Management Discussion

Unidentified Speaker - Moderator, Arihant Capital
Yeah. Good evening, sir.

Balasubramanian A - Analyst, Arihant Capital
Good evening, sir.

Unidentified Speaker - Moderator, Arihant Capital
Yeah. Hi Bala. Good evening. I think Mr. Aditya Vikram Birla has also joined. Good evening, sir.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Good evening Moshim bhai. Good evening.

Unidentified Speaker - Moderator, Arihant Capital
Hi, sir.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Hi.

Balasubramanian A - Analyst, Arihant Capital
Hi sir.

Unidentified Speaker - Moderator, Arihant Capital
So. Yes, Bala, you can continue please.

Balasubramanian A - Analyst, Arihant Capital
Yes. Yes. So we'll start in a minute.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right?

Balasubramanian A - Analyst, Arihant Capital
Shall we start, Sir?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
I'm ready. You can start whenever you want to.

Balasubramanian A - Analyst, Arihant Capital
Yes, sir. Good evening everyone. I'm Bala from Arihant Capital. Today is the final day of Bharat Connect conference. I would like to welcome everyone for Cosmic CRF Limited session. From the management side, today we have Mr. Aditya Vikram Birla, CMD of the company. The session has two parts, introduction and recent business updates by the management followed by Q and A session. Participants can raise their hands or drop in the Q and A chat box to ask questions. Now I hand over the session to the management.

Sir, please take it.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Good evening, everyone. I am Aditya Vikram Birla, Chairman and Managing Director of Cosmic CRF Limited. We are here to present ourselves in the fact that we started this journey on 21st December

2021 where this company was incorporated. Eventually we kind of took over an asset from a company that was holding onto this asset which is to do roughly a turnover of 20 odd crores in the year 2021. And that is when we took the asset over through a business transfer agreement. And we took the asset over in 2022.We are probably one of the fastest listed company in the SME because we took this company over, and then all the assets were taken over by the '22 of September. And eventually we got this company listed on the 30th of June 2023. I will just run you through all the major pointers that have gone through over the last three, three and a half years from the time we've all been together in this journey. And eventually we can jump into questions post that. So in 2023 we got listed in that year, FY23 our top lines were somewhere around INR121 crores with a PAT of INR6.5 crores.Next year we shot up to INR255 crores plus and the PAT was somewhere around INR12.8 crores. The third year, which was FY25, we were at INR401 crores and I'm talking about console numbers. INR401 crores in top line, the bottom line stood at INR31 crores. Last year, FY26, we were at INR722 crores in the top line, and the bottom line stood at INR51 crores. The bottom line would have been INR57 crores. But we lost INR5.5, INR6 crores for the legal costs that we were bearing to fight our battle in the NCLAT against our H2 and H3 bidders in Amzen Transportation Industries Private Limited.When we started in 2021-22, the entire capacity of Cosmic CRF standalone at that time it was just one factory in Singur, West Bengal. It had a complete capacity of 12,000 metric tons in terms of installed capacity. But as per our engineers and as per our understanding, over so many years of handling fabrication and rolling businesses, we realized that the capacity that we could have achieved was not more than 8,000 metric tons. So we decided to go into the listing format and raise almost INR30 crores of capital to bring up our capacity from 12,000 metric tons and install capacity, which was primarily 8,000 metric tons to 24,000 metric tons in terms of installed capacity per annum.We are into the business. We were at that point in time only in the business of manufacturing cold-rolled, formed sections, which is a process to manufacture items for body parts of wagons and coaches and all railway items for bodybuilding. And that is through the cold-rolled-formed section process. And we were only in that. Post that when we touched 24,000 metric tons, we were by then deciding on stepping into the shoes of an infrastructure company as well. Because I always believe that in an industry where in India at large, when you're working in the fabrication of the engineering industry, you have to believe and accept that India is heavy on politics and less on policies. The policies keep changing here. And as an entrepreneur from a mid-cap or a small-cap to -- aspiring to be on a larger cap, at some point in time you have to leverage your strength. The strength doesn't come from hovering in one industry. In 2021-22, we did realize that railways at large was having a massive tailwind and everybody was just talking about railways.Eventually people were talking about something else or the other. Today if someone's talking about microchips, then the day after they are talking about renewable energy. It's not possible for an industry to just keep shifting its basis. But we did realize that India at large stands on four main pedestals in its share in terms of its equilibrium: one is agriculture, second is defense, third is railways, fourth is infrastructure. So we decided that why don't we have one more leg to stand on so that we can balance even in bad days?And that's exactly what happened. In 2023 we took interest in bidding for a company called N.S. Engineering Projects Private Limited, which went on to become our company, because we bid -- outbid everybody through the Swiss bidding challenge in the NCLT. We took the company over in April 2024. That company again was a company that used to manufacture 18,000 metric tons in total capacity. We put in approximately 90 odd crores in a total takeover and a total rehauling and building on the scale of the company. As we speak today, it has an installed capacity of 65,000 metric tons. It's hovering. I mean, even the

