearly. There's a little muffle there.

Alok Shah: Okay. Now are you audible?

Aditya Vikram Birla: No, you are audible. You are audible. But I can't hear you well. There's a little muffle. That's it.

Alok Shah: Okay. Shall I repeat the question?

Aditya Vikram Birla: Yeah, just repeat. I'll try and catch up.

Alok Shah: Yeah. So, during some of the Kaptify meet, you had mentioned that by September '25, you were expecting a tender from Indian Railways of 75,000 wagons approx. So, any update on that or you know anything? Maybe you can just guide me on that.

Aditya Vikram Birla: Alokji, like I said, today, usually the tendering process, if you see the past also, it's not what I'm saying, it's in the past, it's the historical data. The tendering process usually takes two and a half to three months from bidding on the tender to finalization of the tender and allocation of the orders. Three to four months at last. And also, then the PG, the performance guarantee and the EMDs and all of that goes through, all of that happens. So that four to five months is what the railway usually requires.

As per my math, today, as we sit, we are at 52,000 to 55,000 wagons and on an outstanding level with the wagon builders, starting from 2022, 2023 to be precise. So, one and a half years, they've executed 50% of the orders because India at large is manufacturing almost 38,000 to 40,000 wagons in a year. So, today, if we do 40,000 wagons, so from where we stand today, if the wheelset issue gets resolved in one month, then we are looking at resolving this entire order by June, July, August next year. If not, this gets extended because of the private wagons that the order of the private wagons that keeps coming into the wagon builders.

In that scenario, the railway will try and open the order book or will try and plan on the new order anywhere, Railway Board and the Railway Ministry, obviously, anywhere between September to December that is the quarter. So, by September, I mean, that is one quarter where they will want to come up with one order or the other, because there's a lot of pressure in the Railway Board also for new orders. So, they will want to come up with that after this issue of the railway wheelset is resolved.

Alok Shah: Thanks, thanks, very much sir.

Aditya Vikram Birla: Thank you.

Moderator: Thank you, Alok. We'll take the last question from Akshit Anjana. Please go ahead.

Akshit Anjana: Good afternoon, Birla sir.

Aditya Vikram Birla: Good afternoon, sir.

Akshit Anjana: My question to you is very simple. It is, given the ambitious growth plan and the continuous need for capital, what is the minimum ownership stake you are targeting to maintain over the next five years? That's number one. And number two is, can you commit to that?

Aditya Vikram Birla: Right. So, I will commit today only to you that by 2028, so till March 2028, Cosmic CRF will not make any further dilutions from where the promoter stands today.

Akshit Anjana: March 2028. Right. Thank you, sir.

Aditya Vikram Birla: And by that time, I'll give you a number, sir, that you will relish, and we might not have to even raise anything for the rest of our lives.

Akshit Anjana: Thank you. Thank you so much, sir. I'll enjoy that.

Vinay Pandit: Thank you, Akshit. Sir, we'll take the last question from Vansh. Vansh, please go ahead.

Aditya Vikram Birla: Please go ahead.

Vansh: Yes, actually, in the investor presentation, you had mentioned that you have order book of 550 crores. So, I wanted to know that at what rate of average utilization is that order? And if the prices of the steel go down, will that order book get affected in the numbers or it won't, it's fixed?

Aditya Vikram Birla: Sir, at the INR550 crores of order, so I'll give you a rough estimate. We have an order of almost INR65 crores to INR70 crores in the SS material, right, for railways. So, today in INR550 crores, we have almost INR250 crores from railways, ballpark, it can be INR10 crores up and down, and INR300 crores from the infra. The infra is completely MS mild steel at the same pricing that we have seen right now. It is somewhere around INR72,000 to INR74,000 at an average, not INR77,000. INR77,000 only becomes because the stainless steel comes in. And there on the other side, we have INR100 crores of stainless-steel material, basically.

So today, if we execute only this INR550 crores at a level of, say, an execution of 85% efficiency, from where we have installed capacities of roughly 1,10,000 metric tons, apart from springs and forging unit, and the engineer's unit, at 85%, sir, we are looking at 85,000 metric tons to 90,000 metric tons. Now, there's a slight glitch on that. The glitch is that in NS, you're building on the capacity month on month, month on month. So, your capacity has been installed, but you're building up.

So, you're opening one mill, two mills, and then again, galvanizing, galvanizing, second bar, third bar, the way it happens. So obviously, you will be able to do maybe 70% on NS, and 85% on Cosmic CRF. Now if I take, say an average of 75% on a totality

of 1,10,000 tons, we're looking at 82,000 metric tons. 82,000 metric tons are roughly -- stands at a capacity, a pricing of, say, INR80,000. Why not 77? Because you have INR100 crores of SS material in the place. So, you're looking at INR650 crores to INR700 crores with the scrap sales. So, that is the ballpark amount away and not including your requirement from or your sale from Cosmic Springs and Engineers, which should not operate more than 35% this year, but will operate at 85% next year.

Vansh: Okay. Thank you. Thank you.

Moderator: Thank you, Vansh. Sir, since that was the last question, would you like to give any closing comments, sir?

Aditya Vikram Birla: So, you're asking me to give you closing comments?

Moderator: Yes, sir.

Aditya Vikram Birla: I thought I am the only one who's giving comments. No, I hope I have been able to solve the riddle of why the top lines were reduced, why the PAT was squeezed, why the EBITDAs were squeezed. It was not squeezed. It is a one-time issue. I do not call it an issue. I call it an opportunity because if you don't spend that kind of money, then we cannot imagine, if you don't, we're not willing to spend INR4 crores in half a year, then we cannot even dream of having an asset worth INR400 crores. And that is almost the size of the book of the entire Cosmic CRF, Cosmic CRF with all its subsidiaries at large.

We dream big. Yes, we do make mistakes. There is no two ways about the fact that we don't make mistakes. There are a lot of people who will judge us wrongly because maybe we are outspoken, maybe we are on the face, maybe our entire team and we are moving a little hastily and fast. But bear with us. We are here to build ourselves, build this company, build this group at large. By group, I mean Cosmic CRF Limited and all its subsidiaries and all its wholly owned subsidiaries and also add value to it by buying more companies from our own accrued incomes. Like I stated, we will not be diluting till March 2028, be what come what may. I hope I can stick to my word and I will try my best.

I have always given myself a pat on my back to stick to my words. So, when somebody says that you are not as per your guidance, it hurts me internally and there is no harm in saying that I am human enough to feel very sad and very bad about what comes through in various forums and various things that people write and I get to know about it from people. We are here to stay. We are here to

build. We are here to give the best value to our shareholders, stakeholders. And yes, the idea is that today this company, I have invested my soul and blood and I plan to keep investing this next 35 years of my life. So yes, stick around and believe us. That's about it.

Vinay Pandit: Thank you. Thank you, Aditya sir. Thank you to the management. And thank you to all the participants for joining this call. This brings us to the end of this conference call. Thank you.

Aditya Vikram Birla: Thank you. Thank you so much.