



Cosmic CRF Limited

H2 & FY26

POST EARNINGS CONFERENCE CALL

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Management Team

Mr. Aditya Vikram Birla - Chairman and Managing Director

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor relations team, I welcome you all to the H2 and FY26 Post Earnings Conference Call of Cosmic CRF Limited.

Today on the call we have with us Mr. Aditya Vikram Birla, Chairman and Managing Director.

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 with the business and performance highlights for the period ended March 2026, the growth plan and vision for the coming year, post which we will open the floor for Q and A. Over to the management team.

Aditya Vikram Birla: Hi everyone. Good evening everyone. We can quickly go through -- thank you Vinay for the introduction and handing over to me. I will just take some time and run this entire presentation that we made so that everybody can have a brief as to what we want to say through this presentation. It's a long one but we will take roughly 20-odd minutes to quickly go through the presentation and then we can straightaway jump to the question-and-answer rounds. Right? Does it make sense, Vinay?

Vinay Pandit: Yeah. Yeah. Please go ahead.

Aditya Vikram Birla: Okay. Thanks. So good evening everyone once again. I'll straightaway jump to the Page number 3 of this of this presentation which states the basic of what we are doing in Cosmic CRF. Cosmic CRF started in 2022, incorporated 2022 and was listed on 30 of June 2023. Since then we started with one plant. Since then we've had four manufacturing plants. We have 14 acres of land among these four manufacturing plants.

Total 75% of the entire wagon body as well as the coach body is put together. Everything is manufactured under these four roofs. The total order book that we are carrying right now is INR760 crores which is divided into two parts, the infrastructure items as well as the railway items. The total installed capacity as on date is one 133,600 metric tons. The installed capacity standalone for Cosmic CRF alone in a single plant along with its ancillaries is 55,000 metric tonnes per annum.

And we have 65,000 metric tonnes per annum which is the installed capacity of NS Engineering Projects Private Limited. We'll come to the slide which will showcase about what NS Engineering has done in and how we have scaled up to this point, because it is abnormal in certain ways to scale up a plant which did not have a capacity of more than 12,000 metric tonnes. However, 13,600 metric tonnes per annum is the installed capacity of the third company which has two units. One is the forging unit and one is the spring unit. Both these units are in this area called Jangalpur, which is an industrial estate in West Bengal. And both of them put together carry out roughly two acres of land.

They both are individual assets. But in the same company called Cosmic Springs and Engineers which is a wholly owned subsidiary. We have one state of art galvanizing unit for which one of the main reasons why we actually stepped into buying out NS Engineering Projects Private Limited, the volume growth since last year on year-to-year basis has been 90%. The 94% growth in installed capacity has happened over the last one year. And the entire capacity utilization is 80%. Somebody asked me today itself, why 80% and why do we want to scale further, if you've just done 80% and wait for 95% or 100%? The idea is very simple that with engineering plants like ours where you have various steps and processes of manufacturing a particular item, you practically find it very difficult to cross the threshold of 85% to 87%. However, we're doing our best to cross 90% by next year of this install capacity and further on, increase the install capacity to next to next year as well.

So next slide please. Okay, so the resilient growth of the company has happened over a period of time. So basically just the slide before this, is the Chairman's address, which is my personal address. I want to highlight a couple of points which is brief of the entire deck that we are presenting to you guys today, and out of which I just touch the point and then we can go into the slides. The things that we've achieved this year is a massive asset turnover improvement that we've seen over the last few years. This year has been great. There's a margin sustainability that we've been able to achieve, which is great in size because the markets were not conducive to the extent which used to be back in '23, '24.

The execution has happened in scale and we have been tested because see, we come back from -- we come from a point of view where we have been able to execute 10,000, 20,000, 30,000 metric tonnes over the last few years, maybe 50,000 last year. But this year when you're talking about a 1 lakh, 100,000 metric tonnes of execution, that's a lot.

Keeping in mind that there are different items and not just one roof under which we are manufacturing everything or just one product for one sector. It's various sectors, multiple sectors, multiple products, more than 3,000 SKUs and multiple requirements from multiple vendors at large.

So the execution has been tested properly. The order visibility is large. We have done INR500 crores to INR550 crores last year of order visibility at any point in go. But we have started this year with INR760 crores of order visibility thanks to NS Engineering Projects Private Limited for the products that we have to supply for the infra. That has allowed us to get the order book even more robust. Yes, we have Amzen in the books which is a great achievement for all of us back home in the office as well as for everybody, all my shareholders as well. That's something that we waited for and worked hard for the last two odd years. The subsidiary integration has happened very smoothly and we are further on trying to integrate more and more of the subsidiaries in the best way possible to actually enhance the value of our shareholders, the stakeholders.

The cash conversions have also increased from last year though there are numbers like INR200 crores of trade receivables and payables and xyz. But you have to look at the number that has been achieved which is almost 80% to 90% or almost 100% growth from what we used to do in average last year. And the debt has grown much lesser in size. And when I say that, people have shown a lot of concern back home that the interest rates shot up from 6.6% rates -- the interest payment shot up from INR6.6 crores last year in our consolidated book to almost INR12.2 crores. But even then you will realize that it's only 16.9% of the top line and only 14.9% of the entire asset structure that you have.

However, that is very, very manageable in size. It's not at all a big amount and we will cover the breakup of that point by when we reach that slide particularly. The last few points that I want to mention is that we have been able to scale very high and very fast. And that is why I'm very, very thankful to my entire team which has put in day and night's effort and they plan to do this for the next five to six years at least till we are in the CapEx cycles.

Along with that, we also are very happy to introduce you to the fact that we have also got a forging unit now, which is on way -- on the way like it's underway in terms of construction and everything. But we are very hopeful by the next nine months we will go into complete commercial productions for the same.

Vinay, we can go to the next slide. So the promoter-led execution is pretty much the same things that I've mentioned. And you guys can go through these slides. But in just three lines, CRF has enhanced its capacity by setting up two new sheds also which is a 6,000 square feet shed and 11,000 square feet shed. They have made a proper CapEx of more than 30 odd crores over the year because they have had to install two new lines, cutting, slitting line separately with all the EOT cranes and all the works. Along with that, the design ability has also improved with the entire R&D space. The NS has ramped up from 12,500 metric tonnes to 65,000 metric tonnes which is almost 300%, 400% growth, which is massive. And that's happened because we kind of planned this the moment we had taken this plant on, we always felt that the plant was underutilized because of the space that it used to have. And the past promoter, with all due respect to him, he, I think was spreading out a lot of area for beautification which we didn't need. We come from that school of thought where we believe that every square feet needs to be used for something that gives you an ROI in the long term at least.

So that was the idea. And we kind of have built six proper bays of almost 25,000 to 30,000 square feet each along with the seventh bay which is almost a 50,000 square feet galvanizing bath area. And that makes us a total of almost 2.15 lakh to two 2.20 lakh square feet of covered area in this entire structure. And the six bays are specifically used so that we can handle one product for one segment in that one bay. So for example, we do crash barriers in one bay, we do poles in one bay, we do high mast in one bay, we do sheet piles in one bay, cofferdams in one bay. And then one bay is utilized for all fabrication work and then the last bay is used for testing and for inspections at large, and any sort of assemblies if required.

So this is pretty much it. The spring business is something that we have done a BTA against last year, in 2025, early 2025, the total BTA was costing us almost INR20 crores because initially it was INR10 crores. But then we wanted to buy the land also because it doesn't make sense. Because any bank coming in or any individual person coming in will want to buy the land. And we were getting a steal deal in the land itself. So we bought the land itself. That total structure became a INR20 crore business -- INR20 crore investment. The business will shoot up to with the forging and the spring business put together, will have a forward book of roughly 25,000 metric tonnes in capacity. And the average selling price of those items that we'll sell from there is roughly INR140 to INR150 a kilo. That's INR1.50 lakh rupees a tonne. So we can look at INR300 crores of INR300 crores to INR350 crores of top lines there

itself. Because you will have additional items that you'll be putting in with the items that you'll be manufacturing. Because these items are used for specific items and inputs in the wagons and the railways.

And those items are very high precision items. It's safety items. And at the same time it is required by -- it is manufactured also not in plenty. And at the same time it is a high value item. So it is given a lot of importance by the RDS and the railways. So this is the major item and plus the percentage of profits there. And the bottom lines will be much higher than the existing businesses that we're doing today.