people who have dealt with that company in the past are shocked with the kind of outcome that we have been able to generate and just by utilizing our resources to its best strength and also efficiently and effectively. So now as we speak, we are a company that is manufacturing on both ends. My two factories here, which is Cosmic CRF, which is a primary factory in Singur, which is into manufacturing of cold-rolled form sections and fabrication items through engineering for the railways.The N.S. Engineering is into the manufacturing of items for the infrastructure and primarily for the infrastructure. But the strength that we have is both these plants together have a swappable energy. So swappable strength where if we want, we can go completely into manufacturing of items for the railways, or we can completely switch to manufacturing the items for the infrastructure. This was a subsidiary, a wholly owned subsidiary of Cosmic CRF Limited. Eventually we again planned to step into making our railway systems as well as our entire set for raw materials that are required to manufacture a wagon or a coach more buoyant and more strengthened.So we decided to take up more products that would make us more integrated backwardly and also forwardly. So we decided to get into the business of manufacturing components for other items as well. Like, for example, springs. Something similar to what Frontier Spring does. So casnub springs and helical springs. That was again another company that we took over and then formed through the BTA process in and as a wholly owned subsidiary of Cosmic CRF Limited, so today if you look at Cosmic CRF Limited right at the top, that's the Holdco with the original business of CRFs, which is into the manufacturing of CRF for railways.It has now a subsidiary -- it has two subsidiaries, one is a subsidiary which is manufacturing items for the infrastructure which is N.S. Engineering Projects. The other subsidiary has two divisions, one is the division which is manufacturing springs, helical and casnub for both railways as well as for automobiles. And the other one is into the manufacturing of items for railways and defense through the forging. As we speak, we are right now in the phase of setting up our industry for the forging unit.It's a state-of-the-art facility. Once we set up all -- once we set up -- finish setting up our forging unit, we will have an entire strength of 1,031,000 metric tons at the minimum in installed capacity, and we should achieve at least 90% because it is swappable in nature and it can work 24 hours into 365. It is not like a normal or an ordinary engineering unit that only operates five or six days a week. Last year, like we said, INR722 crores, we had topped out, we had done our top lines. We realized that we had touched roughly 107,000 metric tons in totality.But having said that, this year, to my dismay or everybody's knowledge, because of the West Asian crisis and because of all the decisions being taken at the policy end, on the top end of the governmental charts, we are not sent out with a lot of orders. The exchequer from the government has not been able to deliver a lot of orders and has not been able to make the payments as promised in the budgets, due to which there's a softness in the market. There is a headwind, I must say, in all the infrastructure as well as the railway sectors.But having said that, this, like I said, everything is cyclical in nature, and we should be happy that we are towards the end of the cycle because once the cycle ends, maybe by the end of this financial year we will be back to our tailwinds, where India, by default, if you talk about railways, needs more than eight and a half lakh wagons to just make sense out of three and a half lakh crore investment that they made in DRDC. Out of the eight and a half lakh wagons that they need as per the Rail Plan 2030 and 2033, they just have 4.5 lakh wagons as of now.So they will need 4 lakh wagons on top of that which India will need for the next six years. So if you do the math, we need 60,000 wagons. As of now, India has just got a capacity and then the top end, we have not done more than 35,000 wagons in a year. Having said all of this, when we look at what Cosmic is doing, we have stepped into the shoes of a wagon manufacturer. So this was one of the most exciting parts of Cosmic and one of the most spoken things about Cosmic over the

last two years. We bid for Amzen Transportation Industries Private Limited, one of the largest and one of the most tech-heavy, state-of-the-art facilities in India, probably one of the fanciest ones in the world for wagon and coach manufacturing as well as container and low-cost shell manufacturing in India. It was made by a JV owned by Amtek Auto and by American Railcar. So this was actually made through all the envisions that probably American Railcar had decided to make for their markets in the South American markets. Right, for the markets in South America as well as for the Russian markets. So this industry, this asset we wanted to take over in 2024, we bid for it, but it went on till 2025. We finally got an NCLT approval in 2025, April and May.We had given our final resolution plans, and eventually after that, we were challenged in the NCLAT. NCLAT came out after eight hearings, after eight, nine months with a negative order against us, which was not something that we were willing to accept. Thus, we took it to the Supreme Court, and by God's grace, we found a way that the Supreme Court believed in what we said through the evidence that we could provide. Like we speak today, the LOI was issued by the committee of creditors. It is in the NCLT court for a procedural approval, which is just procedural in nature because this has come back from the Supreme Court and we just awaiting that.But having said that, we also have our team inside the plant now over the last two, two and a half week, three weeks where they are trying to fundamentally understand what are the requirements to refurbish the plant, what are the costs that we'll be able to incur as well as what are the revenues that we'll be able to generate the markets. We are also tapping the various other markets and we will talk about it once we get into the question and answer section as to how this is -- this Amzen Industries, which used to be called Amtek Railcar, is now a wholly owned subsidiary of Cosmic CRF Limited.It's a mega plant and it is one of the largest plants in the engineering sector in India and probably the largest plant in Punjab and that part of India. That plant does not only talk about or has the strength to only manufacture wagons and coaches, it also has strength to manufacture state of art containers, 20 feet, 40 feet high cube containers, at the same time it can manufacture local shells, it can manufacture sheet piles which we are a market leader in India in terms of indigenous cold rolled sheet piles and eventually can also manufacture defense equipments.So this is the massive foray. When we talk about Amzen, it is pretty much 2x or whatever strength we have today. So this is the game changer for Cosmic CRF. And having said that, even if the markets are soft, we still are very buoyant about the fact that we will still like I said in my post earnings call of my results in FY26, I did say that even if the markets are soft and we could see that at that point in time, we will still do at least 15% to 20%, maybe 25% higher than the numbers or what we've done last year.Mohsin, if you want we can straightaway jump into the question answers.

Mohsin - Analyst
Yes, Bala, please.

Questions & Answers

Balasubramanian A - Analyst, Arihant Capital
Thank you sir. We'll begin Q and A session. Participants can raise their hands or drop in that Q and A chat box to ask questions. So we'll wait for a moment.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah.

Balasubramanian A - Analyst, Arihant Capital
Sir, we'll take a first question from Mohammed.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
We'll take the first question from. Yeah.

Balasubramanian A - Analyst, Arihant Capital
Mohammed.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Okay, right. Please ask.

Mohammed - Analyst
Yeah. Good evening. Thanks for the opportunity. You mentioned that some sort of revenue is coming from defense. Can you share some light on that?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So, Mohammed, right now, we do not have any revenues coming in from the defense. What I mentioned was with Amzen, our strength was only -- when I was bidding for Amzen a year back, I was only thinking about manufacturing of wagons and coaches, wagons primarily. But today when we got into the plant, we realized that these guys were also planning to manufacture a lot of items for the defense. Artillery was not their vision. Their ideology and their vision was to manufacture infra items for the defense, like tent camps, Bailey bridges, and various other items, which is no point naming it, but eventually will come out. There's a list of almost 82 SQs, 82 kind of items that will be going to defense, and we'll have to build upon that.So this is the strength; this will be one of the six sectors that will be feeded from the Amzen unit of ours.

Mohammed - Analyst
All right, and sir, a ny timeline like from when can we expect operations to start at Amzen facility.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Okay, so before I answer that, Mohammed, I'll give you the spans on or the expanse of what this plant looks like. And before that, I'll give you what we've done till now, so you'll be able to understand where we come from. So Singur plant that we had bought was a five acre plant. Then we bought -- then we took over N.S. Engineering Projects Private Limited, which is a 65,000 metric ton plant. Today, that is an eight acre plant. Our plants for forging and our spring divisions are a acre each. So we are talking about this level of plants, which is MSME in sizes. The moment now you talk about an Amzen, it's the single plant is a 72.5 acre plant, along with additional land attached to the plant, which we'll have to bring in later. Later as and when we take over, and we'll have to rebuild that land, that is to the tune of 122 acres.So that's a huge piece of land. There only the shed is roughly 16 lakh square feet with machineries which are not made in India. So we are having to get the rightful people from across borders, from Germany, from America, to get them to start working. The machines haven't been used. So not like there's a massive depreciation, but it's never been started. So that is the timeline that is being utilized right now.During N.S. Engineering, we had said that we will turn it around and bring our first commercial productions in the first six months. Here, our first commercial productions will come in the first six months for sure. But if we look at this entire year, FY27-28, then we are talking about utilizing only 20%-25% of the capacity of Amzen. You will unlock the entire value in '28-'29.

Mohammed - Analyst
Understood. And sir, any guidance for this FY27 in terms of top line?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So the guidance, like I said, the year has been soft till now and with the West Asian crisis and the policy making right at the top, it doesn't look very green to me personally and it doesn't look green to anybody in the industry at large right now till we don't have a ray of hope. But yes, even in the worst times, because we have a swappable strength in both our plants for railways and for engineering items for the infrastructure, we will still do 25%, 30% higher than what we've done last year.

First half will be very soft but the second half will grow.

Mohammed - Analyst
Understood. So just one last question from my side. Since both the facilities are fungible for railways and infra, so any target going ahead like we are targeting this much revenue from railways, this much from infra if you have in mind?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right. So I do have an answer to that, Mohammad. So the idea is that railways hasn't had an order that's come out in terms of wagons or majorly in terms of coaches also, or locos also, over the last two years. They've had these semi-orders coming out, which is minute in nature. And they are trying to complete the order that came out in '22-'23. Eventually, I personally believe they will come out with a standard order book of 45,000 wagons per annum, which will include the private buying as well as the exports and the local purchases through the tendering process, which will start from next year.I don't see a railway order -- massive order coming in. 5,000, 6,000 wagons coming out is a separate issue. But something like a 1 lakh wagon that was being spoken about will come out in probably parts, because I don't think the railway board will come out with 1 lakh wagon again because they made a couple of mistakes that they'll want to cover up and will want to make it and rectify. So I personally believe 35,000, 40,000 wagons, 45,000 wagons on the larger side of the affairs will have more demand than the supply that we have right now in India. Having said that, if that happens, as per my plan and my understanding, my information and my data, then I must say that we will have 50%. So it'll be 62%.So perfectly, let's not talk about perfect numbers, but let's say 60% will be railways, 40% will be infra. And our top lines will cross INR1,000 crores.

Mohammed - Analyst
Thank you so much for your detailed response and all the best.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
And Mohammed, just before you leave, I will just say this calibration that I just spoke about, this division, this ratio and the top line is only for Cosmic CRF, N.S. Engineering, Cosmic springs and engineers with forging a nd spring division. It's not about Amzen at all. Amzen is a separate book altogether. It is a wholly owned subsidiary. Yes, but I think that has a capacity of 2 lakh tons per annum. So that is a separate book altogether.

Mohammed - Analyst
Noted, sir. Thank you so much sir. And all the best.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Thank you. Thank you.

Balasubramanian A - Analyst, Arihant Capital
Thank you, sir. We'll take a next question from Akshay.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right.

Balasubramanian A - Analyst, Arihant Capital
Sir. You're unmuted.

Akshay - Analyst
Yeah. Hi. Overall install capacity is around 1,33,000 per annum. So what are you targeting? Utilization target like for financial year '27 and '28?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right. So our 1,30,000 metric tons also considers and includes the strength of our forging division. The forging division will start in FY28, that means post April and May of '27. But I personally believe it will only work for 40%-45% because it needs RDSO licences also. That takes a period of, say, 4 to 6 months. For the other items that they'll manufacture for the DRDO, which is defence, that will also take 7 to 8 months.So we'll go in a prototype staging process from April to, say, September. So that's somewhere around 12 to 15,000 metric tons going off the book from your 1,33,000. The rest of the 1,20,000 metric tons of installed capacity being bought up at 85-90% capacity so it will be 1,10,000 metric tons. 1,10,000 metric tons going towards 1,20,000 metric tons will be somewhere around and priced at somewhere around INR80,000 will be somewhere around INR1,000 crores.

Akshay - Analyst
Okay. And there is ongoing capex I think. Correct?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right, right, right.

Akshay - Analyst
So how much amount has already been spent and till when we can expect the completion of this?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah. So I will break this down. I'll break your question into a couple of sections. So our capexing that's happening. So, Akshay, we will be in our capexing cycle for the next 2 years. Post that, we will not need capexing for any of our plants if we don't intend to buy further plants for the next 2 years. So now, with the plants that I bought and we own as of now, so Cosmic CRF needs basic capexing of 1 or 2 or 4 crores for its recycling or for its refurbishments on a day-to-day basis for its repairs and maintenances. Nothing more than that. When we come to N.S. Engineering Projects Pvt Limited, it does not need any further capex.Only one capex is going on for a value of INR4.5, INR5 crores which is basically air wiping systems that we are putting for the efficiency increase and the cost benefit that we will gain from setting up this asset on our galvanizing bath. The third is the spring which does not need any further capex because it is completely ready. It is just going through its testing. So it has finished its testing. It has got its RDSO license. It is going through its field trials and field tests.So when you have to give 6000 sets to the various wagon builders, they kind of test it for