The next slide, Vinay. Pretty much the same thing. Quickly, we'll just go through it in one or two lines. Basically the CRF had started with 12,000 metric tonnes in capacity, went on to 24,000 metric tonnes in capacity after we spent roughly INR40 crores, INR20 crores from the - - INR20 crores from the IPO that we had raised in 2023 and INR20 crores from the accruals as well as the promoter contributions, went up to 45,000 last year and then this year we've gone up to 55,000 with the investments that we were making, and also from the accruals. Like I said, 6,000, 11,000 persquare feet shared with all the R&D and the machinery works that we've done.

Along with that the NSEPL, which is the NS Engineering Projects Private Limited shot up to 65,000 from roughly 12,500. We written 20,000 because we pretty much accepted that we had achieved 20,000 in terms of operational capacity. But our galvanizing bath was still not underway in proper shape. Today it's doing roughly 24,000 metric tonnes in the entire year. So that was a big advantage that we have done. We plan to scale up to roughly 85,000 metric tonnes in the given space that we have. We've acquired a small piece of land right behind in the adjacent area of NS Engineering Projects Private limited. And that area will be the final area where the bath we will further increase, the galvanizing bath so that we can have more materials that we can manufacture and then we can do the galvanizing bath also. We don't have to go outside our shed to do the same. So that will add up almost 20,000-odd from where we stand in the installed capacity base.

Then we have the Cosmic Springs and Engineers. After the inclusion and the startup of forging unit, we will roughly have 25,000 metric tonnes in totality. As of date we have roughly 13,000 metric tonnes from 4,000 metric tonnes last year, which was there. So that was pretty much it. The total capacity today stands at 1,33,600 metric tonnes. The breakup is 55,000 metric tonnes and installed capacity for standalone, 65,000 metric tonnes for NS Engineering Projects Private Limited and

13,600 metric tonnes for CSEL. The actual production that we've achieved against the entire, the capacity that we built was roughly 1,06,370 metric tonnes against 55,000 to 56,000 metric tonnes last year which is roughly a 90% jump straight up in terms of volumes.

The financial key highlights, the one point that I would want to state more than anything you can, you guys can read this through. This is more literature than I please and I like to talk about, but this is something that you can talk about and read. This is all important from the company's perspective. But for the short concall, we don't have to go through everything that comes on screen. The only one point on the slide that I would want to mention is, last year a lot of people had given a lot -- raised a lot of red flags on the fact that INR90 crores out of INR400 crores of top line was the cash flow negative influence of sensitive operations. So the cash flow from operations was INR90 crores in negative which has become INR3.5 crores positive. Now a lot of people are saying this is not much, this is not enough. It was expected to be more. But three months back I've had people telling me that you'll take two years to get to a positive cash from operation side. We've done this with the thought process that we've been able to actually achieve this basically because we pushed hard for the INR90 crores that was outstanding and was not coming into the books for quite some time.

There was some outstanding incomes that were supposed to come in, the trade receivables to the tune of almost INR40 crores, INR50 crores, INR60 crores, even in the last quarter, last to last year, like 2025 March, that balance sheet, and we pushed hard. If you remember the first quarter, if you see my, my GST numbers also, you'll see INR120 crores was my top line on the first quarter because we didn't have the rail wheels as well as we didn't have those kind of situations where the outflow was much lesser than the inflow -- also the inflow was much faster than the outflow because we were not giving in or pushing sales and pushing the tonnage at that point in time. We were building the, the procedures. At that point in time we could cover this entire INR40 crore, INR50 crore, INR60 crore gap. And eventually we were in a situation where we could mitigate and bring in more cash than the cash that we actually let out of our houses.

The next slide. Okay, so this slide basically talks about a couple of things in juxtapose but let's just touch the base. Again, the cash flow which is a point that needed to be spoken about. We've gone positive in operations in just three years of being alive in this market, and just within the three years of our existence. There's a rapid asset integration

that's been happening. My concept about asset integration has been very simple from day one.

We've tried to have a backward and a forward integration in a word, so that the day we are calling ourselves or in standing in a situation where we can manufacture wagons and coaches together, we don't have to actually go to people's houses and beg borrow steal, for the items and the components for which 90% of the wagon builders face the issue. Because 90% of the wagon builders if said B, they have capacities of 500, 400, 600 wagons per month, but they are not in a position to manufacture 200, 300 wagons at an average also. The reason is very simple. You need more than upteen number of components, more than 1,500 to 2,000 components, small, big size, all sizes components. And those components when they come in, you have to go to literally 20, 30, 50 vendors and then get those components from different, different workshops, different factories, different MSME units. And that becomes a huge challenge. Till such time you don't get a kit for making a wagon, even, even one hug bolt missing will not allow you to get the DM and your money will get stuck. So that there's a cash flow issue then there that happens.

For me this was most important because profit centre can be one but the rest of the centres don't have to be cost centre. But you need to that kind of backup in terms of backward integration to be a successful wagon builder at large. We can't go the other way around for me because now the wagon building industry has seen the upside of 70,000 to 90,000 wagons coming in, in 2021-'22. So we will not be having the time to wait to rebuild ourselves against the industry because the industry will move faster than what we believe in.

The third point was the R&D which is absolutely impeccable in my eyes because otherwise we wouldn't be able to do almost 3,500 SKUs in various segments. The high utilization focus, obviously we've been doing 80% to 85% of the utilizations. There's a disciplined NCLT that's happened. So this is a topic that we'll talk about in length. And also a lot of people here in this con call will want to know about the experience that we've had over the last 1.5 to 2 years. And a lot of things have been said, a lot of things have been speculated. We will put all of them to rest today. That was one thing that we won. And today we can, with all the grace of the God Almighty we can say that yes, we've been able to achieve the success through hard work and through a proper strategy and not being in the wrong side of law.

Most importantly, there is an LOI that's pending from the Amzen and that's going to be the highest point of my career at least. And also for cosmic CRF's run till now. Along with that for NS Engineering we plan to bring the entire 26% that has been outside because Cosmic holds to 74% of the NS Engineering and 26% is held by a couple of investors and group companies. Basically, why? Because when NS Engineering was being bid for by Cosmic CRF in 2024, Cosmic CRF did not have the net worth of INR50 crores. So in 2023 we had to put in our papers right after -- right before the IPO and we did not have the net worth.

So they asked us to bring in some people to make a consortium and for that consortium we had to give 25%, 26% to the consortium partners. And due to which that is outside the periphery of Cosmic CRF which we plan to bring in, so that we can consolidate the entire holding in the company that owns NS Engineering Projects Private Limited. Along with that, there is a huge fungibility and versatility in the procedure that we manufacture products with today. NS Engineering Projects Private Limited is an infra unit prima facie and Singur unit of Cosmic CRF, the primary unit is a railway unit. But however, both these units are made in such a way with the rolling strength and with the galvanizing strength, with the fabrication strength, with all the works around it that 80% of the entire strength can be converted to infra and 75% of the entire strength can be converted into railway whenever and wherever required.

So if tomorrow anybody feels that infra is going to have a slowdown because all of them are cyclic to a certain extent. So once it's cyclical in nature, like today, we've seen a, the loss of tailwind in the railways over the last 1, 1.5 years. But there's no point in crying over spilt milk because we all know it's cyclical in nature. It's India after all. So we realize that you have to have some sort of thought process to build and actually manage this entire leverage point of managing on two scales. And that's what I've been speaking about over the years.

So this is the strength that we have tomorrow. If God forbid, Infra goes into a kind of a slump or maybe a cyclical slowdown for maybe two, three years or maybe a year or maybe no, but whatever, at that point in time we can completely convert to the requirement of the railways. Either one will work, that is for certain because obviously the government has a huge focus on spending on both these infra points. That's railways and infra projects at large.

Put together we have pretty much spoken about everything about the tonnage and everything. So Vinay we can go to the next. This is about

us transforming from CRF section manufacturers to a complete ecosystem. Today to manufacture a wagon you need pretty much five main things. The wheel set which no one manufactures today practically. Jupiter assembles to the best of my understanding, even if it manufactures, we still buy majority of our wheel sets from Kapurthala and majority of the times we might be importing it also. So at any point in time, wheel sets is not a not something that we have to consciously think about. It's available to everybody at the same price. The steel is sold by Tata Jindal and sale at the similar prices at the same prices. Just INR500 here and there or INR1,000 here and there depends on the quantity that you buy. And it's widely available. And we've been also buying it over the last four to five years.