a period of 3-6 months and they give a report and that's about it. So we are going through that channel of processes through the RDSO. And the fourth one, the forging unit is underway in terms of its capitalization. So that is a project worth INR50 odd crores. The bank has financed us INR29 crores, INR28.28 crores specifically. We are funding in around INR21-22 crores from the promoter equity.We have done our equity bit. So we have finished our equity of INR21 crores. I think one other crore or two crores is left. Otherwise, nothing else is left. Bank has to disburse another INR17 odd crores and that way we will be done with the forging division. The major capex now lies with our Amzen unit. So Amzen was bought out in INR255 crores if we pay it upfront. There is a CIP cost that is a cost related to the IRP process, which is basically roughly INR11 odd crores, INR10.86 crores. So that's INR11 crores.So INR266 crores is the total takeover. Post that, we will have to invest somewhere around INR120 odd crores. Out of which, we have given advances to various machinery builders and various item builders who take time. And that is to the tune of almost INR30-40 odd crores. Post our finishing of those items and post our TV process completions, which is technical evaluation processes, we will go into the further capexes. The entire capex will complete by 2027 October-November.

Akshay - Analyst
Okay. And like post capex what EBITDA margin we can expect?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So post capex, your capacity will grow up to somewhere around 385,000 metric tons in terms of its installed capacity. And you will achieve somewhere around 80%, 75-80%. Because when you talk about manufacturing things through fabrication, your efficiency drops to 70-75%. When you do about rolling only, that's about 85-90%. When you do outsourcing of couple of capabilities and items, it goes to about 100%. So the average out is somewhere around 80%.Now when you talk about 3,85,000, at 80%, it grows to somewhere around 3,10,000 metric tons. 3,10,000 metric tons at an average pricing of INR1,10,000 is somewhere around INR3,300-3,500 crores in terms of total top line that can be achieved in FY28, FY29, FY30. Because obviously it can grow strength on strength with market on market. Because you are catering to various sectors and through various processes of production. INR3,500 crores of top line can give you an EBITDA of somewhere around 80-90% PAT of 12% to 13%.

Akshay - Analyst
Okay. And till '29 -- like not till '29, in coming like few years do you like raise any debt from the bank? More debt for the like capex and all the things?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Only to cover the capex, we will raise the debt. So there is a structure. We don't need. If you have seen Cosmic CRF has been light on debt. That only propagates and kind of demonstrates the fact that the promoter is not interested in having a debt-heavy book. That's me. But honestly speaking, right now, equity is more expensive for us than debt. We have diluted enough to gain our strength till now. Having said that, we are working on a structure with various advisors and various merchant bankers where we want to have a structure which is debt-light and at the same time equity-light. Not too much on equity, not too much on debt.But the money that we need right now is to basically complete our acquisition and our capitalization of Amzen. Beyond that, we don't need any more money. Now, if you are talking about doing a INR3,300 crore business and your turnaround speed is somewhere around 100 to 120 odd days, because there are various types of sectors that we have

been providing material to, starting from defence, primarily to railways, then to infrastructure to defence and various other sectors like automobiles.So practically, if you are turning it around at 120 odd days, you are looking at 2.8 times the money turning around. With 13 to 18% of EBITDAs and PATs, you are looking at somewhere around INR3,000 crores divided by 3, roughly INR1,000 crores of working capital is what is going to be deployed at some point in time to achieve that. Right now, you are running with a lot of money that you were covering your working capital requirements because you were carrying that fund from your PREF that was not deployed.A larger chunk of the PREF and the warrant was not deployed because the entire payment was not done to the Amzen. But that's about it. But the moment that payment is done and then further debt comes in, so debt comes in only to structure your books, that gets taken over by scheduled banks at some point in time, and then you get leverage easy on the fact that your working capital is the only one that you have to worry about in the coming years and not about the term loans.But yes, once you are doing a INR3,000 crore book and in terms of top line, you are doing 12-13% of PAT at the minimum, there's nothing to worry about because your interest cost will be very minimal.

Akshay - Analyst
And one last question like what is -- how is the demand of railway orders in FY27 as compared to previous year?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So FY27, Akshay, like I said, railway had got stuck into a periphery situation. They came out with an order in 2020-23 where they came out with a 1 lakh wagon order. Then it reduced to 90,000, reduced to further 72,000, 75,000, 72,000. They came out with a couple of these offbeat orders of 14,000, 11,000, 10,000. These orders basically were taken out in a plan of action at that point in time looking at the scenario then, which consisted of 35,000 wagons for BCN. There's a wagon called BCN.This BCN wagon was not required today because that was required during the planning stages of the COVID when you would have to transfer fertilizers, and let me say, khad. So khad and then rice and wheat and all of that. So that had to be transferred across borders, and the wagon was the only way you could do that in bulk because otherwise you would have had to have trucks and lorries transferring them.So that is why but now 35,000 is not required. So this is actually creating some sort of congestion in your railway baths as well as your various depots as well as your tracks. So till they don't have a solution to that and till the time the wagon builders do not supply that complete order, they do not know how to come back with the orders. The point too is with the West Asian crisis and the pressure that we know is existing and looming very heavy on our financial systems and our economy at large, on the government at large that is not allowing them to provide money and payments or funding to the exchequer, which further executes, helps them execute and lets us further execute the orders. So I don't see any order coming in FY27. Some sort of spurious orders coming in of 4, 5,000 wagons, 10,000 wagons that won't help you shift the needle but I think a larger part of the orders will be coming in and will come in in a more structured format from FY28.

Akshay - Analyst
Okay, that's all, thank you.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Okay, thank you.

Balasubramanian A - Analyst, Arihant Capital
Thank you sir. We'll take a next question from Sameer. Sir, you're unmuted.

Sameer - Analyst
Yeah. Hi Vikram. I just want to understand what was the total sales in FY26 on a group level as per tonnage?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
You are talking about Cosmic CRF and its subsidiaries, right?

Sameer - Analyst
Yes.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Was one like 1,07,000 metric tons and was INR722 crores.

Sameer - Analyst
So per ton realization was?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Per ton realization roughly. See, INR722 crores was also -- i t had our interest cost also. So that was minused out. And I think INR716 crores was what we had in terms of our operational revenue. The outcome was somewhere around INR66 to INR67 rupees in terms of sale value because the raw material prices were available at 48 to INR50.