So that's not a problem. If you remember like if you kind of remove those two units so the other than that, you need CRFs, you need the non-DM items, you need DM items. DM means the dispatch memo items and also the items that are under the periphery of the inspection of the RDSO or its rated or approved bodies. So the DM items or non DM items which is fabricated in nature, we are manufacturing them as well. The CRFs at large, which we are proficient in. Then you have the other fabrication parts which can be done in NS as well as Singur.

Other than that, you have the springs which is required for your bogies and for your suspensions. And then you have your forging items. A lot of these casting items have been converted to forgings and casting, yes, I often feel that if we have one casting unit in this entire portfolio, there is nothing else that will be left with. So yes, we are now converting ourselves from a CRF section unit alone to a fully integrated wagon ecosystem that we can build on.

Yeah, the next. Yes, my favourite slide that everybody want to talk about, something that I also wanted to mention. Thankfully we achieved what we had to. This battle started in 2025. 2025 was about the fact that we were approving, we were approaching the CoC members and the RP at Amzen Transportation Industries Private Limited, a subsidiary, one of the largest subsidiaries of Amtek Auto and a company that was initially called Amtek Railcar built by the JV of Amtek Auto and American Railcar. It however went into the NCLT for various reasons that the Amtek Auto promoters were involved in. However, that's not a conversation we want to get into.

The conversation that we must have is we bid for it. We became H1. Post that the bidding stopped. And then came allegations. Allegations of me individually with my family being under the pretense of debarred

from the process of CRP and the NCLT under section 29A, A to H. Eventually there were a lot of reports being shared. A lot of people took a participation in actually blaming us for having participated in such places where we are not eligible. And the NCLT got a chance to hear us out. NCLT gave us a verdict where we were through and we were given a chance to pro proceed with the CRP procedure.

However, again the H2 bidder with it's -- with his members and, and friends and family probably stepped in and again filed a case against us in the NCLAT. This happened in January and February in 2025 and that came as a shock to us. And we were suddenly having to proceed with the NCLAT submissions. The NCLAT submissions went all till May and June. Again that point in time we were stopped throughout the process and after two weeks or three weeks there was an order that came out -- after a month that there was an order that came out and that said that I was ineligible. That ineligibility stood on my ground. I went with my team to the Supreme Court and asked for a chance to be able to explain the NCLAT how they are wrong with understanding or interpreting the law. And I'm not ineligible to which Supreme Court gave us a chance. They sent us back to the NCLAT. The NCLAT heard us again over seven months and eight hearings. I could not convince the NCLAT for some reason or the other, for whatever reasons best known to NCLAT and God, we were not eligible at that point in time. And the order was pretty audaciously against me which said that I am not eligible.

At the same time it was posted to the IBBI for investigations and things like that. However, we saw complete -- there's a problem, there's a problem with the order. There's a 194 page order which did not make sense to me at all to a certain extent. And with the law that I understand and my team understands and my counsels understand. Again we went to the Supreme Court and, under the guidance of the Honourable Supreme Court we filed all our documents, we filed all the papers and all the submissions were made, the applications were made. After three hearings, by God's grace, we were declared as eligible. The order said by the NCLAT which stated three things. My ineligibility, the fact that there was a new Form G where new players would come in and bid for it, which they did. And then the fact that they can go ahead with going ahead with the CRP process with the new players as I was ineligible was set aside in totality.

So the entire order of the NCLAT, along with its investigational requirements from the IBBI was set aside and there was nothing that was kept back from the NCLAT. So that was a clean order that was

given to us. I was stated as eligible and to be taking part in the CRP process of any of the companies along with most importantly Amzen Transportation. And then further on this further leads to me now being the only H1 and we are awaiting the CoC that should happen any point in time. And moment CoC happens, by God's grace, we will achieve the LOI where we make the payment and we'll take over the asset.

So this is something that is a big move for us and it's God given and at the same time congratulations to all the stakeholders also for being able to take over something like this. Believe me, when this asset starts in production, you all are invited to come and see this asset. I saw it for the first time. I've seen all the railway assets and believe me, this is something that you'll fall in love with. It is not something that, that we often see in India, an asset like this. So that is what it was. Pretty much this is what the overall thing is.

Just two more things about this Amzen asset. It is into three businesses, not just wagon manufacturing. It manufactures all types of wagons starting from open top, covered wagons and most of the wagons that they have licenses for all wagons. Plus they are also in the manufacturing of bridge girders and bridge fabricated items to the tune of 20,000 metric tonnes as per RDSO and RDSO approved as well. And also they have the strength of putting in Capex and rising from 3,600 wagon capacity per annum to 7,200 wagon capacity which gets it to almost 600 wagons per month because they have the DFCC line also running parallel to the asset. Along with that they have almost 1.5 kilometres of internal siding and they also have the Northern IR, the northern rail line also for the Indian Railways running parallel to the DFCC right beside them. So it's a beautiful asset and it is absolutely on the point. Like they said it was the right property and the right asset. We would have had to take years to build something like this.

Along with that we are also planning to move into manufacturing of sea freight containers. And there's a reason for that. The reason is you need similar amount of equipments, machinery to manufacture sea freight containers that you need to build pretty much all the items that are mentioned in the Amzen portfolio. So we'll get into that as well because they've got massive space there and we'll be able to manage that. So that'll add to the top lines and bottom lines also and the product diversity. So that's pretty much about Amzen and we can go into the questions whenever we want to once we finish the entire layout.

So Vinay, we can just go to the next slide. The key financial highlights on the consolidated balance sheets and the top lines were the revenue

basically shot up on the half yearly '26. The second half basically shot up from INR232 crores to INR412 crores which is 77% in year-on-year growth. The EBITDA shot up by 81% year-on-year and net profit shot up by 128%.

The next one. The revenues in consolidated, in year-to-year basis shot up by 78% year-on-year. The EBITDA shot up by 77% and the net profit shot up by 74%. The key highlights, like I mentioned was 130,600 metric tonnes in installed capacity. 1,06,370 is what we've achieved in Cosmic Springs and Engineers, in Cosmic CRF standalone as well as in NS Engineering Projects together with an order book in spending now for INR760 crores. The actual productions that have happened away from the installed capacity that we've been talking about is 42,690 metric tonnes.

There's one question that I asked myself and I would like to also answer this to you, even without you guys asking me, that with 55,000 metric tonnes of capacity why would you only do 42,690 metric tonnes? The only answer to that is that we've achieved the capacity. So when you achieve the capacity, it's not like you -- this year we should do, if order books are great and everything execution goes fine, you should touch roughly 88%, 89% which is roughly 48,000 to 50,000 tonnes in totality, in standalone, the NS Engineering Projects Private Limited is 56,380 out of 65,000 and NS -- CSCL is 7,300 from the 13,000. The reason is very simple. We are awaiting the RDSO license. We've already finished 75% of our testing periods that have been done. Hopefully fingers crossed, if everything goes smoothly, by God's grace, we will be able to achieve the RDSO approvals by next month.

The capacity expansions for growth is simple. The dedicated freight corridor items for the heavy bridges and the road overs as well as the bridges, the bridge parts have all been a part of the things that we want to grow into with the assets that we are building onto, specifically Amzen. Amzen will have a lot of space, a lot of equipment that will enable us and the licenses to build these things. Also NS can also help us in some bit or the other in these products. The forged components obviously will come through the forging unit that we are setting up. It's also going to be a state of art facility and it's going to be set up in the next nine months. Along with that, the casub springs that we are talking about over the last one, one and a half odd years, the spring unit is set up now.

The spring unit has only been delayed because of the RDSO license that has been pending. But that is something that anybody from the railway

departments or anybody who has been in railway businesses will understand that this is something that is a challenge because this is an industry that doesn't want quick entries. And when I say that's an advantage for you, being a CRF unit, that's an advantage for them as well. But because you've been in the railway business and your family's been in the railway business for quite some time, you've been able to make headwinds towards it.