Sameer - Analyst
Okay, so now we are saying that if 1,0 7000 tons was sold in FY26, we are saying by FY28, we will sell 1, 10,000.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
No, we are saying 1, 10,000 plus 10,000. So that has a capacity of 25,000 metric tons. We'll only do 10,000. So we'll do 1, 25,000. That's why I said the 1,0 7000 will go up to 1 25,000. The only difference will be that the prices have increased. So you will have in totality, maybe in tonnage will grow by somewhere around let's say 15 odd percent and 10% increase in the pricing. So somewhere around 25% to 30% will be -- s hould be the increase on your top lines.

Sameer - Analyst
So roughly per ton, as you said 80,000 is what we could achieve?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yes. The reason is very simple, Sameer is only because you've started galvanizing to all your items. So most of your orders today for infrastructure is required through galvanizing, y our poles, high masts, your crash barriers, your sheet pipes.

Sameer - Analyst
And your EBITDA for '26 was -- w hat was the EBITDA?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
The EBITDA stood at somewhere around I think 16%, 15%. I think 15% -- 14% to 15%.

Sameer - Analyst
So that will also rise to 18% by FY 28?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Right. Because now you have the galvanizing strength. So the galvanizing was only done to 20% of the infrastructure item. Now it's down to 60% infrastructural item. So that two and a half thousand of benefit will pass on to everything. Eventually, yo u are taking new age orders. What also is happening is now the prices for say zinc, pricing for your raw material. I am telling you, last week the pricing for raw material for your mild steel E450 rose from 66 to I think 72. Your mild steel E250 grade A jumped from 58 to INR62 a kilo. So these are spurious jumps. I don't think this will last for longer. It will settle up again and then probably they'll come up with a basic pricing of 60 odd. But it will not remain 58 anymore. So you will have a jump of at least 4.5, 5% there.

Sameer - Analyst
And just to understand, you said that by FY29 you could, with Amzen

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah. The output could go up to 3,10,000.

Sameer - Analyst
The ramp up be so fast?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
See the ramp-up, Sameer if you ask me, once your machines -- your machines are already set up, so you don't have to really go through the entire process of setting up the machines. You have to just refurbish the asset which we already -- w e've already started working on. So I need six months to start my first bay. I have six sheds there. So my first shed will start operations on in -- within six months from where we sit today u ntil there's some procedural issue with the NCLT or some -- s ome issue that derails or delays. Not derails, derails is the wrong word. But delays us for a month or so. Other than that six months from here is something that we can achieve. Once that starts then eventually everything will open up. Like I said, this year we should look at 25%, 30% in total utilization.

Sameer - Analyst
How is that? Because if you say six months, we are in October. By the time you get the plant and you get from the NCLT and you make it operational, shouldn't it be Jan or Feb?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So I am hoping Sameer that I should get the NCLT approval in the next month itself.

Sameer - Analyst
Okay.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
I'm ready to make the payment tomorrow. So we are good to go.

Sameer - Analyst
Okay. So once you get the thing you will you require six months to ramp up.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Sameer, I'll give you. Just because we are on this conversation, I bid for this plant at 284 crores. Everybody was thinking that I've lost my mind. My point was very simple. The payment for 284 crores was on a basis of me paying over 6 to 12 months. Whereas I then bought it down to a PV value, present value which is 255 on 30 days. That's only because we had the strength of the fund that we are carrying in our books.

Sameer - Analyst
But there is some procedural approval which would take. Normally after LOI it takes one around 60 days to get this right?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
No. So if you ask me on procedural level it takes six to eight months to get an approval from the NCLT. You take any of the cases in...

Sameer - Analyst
Post, LOI takes 60 days, right?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
No, no. LOI is done by the CoC Committee of Creators.

Sameer - Analyst
Okay.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
The procedural approval comes from the court. Now you know there are more than 30000 cases pending applications IAs pending in various NCLT courts have in India as of now. So today obviously if there's one hearing in a month for you you should be feeling lucky. But for us why are we so buoyant about it? There are two reasons for it. One, we made a smart move by putting the CoC under pressure that we will not be covering the CRP cost over and above the LoI date. The LoI date issued showed the cost at 10 crore 86 lakhs plus some costs here and there.

Say 11 odd crores we cut it out there with our resolution plan having stating the fact that we will not be making any further payments to the CoC for the CRP cost. So every month that they are going past it, the CoC that the committee of creditors are having to pay that money from the banks itself from their receivables which is, which is unheard of. Point two is so they are under pressure to run this through when they are in the pressure and because they are under pressure the documents that usually takes two months to submit to the NCLT code and has already been submitted.

There was a date on the 12th of October for the hearing in the NCLT. Very, very, very few people know about this but there's a date that has been preoned to tomorrow. That's the first.

Sameer - Analyst
Wow.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Usually there are six dates. So , I often say NCLT is something which I feel very homely to because I've done with a lot of cases there. So I know the way I can maneuver through the NCLT to the best of my ability. Some things work, some things don't. But in my chapter it worked in a way where I realized that preponing the hearing will make sense through a new iea. We did that. It's been

preponed to tomorrow. Usually takes six to eight hearings but it's only when the procedure is long, only when you don't have clearance on the 29th.

So what does NCLT approve on? Actually it approves on three major items. One is the 29A section that it clears out and checks through again post the CoC call. It goes through all the minutes of the meeting which is a cumbersome job in itself. And third is the procedural details of the IBBI on the IBC code. So that in itself takes time for us. 29A is not a question because Supreme Court has given you the verdict. So it is not for the NCAA to check any further. It's just a procedural point. Point two is the CoC has already submitted all its documents and there are no corrections left.

And it's just been a month. So that's one thing that's been done, that's done with. And the third point is the procedural part is NCLT holding on to hearing if anybody has an issue, if anybody had an issue, they would have come into the NCAT or the Supreme Court. We are way past that. So hoping that everything falls in line another month, month and a half is what I can envision.