Plus, like I said, a liquid metal initiative is something that we've been talking about over the last one year. Amzen is something that I wanted to complete first. Once I do complete Amzen, and this will be our next point of attraction, a point of complete focus. And we will get a liquid metal initiative inside -- a liquid metal unit inside the entire foray of our products, inside Cosmic CRF as one of our subsidiaries. The future items of the existing units like 7,500 containers of 20 feet, 40 feet, the capacity should be 10,000. I hope we'll be able to do 8,500 to 9,000. But let's say 7,500 will be fair to say right now. The R&D is done towards it and the R&D for the defence sector, starting from the wagons required for the defence, along with the export wagons, the wagons that are required for defence in the exports will also be touched and some parts and some components that we manufacture in some other companies in smaller quantities, which is outside the periphery of Cosmic CRF will also be bought in inside Amzen.

The wagons today as we have the licenses that need to be reinstated will be 3,600, which further if CapEx into over the next two years will go up to 7,200. Repair and maintenance of wagons is a big business. We have 4 lakh wagons on the tracks today, out of which 1.5 lakh wagons have roughly 12 to 16 years before it comes into repairs. But we still have 2.5 lakh wagons which needs constant repairs. So that is something that will also be a part of it, part of our journey, part of our top lines, part of our revenue streams, part of our workability also, because in the northern rail lines we don't have many, many players compared to the Eastern rail lines where we have almost eight wagon builders. We have very few wagon builders there, and we'll be one of the largest ones there, standing and sitting and doing work there. So this is also one of the revenue streams that we'll be touching base on.

The way forward, like I said is we will be able to do 175,000 metric tonnes in totality with NS Engineering, in totality in terms of volume with NS Engineering, with Cosmic CRF, with Cosmic Springs and Engineers forging division and Spring division. We have done -- we have already installed 133,600 metric tonnes in capacity and which will go up to 175,000 metric tonnes in capacity. However 170,000 --

175,000 to 190,000 metric tonnes in capacity depends on the efficiency, depends on any other land asset machinery that we come across over the years next to 1.5 to 2 years. However when we look at this, 65 in standalone capacity, 65,000 tonnes will be achieved in CCN and 85,000 metric tonnes will be achieved in NSEPL and 25,000 metric tonnes in CSCL by the next 12 to 15 odd months.

Post that, when we talk about 12% volume growth, when we talk about 27x volume growth, 12% as in 12x volume growth, 27x volume growth, the math is very simple. We take our starting point from 12,000 metric tonnes in CRF when we started, to today where we are talking about 135,000, 140,000 metric tonnes which is almost 12x to roughly with 150,000 metric tonnes of capacity coming in with Amzen, you can talk about 27x, because you'll be touching 350,000 metric tonnes per annum in capacity in fabrications and in production. So this is pretty much it. The rest of the ones you guys can read it up.

We can go to the next. So our journey till now like I've said is 2021, we started. In December 2022, we kind of took over the asset of Cosmic CRF and we got ourselves listed in 2023. 2024, we took over NS. 2025 we finished our BTA. We also got into forgings, we also got into capacity enhancements and we also bid for Amzen.

The next one. I think someone raised a hand, I think

Vinay Pandit: That's okay. Should we move on to the Q&A now?

Aditya Vikram Birla: How many slides do we have left? If people want we can go on to the Q & A Because the rest is all it's all literature that people can read. So it's okay. We can move.

Question-and-Answer

Vinay Pandit: Yeah, so we'll move to the Q A now.

Aditya Vikram Birla: Yeah, yeah,

Vinay Pandit: Yeah. [Operator Instructions] We'll take the first question from Vimal Gohil. Vimal, you can go ahead please.

Vimal Gohil: Yeah, thanks. Thank you so much for the opportunity. I have two questions sir. One is a data point one. If you can help us with the revenue and volumes of springs and forgings, the breakup for F26, that will help.

- Aditya Vikram Birla:** So we already have that. In the volumes, in springs we have done roughly 2,300 tonnes if I'm not wrong, in totality. The total with fabrication and steel is roughly 4,000 to 5,000 on metric tonnes. In totality, if you see our installed capacity today stands at 13,600 metric tonnes. And we've been able to achieve 4,500 to 5,000 metric tonnes. In FY27 this will go up to somewhere around 10,000 to 12,000 metric tonnes. By FY28 you will be achieving roughly 22,000 to 23,000 metric -- 23,000 metric tonnes in totality.
- Vimal Gohil:** So the break for springs for F26, you've done 2,300 metric tonnes, is that correct?
- Aditya Vikram Birla:** We've done roughly 2,300 metric tonnes and some fabrications as well. We've done a totality of roughly 4,500 metric tonnes. 2,300 is the springs and the rest is fabricated steel.
- Vimal Gohil:** Right.
- Aditya Vikram Birla:** We've not done forging yet, because forging's not started yet.
- Vimal Gohil:** Fair enough. So basically I'll take 4,500 as our total volume.
- Aditya Vikram Birla:** Yeah, you can do that.
- Vimal Gohil:** Understood. And the revenue thereof for springs, how much would that be?
- Aditya Vikram Birla:** INR67 crores.
- Vimal Gohil:** INR67 crores. Fair enough. And sir, if you can just comment on the margins because we saw some dilution this half. Of courses raw material prices are under pressure somewhat. Because of the raw material prices what is the pass through that you are looking at in -- looking to achieve in F27?
- Aditya Vikram Birla:** Vimal, you raise a super point. Actually I'll tell you what has happened. In that INR67 crores we've only made a INR1.5 crore. That's it. The reason is very simple. Though that industry gives you a turnout of more than 15% odd. But till such time you don't have the RDSO license, you're selling to only traders and to players in the market who don't need RDSO stampings and who need these basic springs for other purposes. You're actually not officially selling to the railways or the wagon builders at all.

And these springs are actually bought by wagon builders as well as by bogie builders because they set it up. It's one of the components of the bogies just before you set up the wheel sets. So the idea is the moment you get the license, which I said, which we should get by next month hopefully, your percentage margins on the first part will shoot up to approximately 10% and then going up to almost 15% to 18%. And I'm talking about PAT, I'm not talking about EBITDA. So that's one part.

Vimal Gohil:

The spring business has not made any EBITDA because we have not supplied to the railway directly is what you're saying.

Aditya Vikram Birla:

Yeah. We could not actually. The issue was that we wanted -- once you set up the furnaces and once you have the furnace oil put in, you have the entire team there, if you do not run the show for whatever it's worth, then the team will leave you and go. And getting these teams is a very big challenge here, very big challenge. So the issue was that we had to keep the plant rolling and running from day one. We've been waiting for the license for over six to eight months. And this has been a story. If you ask anybody in the departments of spring in RDSO Lucknow or in Calcutta, they'll tell you that there are more than four parties out of which two parties have given up. Two parties out of which one is me. One is another ex party who's also wagon builder who's trying to set up spring. So we too have been at it and we two are the only ones who've been put into testing after eight months of trials. So that's been a challenge which we've been facing over the last six to eight months. That's one point.

So that's weighed into the top lines and bottom lines. There's one more reason, I'll tell you what has happened. So last year when we look at the numbers in consolidation we look at INR29 crores against 401 crores, right? So now just, just what we can do with that math is just remove INR5.9 crores from that math. I'll do the math with you here. So if you remove INR5.9 crores from -- just give me a second. So I've done it somewhere. So fair enough. So basically INR29 crores minus INR5.9 crores which is the exceptional profit that you gain from the NS takeover, right? Add INR1 crore because you wouldn't have had to pay the tax for it. So roughly you're at INR24.1 crores of top line -- of bottom line of PAT divided by 401. You were at actually 6% and not 8.5%.

Coming back to this year you have had to do INR50.6 crores roughly and then you are doing roughly against INR722, which is making you look at 7% on PAT. Now there's a reason why we have lost out INR8 crores on the bottom line. What is the reason? There were three main

reasons. One is the spring business weighed you down because of the average profitability, you have just earned INR1.5 crores from INR67 crores -- INR1.70 crores, which has brought you down to a certain extent the average weighted averages. Point two is you have to carry out, or carry that load of the entire Amzen belt strength for the last nine months. Because these guys are all KMPs that you had to take from various wagon builders but which once left, if you leave them today they'll go back and then tomorrow they might not -- you might not find the right fits for the Amzen. So you have to carry them. So I was prepared to be in a position to take over Amzen when we were doing pref last year, so that we could have gone and done it in one go. But however the situation that we had to go through because of legal issues.

Thus we carried them, which is a cost of almost INR2 crores, INR2.5 crores that beat us down. The third was again Amzen, which is the cost that we had to bear for the legal issues. My auditors did not allow me to CapEx it or put it on escrow for Amzen to pay to us. They said, , if you want the money from Amzen, you bill them later and tell them to give you the money, on a jovial note. But reality is that CRF was the easy owner of Amzen and they had to pay for the entire legal rights. Also there was a slight clause around it that the offer -- that the case did not say take over of Amzen. It said Myotic versus Cosmic CRF for which it's a battle that Cosmic CRF has to fight. And there's no way we can CapEx it in our cost. So that cost also weighed us down. In totality we lost out INR8 crores on the bottom line because of the added expenditures that we had to make almost of INR10 crores on the expenditure base.

Vimal Gohil: Fair enough. Thank you. Thank you so much for the clarity. All the best. Thanks.

Moderator: Thank you. We'll take the next question from Arun Ramabhadran. Please go ahead. Arun?

Arun Ramabhadran: Yeah, hello. You can hear me?

Moderator: Yes, yes,

Aditya Vikram Birla: I can hear

Arun Ramabhadran: Yeah, yeah. Hi sir. Firstly, many congratulations on the Amzen win. So I think this is what some -- everybody, all of us were waiting for. So it's a huge win for all of us. So many, many congratulations. One quick question relating to this. So the order says that we have won this thing,

right? Like the right to be bidding. But it doesn't say that -- I mean, does it mean that it can -- I mean nobody can bid again for this. I mean we will be the only bidder or I mean this closes the chapter or could there be any loophole in this?

Aditya Vikram Birla: Okay, so I'll explain this to you. So the order will always say what you have asked for. So for example, if you ask the court that, sir, I am not ineligible as per 29A. So my eligibility needs to be proven and the process that's been taken up by or been asked to or been instructed by the NCLAT needs to stop. So that is why Supreme Court first, after the first round of hearing gave you a stay on the process that was going around on the second round of bidding against which the Form G were out and the offers were also in. Okay.

Point 2. You asked for 29A. Supreme Court believed that yes, you are okay and you're good to go for it. So 29A was gifted to you back that yes, you are not ineligible against under 29A now and you can go and bid. Now these two points put together gets you back into the trans of point one, which is on the day NCLAT came into the picture and actually asked you to step aside from the bidding, that day, you are the H1 bidder and the CoC had approved you as the H1 bidder. They asked you for a resolution plan, the final resolution plan, which you submitted. And you were in the verge of -- basically you were in the terms of negotiation with the CoC and the RP. That point in time this order of NCLAT came.

So everything stops on that day. The law of the IBBI and the IBC says that anybody who is an H1 bidder, if he is not removed under the 29A pretense, then will remain as the H1 bidder and will finally turn to become the resolution, the final resolution applicant who takes over the asset. Now, if we take out the entire juncture or the entire episode of NCLAT and you take it off. And how do you take it off? By asking the Supreme Court to set aside the order of the NCLAT. Supreme Court did the same. But the Honourable Supreme Court set aside the order of the Honourable NCLAT. That means whatever NCLAT ordered against you, for you, against you, against the procedure, for the procedure, whatever it was that nine months is gone. So nothing during that order holds good. Thus the CoC now as per the law book and as per the means of the IBC needs to rewind, scrap out the entire Form G and all the resolution plans that they received. They need to give back the EMDs to the people who have filed their resolution plans and come back to me and ask me for the final negotiation against the invoice. That's it. There is nothing else that can happen in this structure.

Arun Ramabhadran: Thanks a lot sir. This is very helpful. Thank you for the detailed explanation and many, many congratulations. Just one follow up question, sir. Recently there is a change in the government in West Bengal and there are a lot of reports coming in that a lot of expansion is going to happen in that belt especially so is there any additional orders we are -- I mean we are thinking of? Like there could be, I think metros or bullet trains or many new things that might be coming up very fast.

Aditya Vikram Birla: Arun, I will not. We have a certain amount, number of things. Like just out of this context, I'm telling you last Saturday and Sunday I've been with the government officials only working on all this out. Believe me, on a Sunday from 9 o'clock we were at the house of the decision makers and deciding what -- like whether we can participate in these things or not. We will be participating in a lot of them. That is one of the greater, greener, cyclic. If Amzen was not something that we -- that was not in our syllabus as of now, then I would be talking about this change of the government in our state is only because after 40 years people are talking about growth stories and this government that has come in is a government that probably will have to build Calcutta and West Bengal because of the fact that there's a lot of scope of growth.

When you talk about a Bangalore or a Bombay or a Pune or a Chennai or for that matter of fact a Delhi compared to a West Bengal, any city, including Calcutta, there's a massive scope, massive scope of growth. So you will have the items, I'm telling you that you go in, you'll have the poles and the high masts that will go in. You'll have the angles and structures that will be going in for fabricated steels, for all the development that they'll be doing, starting from Metro to bridge building to crash barrier to NHI which is a central body. Again the centre is the one which is ruling West Bengal as on date today. Along with that, the development of the entire Bengal at length will need cofferdams. You have the Ganges here. The dredging hasn't happened over the last two decades, as far as I am concerned. You don't have deeper ships coming into the Bengal port ever because of the non dredging item issues.

Along with that, you need the cofferdam products. You'll need the sheet piles. You will need the crash barriers and the tested barriers and any sort of product that they will need for infra we can build it with the pace of items that we have or the number of machines and the know how that we have about the engineering of these products over the years. So we will be completely involved and there'll be constant updates that you guys will be getting regarding the orders that we'll be getting very soon from the West Bengal government as well as the parties that will be

working with the West Bengal government. The larger players who will be giving orders to smaller subsidiaries like us.

Moderator: Thank you. We'll move on to Hanu Rao. Please go ahead.

Hanu Rao: Hello sir. Good evening.

Aditya Vikram Birla: Hello Hanuji. How are you?

Hanu Rao: I am good. I'm good. Thank you sir. First of all, congrats for the positive judgment. And next one, more congrats for the good set of numbers.

Moderator: Thank you. Thank you.

Hanu Rao: Yeah. So I have two questions, sir. So the first question is, everyone is asking about Amzen. So with respect to Amzen, I just want to know the exact timeline like preparation of the factory once you get the LOI and then your start production, the timeline, if you have any guess of what, how exactly it can happen. That is the first question. And second question is like previously we have around INR70 crores to INR80 crores of debt and right now we moved around INR130 crores of debt. So going forward you have Amzen Structuring and also some liquid assets. So you have any other plans to take more debts or how you are well managing -- how you want to manage the debt management? I want to know.

Aditya Vikram Birla: Okay. So like I said when I started this conversation. Okay, thank you. So basically I'll answer the debt part first and then we'll go into the Amzen bit, okay that works? So the idea is I was telling you about how -- right in the beginning of my conversation, when I started the PPT, I said the debt even today is lighter. When we compare it to the past year, we kind of see that. Okay, you know you have INR6.6 crores of interest that you paid against INR12.2 crores of interest this year. The reason is you had only INR50 crores to INR55 crores of debt last year and you were paying 10.5% of interest. The interest is also a big issue here. The interest has happened because of Bank of India, which is one of the first banks that funded us. Now their cost of funding is much higher than SBI or any of the scheduled banks for whatever reasons best known to their management.

However, Bank of India today we could have let them go. We have a lot of bankers who are ready to come into Cosmic CRF and any of our companies. The reason why we didn't let them go is because of the association, association that we've had, a long standing association with

Bank of India. And why did we have continue the association at a cost of INR1 crore per annum for the last 1, 1.5 years is only because we believe that they understand us very well. They've been working with us. They took a shot with us when we were not so big and not so well renowned. They are one of the main people who want to finance and fund Amzen also. So that is one of the reasons why we had them in the book. If you remove that INR1 crore goes out of your interest.

Now we talk about INR11 crores. What is the breakup of your debt? Your debt breakup is the INR6 crores that is due of the INR20 crores that was taken to take over CRF in 2022. That INR20 crores is now standing at INR6 crores. Other than that you have INR30 crores of debt that you took against NS Engineering Projects Private Limited. You put in INR75 crores, you took in a debt of INR30 crores. And that's about it. So your cost of the project was INR105-odd crores in totality. That INR30 crores. So put together your term loan is only standing at INR36 crores against an asset book of more than INR500 crores.