Sameer - Analyst
And you will pay off the money in a next 50 days. 45 to 50 days.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So the moment it comes to me I'll pay the money out in the next 15 days.

Sameer - Analyst
And this is for internal accruals, right? There is no borrowing which has been taken.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
No. there is going to be a borrowing. So internal accruals. So the internal accruals, if I run you through the math is till date we have an internal set of accruals for 120 odd crores. From the time you started we've been just a three and a half year old company in totality. So 120 odd crores is our internal accruals which is a part of your operator of your, of your working capital. You've done a top line of more than 760 odd crores where your working capital limit is only 80 crores. So you probably need 222 crores to run that show.

So that money is gone there to a certain extent. Your operational warrant money is also gone there. Now during this process you had no plans of setting up the forging in the spring unit but you did set it up over the last one year because you were getting delayed and you were carrying that cash in your books. And your investors, the large investors were of the opinion that you should invest and make value of the money that has been invested into the books. So that is why we got into this. So we obviously put in 22 crores in forging unit.

We put in 10 odd crores, 15 odd crores in this unit and we put in another 20 odd crores in our buildup of CRF and our strength of NS engineering. Together 50 crores were done. Now we are carrying what we are carrying 160 +50. That is roughly 150 +60. 160 +50. That's 210 +110 in terms of your internal accruals. That's 320 internal accruals doesn't always turn into cash because obviously the OCF has just shown up last year. But however, let's just say it's a part of your working capital and plus add 84 to it which is your working capital limit which is on your balance sheets.

Also this 404 you need 222 crores of working capital as per 120 days which is a part of your rotational strength. 182 crores out of which you're holding on to. You paid 60 crores to the bank, to the CoC already that's 122 crores. You've done an advance of 50 crores against 120 crores of capexing for Amzen so that you don't waste time there because if you do it then you will take another six months. So that's another 50 crores. You're carrying almost 50 crores in your books and

you've invested 20, 20, 30 crores further from the accruals of this year into the capexing of CRF and NS in its own right.

Sameer - Analyst
Great. So that's, that's been tied up. Now coming to the order side, we have an order book of 760 crores as on Q1, right?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah, yeah.

Sameer - Analyst
So what is this breakup of this order book and what are the execution? 22%

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
is Railways, rest is intra.

Sameer - Analyst
And what is the timeline to execute this?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
One and a half years. So some are three months, one or some are a couple of weeks, some is one month and some are like one and a half years. So it's an extendable order. So it goes one by one, one by one. So practically if you see we will finish this order by, we will get done with this order this year itself

Sameer - Analyst
and. Okay, this year itself. So for the new MZ

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
you can have clear guidance also.

Sameer - Analyst
No, what I want to know is for mz, when it starts now say it starts in Feb or March. So how do you get new orders for it? Because Railways aren't issuing the orders.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
I think I have the answer to somebody called Mohammed right now who asked me the first question. So I told him that when I was taking Amzen over I was only talking about manufacturing wagons and coaches. But today we'll be getting into six sectors. So there's a rescue set of 82 items that the defense needs. It is not artillery in nature, but it is not. It is those infrastructural items that the defense needs through the DRDO processes and the GM portals, gem portals. So we are manufacturing them.

They already have a setup for that. Then there are container manufacturing, high cube, 20ft, 40ft, that's the second. Your coach building, coach item, bodybuilding and your wagon in in totality wagon manufacturing. That's the fourth. Fifth is the loco shell and sixth is your sheet pile. Why sheet pile? Because you are the largest player in terms of indigenous sheet piles manufactured in India in cold rolled format. You're doing roughly 42% in the entire market. And if you want to step into the best market because sheet pie gives you 10% margins in terms of conversion rates if you send it to that part of the country with the pricing of the steel, you probably eat into 7 1/2% of your margin.

So that's why it doesn't make sense for me to manufacture in Bengal and then supply in the west and the north. But once we have a setup there we can supply and detect that part of the market and probably move from 42% to 48% to 60%.

Sameer - Analyst
So order intake will not be a problem for this.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So, so we have so sheet pile. Say for example you have an order, you have, the day you start you'll have an order book of 100 crores. You can take it from me in writing, I can give it to you in writing. Anybody can challenge me on that. I have people who want to give orders right now. I don't have a manufacturing facility there. I don't have a manufacturing setup there right now. Point two is you will have fabrication items like fabrication steel and all of that which you're manufacturing in plenty.

Because this is just a fabrication hardcore unit with various beveling forging strengths all over, rolling strengths all over. So that is the strength that we bring into the board. The containers will also come in in 4A. So you, you can look at somewhere around 50 odd crores of containers. Obviously if it conquer is coming in and if say for example a larger player is coming in then they will look at prototyping and testing and all of that for four, five months. But then we'll also take some from the local shippers for at lower margin rates so that the business starts and we can also swoop our house, our hands and our houses so that we understand the business around it.

Coloco Shell is something that we already supply material to from other companies of mine which is outside the sambit of Cosmic CRF in the name of Asan Soul Steel Casting and Comet Technocom. We've been doing that for the last 30, 35 years. So we have a nice channel of getting orders there and a nice channel with the CLW Chitranjan Locomotive Works and dlw. Then the other one is your wagon and wagon building. So wagon building is again in the west. You don't have a, you don't have a full blow wagon builder anymore.

You had General Works, General Rail Systems but now that's been converted to Texmaco west which is now focusing mainly on coach building and local shells. You had Modern India which was owned by the Binder family. They think, I think they have a five minute dispute which for which they change the name to Radhika Modern. But it doesn't operate in that strength. And a couple of other Smaller players, but no, nothing large. So you're the only largest player there. So somebody like a JSW or a coal India in the west or a TIL or a Tesco wants to order for material including an ultra Tech, it has to come to you, including gatex, who's also one of the largest leasing players in, in.

In the wagon industry. So we are very buoyant about that. It's not just the industry that we're looking at in terms of the tendering processes from the Indian Railways and the Indian Board, we're also looking at those kind of industries. And again, the body parts that you require to manufacture and sell to your coach factories, like your modern coach factory MCF Rib or your RCF Kapoor Tala, those are the ones that you will have to go and wait for.