Other than that, when you talk about the total debt in working capital, you've pulled out INR722 crores of top line with let's say 12% of EBITDA margins, at most with depreciation being added at 3%, 4%. So let's say we remove 15%. We're talking about INR613 crores. When you divide that into an average turnaround ratio of my book, which is 2.84 times, you're looking at roughly a requirement of more than INR220 crores of working capital to achieve INR700 crores. Now INR220 crores of working capital. I just have INR84 crores of working capital with me from the scheduled banks, which is SBI and Bank of India. That's it. And that fund is-- and I'm carrying on with raw material, trade papers, receivables, all put together with a working capital of more than INR200 crores which is funded by your accruals. Because you funded the CapEx cycle through your pref money, through your IPO money, through your interests that you regained and also through the interest and through the advances that you got from parties.

You worked out the working capital bit from your own accruals. So that is why your debt is smaller in size. Compared to me, any of our peers, everybody's working at 25% to 30% debt on the top line which is coming up to INR150-odd crores at the minimum. Rest can be your margin. So at INR150 crores we are INR80 crores short of what we were supposed to be -- what we should have taken in debt. But that's why we are debt light, point one. Point two is if you compare your debt against your top line, it is only 16.8% to 16.9%. If you compare your debt today, your total debt with your term loans which have been carried

out from '22 onwards, you're looking at 14.9% of the total asset book is your debt.

So your debt is not actually heavy, it is actually lighter compared to any of your peers at the word go. Go along against that today if you do not -- if you wouldn't have wanted to grow at the scale that you're growing, then you wouldn't have had to put springs, your forgings and you wouldn't have had to scale NS Engineering to that level also. You would have saved a lot of money at that point in time. Even if you wouldn't have raised your INR160 crores in the pref and warrant of INR51 crores also, the INR200 crores would have been out, out of which INR36 crores is yet to come in. So practically you have a book of cash which is INR150 crores plus INR20 crores that has been given on the outside as a plan B if Amzen would have been delayed. So INR170 crores of cash you're carrying against a debt of INR80 crores working capital which is backed by all current assets to the tune on the current asset today stands at roughly INR200 crores.

And the term loan debt which is the actual debt, it's only INR36 crores. If INR36 crore divided by INR555 crores, so INR36 crores divided by INR555 crores, you're looking at 6% of your entire asset is just debt. The rest is all your money, your company's money. So debt is not much. Now coming back to the second part of your requirement. We go into Amzen. Amzen is a project that will cost you INR400-odd crores, give and take INR10 crores here and there. Because you want to build it to 7,200 wagons an annum. That is the build-up ratio. We'll not wait for it. We've never waited. We won't wait for it, because on a bad cycle, if you build, you'll make hay while the sun shines, when it's a good cycle. Against that you have INR170 crores to INR200 odd crores you'll build up. You'll take a loan of INR200-odd crores. Do you need to dilute if that is something that is there in everybody's mind? See, dilution will only come if we have something more than this. This is funded for. If we take a INR200 crore debt against an asset of INR550 crores, that does not hold much issues.

Along with that, now let's make a small let's -- let's just simulate something which is very exciting to me and I can talk about this. People talk often about, I can read reports and they say that the ROC and the ROE as well as the CAGR is lesser compared to other companies in Cosmic CRF. That's only because you're in the CapEx cycle. You are growing faster than any of your peers and any of the market players who have been with you. Yeah, there might be other players who are growing much faster than you. I don't have a clue of all of them, but most of my peers. When we talk about that, think about it this way.

12,000 to 140,000 metric tonnes, INR40 crores of asset to INR550 crores of asset. Total balance sheet value of INR64 crores to INR820 crores of balance sheet value, which is kind of a huge jump. It's a humongous jump. But along with that, your debt remains on term loan only for INR36 crores.

Now if you take INR200 crores today and you add up all the money that you bought -- got from the pref, your accruals, the money that you got from the IPO as well as the debt put together, away from the working capital, because working capital is funded, your PAT, in 2029, as per my understanding, against a debt of that nature, add another INR200 crores, INR250 crores and add all the money that we've raised till now and add another INR200 crores of raise that probably we will do in the next two years. Like I said, in 2027--28, FY28. Think about it this way. The totality you will be standing at 30% to 35% ROC. And this math I'm giving you as a forward book. Now if you kind of back calculate it, you'll be able to understand what the numbers that I'm trying to say.

So let the economies of scale flow out, let the entire value of the engine, of the growth engine pop out. And I'm telling you, we will all see something miraculous.

Hanu Rao: Thank you. Sir,

Aditya Vikram Birla: You had another question? Sorry, you had another question?

Hanu Rao: Timeline, timeline of processing and start of the production

Aditya Vikram Birla: What our team has planned is that hopefully by God's grace, the moment we get -- so I'm not putting on a date, but let's say next week. Say, let's say by June we finish our LOI and everything. Then July, August, September is something that we will be working out internally for all the DVs for all the bank fundings, for the -- all the clearances that we need to get from the statutory bodies and XYZ for the complete takeover. And by that time you'll also get the people who have to have -- get the repairs and the AMCs in place for all the machines that have been stopped working or not been functioning over the last two to three years and the repairs and maintenance costs and everything. Everything will be worked out in the next 90 days from the date of the LOI, the moment it's done, from there, so let's say June, July, August, September.

Hopefully Hanuji if everything completes by September, October, we can do everything, we can start our first commercial production by

April, May -- by March, April, May, anywhere between that depends on God and efficiencies. But not more than a year from where we stand today.

Hanu Rao: That's great, Adityaji. Thank you.

Aditya Vikram Birla: Thank you.

Moderator: Thank you. We will take the next question from Sheo Narayan. Please go ahead.

Sheo Narayan: Sir, I have one question.

Aditya Vikram Birla: Yes.

Sheo Narayan: So sir, you said that you just now answered the half of my question that probably it will take one year time, next March, April in order to get some kind of top line, bottom line from the Amzen. So do you think that, do you think that this LOI from CoC and all these process will take so much of time, about one year time.

Aditya Vikram Birla: No. So basically I'll tell you what Narayanji. The process does not take that much time. Your factory is pretty much installed. The repair maintenance will take a mere 60 to 90 days at its best ability. Why? There's a reason. So there are two reasons also. The benefit of having Amzen is most of your items are basically American made -- made out of American companies make or makes of Germans. So these ones, once AMC contracts are freezed, they will hardly take time. They will not beat around the bush. They will send their team and they'll finish it. So that is 60 to 90 days in TAT in totality.

And the bad part is that there are so many machines and there's a humongous asset that we need to rebuild. So I'm keeping two months to three months in hand. So we should complete this by December, January if everything is handed over to me by June. However, if the delay in handing over, any sort of procedural delay it's India. Procedural delay cannot be controlled. Last year I should have taken Amzen out. But that's how it is. But I'm happy God's been kind. We've got Amzen finally. So the idea is, I think we should keep one year. But if very positively we think and God's with us and everything is graceful, then probably nine months.

Sheo Narayan: One more question. So looks like the top line and the bottom line will not come from Amzen this year, right? FY27. So without that Amzen

what can be the top line and bottom line for FY27? Any number in terms of percentage even will work.

Aditya Vikram Birla: See, I will not be able to give you an exact number. And I would not want to give you a number because that's just unnecessary guidance. But I'll tell you what. We've guided in this, if you go through the deck, we've guided the quantity that we will grow. If the prices grow, the top line will also grow. Because we are not in the highest cycle of the pricing. We've seen higher prices. So the prices grow of raw materials, the finished prices will also grow. And that will give you a good number. From where you stand today you are at least looking at 30% higher side.

Keeping in mind that the global scenario that the investments made by the government in infra and railway remains buoyant and is not in the lower cycle of their investments. It is not like they will say that okay, we'll invest INR2.5 lakh crores and they'll only invest INR1 lakh crore. The exchequer takes back INR1.5 lakh crores to fulfil some other issue. That is when a promoters like us, who are in the lowest point of the cycle fix ourselves out in a particular position where we cannot control that outcome. But if everything goes smoothly, we should achieve a number at least 20%, 25% higher than where we are today. But that is when the inflection point is. So because that is where all your assets, old assets are fully utilized, okay. So that is like a total cap out of -- a top out of NS Engineering and Cosmic CRF.

Cosmic Springs and Engineers will still have 15%, 20%, 30% more to give you. But from there starts the story of the Amzen. 2029 is what you should look at. FY 2029, you should look at total of 350,000 metric tonnes in totality. And if I'm right by my judgment, at that point in time, INR100,000 at an average pricing will give you something like INR3,500 crores, which is something that we should all look at.

Sheo Narayan: Sure, sir. Thank you so much. Good luck to you.

Aditya Vikram Birla: Thank you. Thank you, sir.

Moderator: Thank you. We'll take the next question from Krishna Yoga. Please go ahead, Krishna? We'll move on to Akshat. Please go ahead.

Akshat: Hello. Am I audible?

Moderator: Yes, Akshat.

Akshat: Hello sir. I wanted to ask the consideration that we were going to pay to consolidate NSEPL into 100%.

Aditya Vikram Birla: So Akshat, that is a question that will have to be decided by all the share stakeholders also and the entire board at large. It is something that we want to do from the management's perspective. But that will be decided by us through the SEBI route. And we will have to apply to the SEBI for an approval of that. Along with that there'll be a detailed report that will be given to us by the merchant banker. Any merchant banker that we freeze will have to go through the route which is specific to them. I can assure you Akshat that the idea of bringing this in is only for consolidation and not for any other purpose.

The idea is tomorrow if Cosmic CRF ever wants to get value system out of NS, it's his baby, right? So that is when the other people who are outside and who are holding minute stakeholder -- stakeholders of NS might create some sort of encumbrance. That's one point. Point two, the value proposition will be actually decided by the stakeholders through an EGM process, most probably. We'll have to run it through the compliance. There's something that has been in my head for quite some time. We find value in it for consolidation. Your numbers will also grow with that.

Along with that, the most important point is that the value that we'll have to derive will be through the merchant banker, through the SEBI route and through the procedure that is followed for such kind of transactions.

Akshat: And I wanted to ask on 1, July 2026 we will be eligible for main board. So when are you applying for main board?

Aditya Vikram Birla: Akshat, as soon as possible. So we are applicable -- we are actually eligible on 30 June 2026, rightly said. We will be applying on the first week of July hopefully. I have my merchant bankers in place. We've been eating up their heads. The moment we were actually in a position to understand that we fulfilled the eligibility. There's a small eligibility gap that we still have which we are talking to our merchant bankers with. This will also be fulfilled in the next one month. So by the end, by June, by July, by June end we'll be ready I think. And by July we will be in a position to bring this up and file for the transition to the main board with SEBI for both BSE and NSE.

Akshat: Okay. So at our peak will we be holding around INR400 crores of debt at our peak? What will be our peak debt in our books?

Aditya Vikram Birla: So when you talk about peak debt, are you talking about the term loans or working capital?

Akshat: No, no, everything after Amzen, after everything.

Aditya Vikram Birla: After Amzen, at point, if you do not take the liquid metal in consideration, as of now, your entire book debt will come to -- so it'll be part. So this year you will have only term loans for, for Amzen. Right. And that's about it. And a small term loan will come in for forging. Together they might sound at around INR200 crores, INR250-odd cross, the term debt with a moratorium for almost nine months to 10 months or maybe a year, and a payout period for 10 years so that you do not have to stretch yourselves for making payments of the -- what's it called, your interest, because that would be more in a V shape rather than a straight line method.

That's what we are trying to structure so that we understand that the moment your operation starts the debt will not be constituted at all. But there's a nice silver lining around this, Akshat. With Amzen we've only been talking about Chandigarh plant, right? There are more assets that Amzen carries which has value. So we will be able to set that out also against the debt. So that is something that we are trying to structure so that there's not a lot of debt on the books at any point in time.

The second point is when you talk about when we reach say, 2028, and your Amzen is full blown. You've gone into operations in forging, in springs, also NS full flow. 85,000 metric tonnes, 55,000 metrics, 6,000 metric tonnes of capacities being fulfilled in Cosmic CRF, all four put together and you are probably looking at the casting unit at large or any of the liquid metal units at large. That point in time, your term loan should not be more than INR300 crores, because you must have repaid some in the next 1.5 2 years. So INR300 crores of term loan and roughly INR300 crores of working capital. But then again, having said that, you will be making a good amount of money. You'll be making almost 10% of the top lines that I just mentioned in FY29. And that will be good enough for you to mitigate all of the needs that you need.

Akshat: Thank you so much. Congratulations.

Aditya Vikram Birla: Thank you, Akshat.

Moderator: Thank you. We'll take the question now from Krishna Yoga. Please go ahead.

Krishna Yoga: Yeah.

Moderator: Yes, Krishna. Hello. You're not audible, Krishna. I think there is some issue there. We'll move on to Kalyan K. Please go ahead,

Kalyan K: Good evening, sir. I am audible?

Moderator: Yes, Kalyan.

Kalyan K: Good evening, sir, Adityaji. First of all, congratulations for getting Amzen. Today. I'm able to see that happiness of our shareholders in your face, sir.

Aditya Vikram Birla: Congratulations to you too, sir.

Kalyan K: Yes. Yes, sir. So I have a couple of questions, sir. First point, I'm not talking about Cosmic alone.

Aditya Vikram Birla: Sir, your voice is breaking.

Moderator: Kalyan, your voice is not clear.

Kalyan K: One minute. Sir, actually so you are having with a very aggressive and expansion underway. Which business verticals do you believe that it can become the biggest growth drive for Cosmic over next three to five years, sir.

Aditya Vikram Birla: So your question if -- Let me just reframe the question for you and you let me know if it's right or wrong, if my understanding is right or wrong. You are asking me with Cosmic CRF and its subsidiaries. So CRF business, NS, Cosmic Springs, forgings as well as your Amzen, with all the products. So these four, which will be the biggest. That's what you're asking?

Kalyan K: Yes, sir. Yes, exactly. Which business...

Aditya Vikram Birla: By far Amzen. By far Amzen. So Amzen, practically Kalyanji, Amzen is practically, say you finish off manufacturing everything, like you set up everything. Your Cosmic CRF, your NS, your forging and your springs put together in 90% capacity in total worth, Amzen is equivalent to that, single.

Kalyan K: Wow. Okay. Okay. That's great, sir. That's great.

Aditya Vikram Birla: So that is why I've been running for 1.5, 2 years. Otherwise bad dog did not bite me to fight against the people in the Supreme Court and the NCLAT.. I've had sleepless nights about this Amzen.

Kalyan K: Yes, sir. We are seeing that happiness in your face. No doubt. Sure, sir, sure. Recently yesterday I read an article in the newspaper that the government is planning to procure 1 lakh wagons which is having a TAM value of around INR40,000 crores.

Aditya Vikram Birla: Yes. Yes sir. You're right. So basically sir, this is a part of the -- this thing, sir, if you remember if you go through the concall that we did in the half yearly also the last year also, I've been shouting about this. And a lot of other wagon builders have also been speaking about this. If there's a rail plan of India of 2031 which might go up to 2032, '33, keeping in mind the global scenarios that we are having to go around with. But the rail plan says that you need 8.5 lakh wagons on tracks of DFCC and of IR. IR means Indian Railways. So then the total 8.5 lakh wagons, today you sit with almost 4, 4.5 lakh wagons at best.

So you have 4 lakh wagons to manufacture in the next five years, which is approximately 80,000 wagons, which is not possible. Our entire capacity on ground today, permissible capacity and probably operational and executable capacity among all wagon builders, other than -- keeping Amzen aside, every wagon builder put together is not more than 40,000 wagons per year. So when you talk about that because -- what happens is some wagon builder can come and say no, no, Aditya is wrong. We can manufacture 500 wagons. Someone will say we can manufacture 800 wagons. But the reality is with availability of raw materials because they are having to buy raw materials, wheel sets then you are having to have those consumables, those inspection orientations. A lot of things are attached to that. So 40,000 wagons to 45,000 wagons at best. So we are not -- we will never be able to achieve that 2031 plan.

So if the railway at large, the railway ministry, the railway board at large takes out 40,000 wagons at an average every year, that is a very good plan. And I don't think it's for three years. I think you can might -- you might have a slump for this year maybe, because of the reason being with the global scenarios and with the balance of payment issues with the government and all of that jazz that we have all known about because of the Middle Eastern war, we might get stretched this year, but next year onwards it will not be an issue at all. You will have to have, sir, 40,000 wagons being pulled out for the next seven years. And that

is one of the main reasons why we built our ideology on Amzen so strongly. Otherwise why would we think about building wagons at large?

Kalyan K: Excellent, sir, excellent. Thank you. Thank you for answering it. And also one more question, sir, regarding the container manufacturing.

Aditya Vikram Birla: Right, sir.