Sameer - Analyst
And all this 760 crore order, the 760 crore order plus the current orders which you, you're the raw material is passed through, right?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah, obviously.

Sameer - Analyst
Great. And now just to understand this Amzen, you said There was some 122 acre land next to it. So does it come along with the.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So I said that what happened is that the Amzen at large was called Amtech Rail Car, right. And it was owned by Arvind Dham from amtech auto. Now Mr. Arvind basically had 122 acres in totality. If you go to that spot, you'll be to see 100 acres enlargement. Now. 122 acres. He cut that out into 72.5 and then another 50 odd. Why? Because he probably planned to keep that in his name because he was walking in the NCIT or something like that. But today when we go to the revenue departments in Jalandhar and Punjab, we find out that this is still in the name of Amtec Railcar.

That is a provisional attachment with the ed. But once you take Amzen, there is nothing called Amtec Railcar anymore. Amzen is Amtec Railcar.

Sameer - Analyst
Okay, so that also comes along with it.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Yeah. That is not. That is an underdeveloped land. It's not developed at all. It's a blank piece of 50 acres land. But that comes in if there's a challenge. That is basically a plus plus, boss. I mean it's not something that we had calculated when we walked in. It is something that eventually comes in. There's no walkway into that land. There's no action that has happened on that land over the last two years. And that probably was a land which is owned by Arvind Dham in Amtech Rail Car. So that's one part.

So together we take on 72.5 acres today. There are another 10 acres in small, small bits around the factory that they had taken for their ancillaries, they had taken for their labour hutments. So those lands will also be accumulated and bought in.

Sameer - Analyst
So would you be selling off this 50 acres and get some revenue if you don't plan to expand it

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
first the EDS would decide to give it to me. Then I will have to figure out how to get it in. If I do get it in then, then we become richer by another 100 odd crores. That's about it. All of us, all our shareholders. But let's just hope and cross our fingers that we can. So I'm very hopeful about it. But we should not count our eggs before it hatches. There is another piece of land in Alvar which is to the tune of 67 acres. It's. It's a little bit of. It is always. It's been encroached obviously because it was taken in 2012 and 2017.

The company goes into the NCAT. So it was not really, it was unmanned. But however, that piece of land we do plan to spin off and get the money into the books to pay off the debts. Because I personally as a promoter over the last three years I've tried to keep the book very bare deadline. And even when we walk into the debt today, because of the structural situation, we will take over debt but we will want to clear it out in the next one and a half odd years.

Sameer - Analyst
Great. Thank you. Thank you for such detailed answers. We hope you'll start the quarterly call soon.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Take me to the main board, I will.

Sameer - Analyst
All right. Thank you. Thank you.

Balasubramanian A - Analyst, Arihant Capital
Thank you sir. We'll take a next question from Rohan.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Hello. Hi Rohan.

Rohan - Analyst
Yeah, hi sir. Sir, firstly I wanted to understand you mentioned we'll be ramping up the utilization. Like the target is 20 to 25% next year. Right. So will that include the wagons also like you, are you planning like 500, 600 wagons to sell next year?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
We are talking about 25% growth from last year, this year, Rohan, not next year. So next year can be a very different ballgame if the orders come through. We can turn around the execution very fast, which we've done for NS, we've done for CRF, we've done for our other spring units, and we hopefully will do it for our forging unit.If we are, by God's grace, in a good space to finish our executions very fast, this is a different ballgame. For me also, as it is new to me also because I've never handled a bigger asset than this, and I've never seen an asset as big as this. So for me also, it's new, but we are doing our best to turn it around as ASAP because the cost around it.

Rohan - Analyst
So what I am focusing on is on the wagon part, right? So say you feel okay next one or two months this acquisition will be completed. So next year do you think you can do a 500, 600 crore of wagon purely sale? You know, like you can get the orders and you can execute and you know, how do you see the wagon part of things ramping up at Amzen?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So Amzen has a entire series of machinery that basically needs refurbishment that we'll be doing over the next six to eight months that once started you will not have to worry about ramping up the situations in the wagon sector at all. Because if the orders are there, the flow out is there, they can manufacture 200 wagons easy, easy peasy in a month if you work hard. 350 wagons a month. If the capexing is done in the right format and you get your clearances from the RDSO, you can do 450 wagons.

But that can only be envisioned once you've achieved 150 wagons. Today if you look at the wagon building unit, at the wagon building units at large, there are 11 units we talk about out of which only three units talk about any sort of manufacturing over and above 200 wagons. Are we below that? The rest of the eight wagon industries are manufacturing below 100 wagons. Starting from Moniental rail to all the other wagon builders, Besco Foundry, Besco Wagon to your all the other wagons. Our manufacturing average of sale rights are doing all 100 wagons.

Below 100 wagons there are couple of them who sometimes become 150. So first one, I think we should focus on getting 100 wagons out and about for six months straight. That will allow us to get

our strength back. Because you need a lot of strength. See the backward integration is something that will give you the cost benefit. It will give you the allowance and the approval and the strength to manufacture those wagons in kit formats quick. It will be a quick turnout ratio. But the idea is that your strength in itself to assemble will only happen through the short blasting, to the painting, through the cooling, through the assemblies at large, through the flexi scheme, through the punching and to the squeezing tests.

All of that, you know, there's a huge set of operations that you'll have to take on. Now having said that 101st way. If you do 100 every month going forward for the entire year, you do 1200. You roughly do like you said, 450500 crores of top line wagons. But if you ask me, in totality 2027, April to 2028, March, March 2028, we should look at 25% capacity utilization in totality of Amzen. Amzen's t otal capacity is 2 lakh tonnes. 25% capacity is 50,000 metric tons is all we should focus on.

Rohan - Analyst
Okay, understood. So basically, you're not given clear guidance on the wagons part because it's a new thing for you as well. So you will see how it shapes out whether 100.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
I am very clear about my wagon deliberation. We will walk into three areas of wagons. My tendering if doesn't happen does not only hurt, it doesn't, doesn't hurt me that much because there's an export orientation in the plant that you're buying in Amzen. So there's a massive scope for exports. There's a massive scope of foreign companies coming and tying up with tech transfers. There's also a massive scope for your retail sale like for example Jupiter wagons. 90% of sales on wagons is selling to private buyers and not to tenders.

So similarly you will have a lot of private buyers coming in. So I am very focused on the fact that we will turn around 100 wagons. But my only concern is that the refurbishment and the procedural deal is something that is not in the hand, that cannot be sorted out. That is why I said 50% in the totality in all your six sectors. Next year you should be at least at your 80% which is again 250 wagons per month.

Rohan - Analyst
Okay, that is an FY29 you're saying?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Absolutely.

Rohan - Analyst
Okay. And why is that? You mentioned that out of 11 wagon manufacturers eight are like doing sub 100 or you know, what is the reason behind that? Is it the execution difficulty purely or.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
There are three main reasons for that. So one is an individual reason which differs from party to party. Some are in some legal battle. Some are absolutely done and dusted. Some are more interested in selling the land rather than running a wagon show. Some are seeing more value somewhere else. Some don't have a next generation coming in. So xyz. The second point is that the wagon builders at large have been used to converting materials on the money of the suppliers. So what happens is now they are, they're old school in thought.

They are still waiting and allowing the suppliers. I have a company Called Comet Technocom which gives credit for 6, 6, 8, 8 months to wagon builders. And they don't have an option because of kind of items that they supply. It is more of the non rdso items which. That section of the Comet is non rdso. Those items which is sold by a lot of people in the market. It is not something like. It doesn't have any rocket science attached to it. So these wagon builders will squeeze you. That is why they are in a mindset where they do not want to take working capital debts from the banks or from the lenders.

And that is why they are not in a position to turn it around. What has happened is if you, if you want to map, if you want to build a wagon, you need more than 86 to 90 components, types of components, channel forging, CRF castings. All these items come together to assemble it. Now you need 80 to 90 vendors to supply you these items. Now these vendors put together, even if there's not one knuckle pin available, your entire wagon will go for a toss. Because your wagon cannot be tested by the rdso because of which the turnaround is always slower. Okay?

Rohan - Analyst
Understood. Okay. Okay. So got it, sir. Now final questions on the margin outlook. Right. So for FY27, I think it was mentioned that we have some older orders wherein you know, that we have to execute. I think maybe it's without the price variation clause or whatever. So like current year, what is the margin outlook? FY28 and FY29, where do you see the margin going? Like you mentioned, you know, the galvanization and everything. At an optimal level you can I think reach a 18% EBITDA is what you mentioned.

But how will that bridge look over the next say three years including FY27?

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
So you want me to give you a mid skilled answer, A very buoyant answer or a very low skilled answer. Choice is yours.

Rohan - Analyst
Like a conservative thing which you feel is achievable, you know, not something that is very optimistic.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
What happens is now let's do the numbers only. Okay. So FY27, you're looking at 1 lakh 25 thousand metric tons in outlay. Okay. With an average pricing of somewhere around 70 to 80. Depends on the pricing of the raw material, the zinc. Now zinc, I used to buy 220 to 280 rupees a kilo. Today I'm buying at 440 rupees a kilo. Now how long will this last? I don't know, but 440 rupees a kilo that means the supply is an issue. So that's an issue. Right? So now 1 lakh 25 thousand at anywhere between 70 to 80 rupees is what is this year, next year.

And that's also because the fact that we could have bumped up our, our supplies, we could have taken more items and you know, got more ancillaries to do more. But like, like what we did last, last year in the last year because we jumped up to 80, 70 every year. But we didn't do this this year because the markets are soft. And that's got nothing to do with us. That's a macro issue in a global level in our, in our country at large. So that was one thing. Now the next point is I'm just talking the top lines first.

FY28 you should look at somewhere around so 20% of 322 lakh tons, 50,000 metric tons. One like 30,000 metric tons. You're looking at one like 80 to 2 lakh tons in totality. Right. One lakh 80,000

metric tons will be specific 2029 unlocking a value that's straight away jumping up to 3 lakh 10, 3 20,000 metric tons. And from there it's only finishing your strength. At some point you probably will reach three 50,000 metric tons with the entire capacity you set up at an average price of. Now the average selling price here stands at 70 to 80.

Next year with wagon and with the infusion of your springs and your forging items as well as a little bit of your containers and all of that defense item. With all of that put together your selling price will grow to roughly 100 rupees a kilo. That's 1 lakh rupees a ton. The next year out post that when we look at say so so when we do the math. So the year that's FY29 if you look at 3 lakh tons the average selling price will be somewhere around 1 lakh 25,000 metric ton. 1 lakh 25 rupees per metric ton.

Your margins from 14% should go up to 18%. That was me conservative. If you, if I can do what I, what I think is working on paper, your Ebitas can go up to anywhere between 20 or 20% to 21% largely on the sales side where you've been interacting with the various family offices. Various. Thank you sir.

Balasubramanian A - Analyst, Arihant Capital
Sir, due to time limitations this would be the last question. I would like to thank Cosmic CRF limited management and participants for participating Bharat Khanate conference. Sir, any final closing remarks from your side.

Aditya Vikram Birla - Chairman and Managing Director, Cosmic CRF Ltd
Well, I think thank you so much for having me. Giving me an opportunity to talk to all of you guys and also giving our two bits. Promoters like us, at my age, 37, 38, we are putting in our best. Believe me, I've grown white hair doing this. I didn't have white hair four years back, but there's nothing to feel sorry about it. This is my life. I love it. I love doing it, and I'll probably do it till the end of my life. I love growing in speed and last one year, one and a half years. Because of the macro levels of work and because of the things that we've stepped into, it is not hidden.

We also stepped into legal disputes with the NCLAT and then the Supreme Court and all of that with the H2 bidders here and there. That's opened our eyes to a new foray of life. So we are also learning with the curve. But believe me, we are here to stay. We are here to build and have faith in us, and that's about it. And we will perform irrespective of whatever it is. Thank you so much.

Balasubramanian A - Analyst, Arihant Capital
Thank you, sir. Thank you, everyone. We are closing the session.

Unidentified Speaker - Moderator, Arihant Capital
Thank you, sir.