Kalyan K: So government has initiated some incentive program for container manufacturers to curb the imports from China. So very few players are there. Can you share -- I think you are working on it, can you share some light on this?

Aditya Vikram Birla: So the point is the container wagon -- the container manufacturing is of two types, the sea freight as well as the land containers. And also now there are a lot of smaller containers made by various parties and people for various specific uses. We want to go for the sea freight containers of 20 feet and 40 feet containers. The reason is very simple, sir. Because of the equipment that I have available, the machinery that I have in Amzen and the space that I have, the know how that I have, that will allow me to make those wagons there. Wagons as in our containers there.

I do not have space to manufacture containers with my 14 acres among my four units. Those are all done. They do not have the bandwidth or the space to actually manufacture. That's a very voluminous job. But if you do it in the west, that's an area where there's a demand also for it. At the same time, what happens is with fabrication, you will see, always people will talk about fabrication strength coming into the East of India and executable strength of business coming into the west of India. Money lies in the west. Working is happening in the east. So sir, that is why we thought we will work in the east and we will ship to the west to sell these items also. And with Amzen, we'll have the strength of manufacturing those. 10,000 is a number that we have spelled out by just doing a mathematical calculation on it. But the day we step into the factory and we do work for almost six to eight months, I can assure you, with my gut feeling on it, 10,000 is nothing in that asset. Nothing, sir.

Kalyan K: Okay, final. Sir, final question.

Moderator: Kalyan, may I request you to rejoin the queue please?

Kalyan K: Sure, sir. Thank you.

Moderator: Yeah. Since there is a time limit, we'll take the last question from Sai Kumar. Please go ahead.

Sai Kumar: Yeah. Am I audible sir?

Moderator: Yes sir.

Aditya Vikram Birla: Yes, yes, yes.

Sai Kumar: Yeah. Thank you for taking my question. And I congratulate on a great set of numbers, and on the Amzen side. Yeah. Actually, you have guided in the previous calls, you guided like 100 growth excluding Amgen for the next 1.5 to 2 years. So are you holding on to that this year? Are we going to grow 100% this year?

Aditya Vikram Birla: Sir, the point is, when we talk about 100% growth, the amount of the -
- basically the raw material pricing is always fluctuating on its own. If you remember, in the first year I was naive enough to believe that 100% growth happens because my raw material prices will remain the same. But whatever happens, happens for a good reason. We were hit hard by our investors and told that this is not how you should present yourself. And I learned it. So I have understood that it is a volume that I can control.

In my factory, under my four walls is all that I can control the volume, I can control the cost and I can control the income and the outflow. But I cannot control the market at large. So tomorrow, if railway decides to actually bring in 45,000 50,000 wagons at one go and there's a business, then believe me, you're not talking -- 100% is very less because you have the capacity to increase very fast. And we've shown that. We've shown that we can grow at 12x in 2.5 years. So believe me, what stops me from growing to 20x in 3.5 years? But my only constraint is the global scenario. I am in no control of the global outcome, the government of India's decisions as well as the policy making. So we are at the mercy of these things.

Having said that, we do want to grow at the rate that we are growing, which is no less than 100% as far as the promoter's eyes are. But obviously the promoter's eyes are always bent towards the good that he does and not the bad that he does. So sorry for not understanding my emotion, but obviously trying to understand the fact that we are putting in our best to grow at the fastest scale that we are.

Sai Kumar:

Okay, yes. I mean, I mean I have a follow up on that as well. You said that commodity prices fluctuation and all. So how do you mitigate that? And what's the margin you have in your mind based on this raw metal fluctuations keep on fluctuating, right? So you need to build up some Inventory and all. So what kind of you want to going forward in this year, what kind of margin you have in your mind?

Aditya Vikram Birla:

So I'll tell you what Sai. The thing is that when we talk about trade receivables and payables I carry a huge amount of stock right. Now why do I carry huge amount of stock? I can do it with 50% stock also. That is to protect the price. One month of delay on dispatch can only hit me for 0.5% to 0.6% on the cost. But it will not hit me for the variation of 1.5% to 2% of the raw mill pricing at times, 5%, point one. Point two, I'm a believer that I'm not in the business of arbitrage. I'm not in the business of arbitrage. I do not want to buy at the low end then sell at the high end, all that nonsense.

I am an industrialist in the format of engineering products, manufacturing, engineering products, so what we want to only do is we want to have long term contracts. Secondly with railway contracts we always have a PVC that protects us to a certain extent which is price variation clause. We've tried to build that up with our EPC contractors also. Now when you have an EPC contractor like for example a Shapoorji Pallonji, you might not have because you are very small for them. So what happens is they tell you want to do INR100 crore job, take it. But if there is a problem in the site, he might delay you to not execute, or probably the payment might go -- or maybe that the disarray will stop you from buying raw material. At some point the raw material fluctuation will hit you.

That is why we work with traders. Why traders? Because smaller quantity of purchases, smaller quantity of sales allows us to protect ourselves from the arbitrage. But having said this, when we will be buying 350,000 metric tonnes we will be actually hedging ourselves against the costs that we are having to bridge out. The hedge cost will be a part of my overall cost, which is not much in numbers compared to the variations of -- because once you are doing 40,000 50,000 tonnes in railways, no it's no big deal. So what happens is you can protect yourself with the PVC to the certain extent. But when you're talking about 3.50 lakh tonnes, 4 lakh tonnes, you will not be able to protect yourself. Nobody will be able to give you a cover for that. So for that we were talking about liquid metal which is a very very diversified way of protecting yourself against the fluctuations of the raw material prices. Along with that you have to understand that there's an arbitrage cost

around it, hedge it and go ahead with it. We'll do that once we touch 2 lakh tonnes.

Moderator: Thank you sir. We'll take the last question from Shreya Ruia. Please go ahead.

Shreya Ruia: Hello?

Moderator: Yes, Shreya.

Shreya Ruia: Yeah. Congratulations Adityaji for a very amazing set. My question to you is that how much of revenue are we expecting from both our existing capacity as well as new capacity at group level in for this FY27.

Aditya Vikram Birla: So Shreya, the point is this year our average pricing has been somewhere around 70 to 75 odd in terms of raw material pricing. Right. So raw material pricing has shifted from last year it was approximately INR52,000, INR53,000. It has shifted to around INR60,000. We have a INR10 margin that counts out. This year we are seeing an uprise in the pricing that's happening. Okay. So because there is a lot of demand that was pent up that will open up at some point or the other. Maybe it opens up in June, in July, in August. And that is a market understanding that we've had.

So in the second half, not the first half but the second half the prices will shoot up to the best of my understanding. The prices will shoot up by more than 7% to 10%. So you can look at this same quantity at 10% higher. So that does not mean that the raw material pricing 10% higher will fetch you the -- because the old contracts of INR760 crores is at the same price which we'll have to get ourselves abreast with. Also, we'll have to secure ourselves with long term contracts. And also, we'll have to set out those ones with arbitraging at hedging costs or probably buying those raw materials and keeping it with us.

But having said that, if I had to answer your question in a very straightforward method, Shreya, my point will be that today you are sitting at 133,600 metric tonnes of optimum capacity -- of installed capacity you have achieved 106,000 to 107,000 metric tonnes of capacity. Next year in FY27 you will have roughly 122,000 to 130,000 metric tonnes of capacity that you will outflow.

But again like Mr. Sai had asked me, let's have our fingers crossed that this war stops. Mr. Trump allows India to breathe and we have enough orders flowing in and the payments from the ex-chequer starts coming

in. Otherwise, there's always a stretch in your trade payables and receivables. And that is where you get into the debt traps. And I'm in no mood to get into debt traps. But yes, Shreya, because you're in this conversation with me, I will end this in a particular point. This company is only 3.5 years old. And I have always told all my stakeholders, stick around, believe in this company for the next three years. By FY29, you will see that this will have a complete sense of economies of scale.

You will leave aside those small inhibitions that are happening in the global market because you're more of a local market player. You're a - - you're an indigenous player. Your products that you're manufacturing are more requirement -- are more required in the indigenous market. You are in the industries like railways and in infrastructure which is bound to grow, without which India can't grow. And because of all this, because of the India growth story, you will by anyhow want to and by God's grace, having your fingers crossed will achieve 350,000 metric tonnes. That is the vision today. Once you achieve that, your numbers will be humongous compared to what we are today.

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

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

Moderator: Thank you, sir.