

CFL/SE/2024-25/AUGUST/08

August 09, 2024

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

Dear Sir,

In furtherance to our letter dated August 08, 2024, regarding approval of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2024, please find enclosed newspaper advertisements published, in compliance with Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Business Standard (English & Hindi) on August 09, 2024.

You are requested to take the same on your records.

Thanking You

Yours faithfully

For Cosmo First Limited

Jyoti Dixit
Company Secretary & Compliance officer

Encl: a/a

A CLASS APART

Sebi has proposed a new asset class. How far can it quench the risk-taker's thirst?

ABHISHEK KUMAR
Mumbai, 8 August

Mumbai-based Mayank Mehta has been investing in mutual funds (MFs) sporadically over the past 10 years. Though he often signs monthly cheques for systematic investment plans (SIPs), he is more inclined towards derivatives. "Most of my MF investments have yielded good returns, but I am more drawn to derivatives trading. It gives the adrenaline rush that the slow-grinding MF investments don't," says the 30-year-old software engineer.

Mehta concedes that derivatives are not easy to crack and one can often end up on the losing side. He also takes cues from random messages on social media, but cautions that "sometimes they work, often they don't."

Mehta feels the sweet spot would be to have an expert or fund manager invest his money in derivatives. To be sure, there are portfolio management services (PMS) and alternative investment funds (AIFs) that take riskier bets. However, their minimum ticket sizes are ₹50 lakh for PMS and ₹1 crore for AIFs.

Those like Mehta, who want to invest a few lakh rupees in derivatives have to either resort to the do-it-yourself technique or settle for MFs, which are allowed to use the derivatives segment only for hedging. Mehta is yet to fall in the trap of schemes that promise unrealistically high returns, but several others have.

To address this problem, the Securities and Exchange Board of India (Sebi), the markets regulator, has

proposed a new asset class that will sit in between MFs and PMS or AIFs. The minimum ticket size for the yet-to-be-named asset class is proposed to be ₹10 lakh.

The regulator has said the structure of the proposed asset class will be akin to MFs, but it will be allowed to offer riskier investment strategies. The various investment thresholds in debt securities or real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) will be slightly more relaxed vis-à-vis MFs.

If the proposal is accepted, the Indian markets will see the launch of structured investment products that will be within the reach of many investors.

Long and short of it

Some such strategies will be the globally popular 'long-short equity fund' — which seeks to deliver superior returns by taking both long and short positions in equities depending on the outlook — or an inverse exchange traded fund or bear funds, a fund that generates positive returns when the market falls.

Currently, if you have a negative outlook on the overall markets, or a sector, or a stock, there is no structured product available for investment. As a result, investors get drawn to the derivatives market, where only one out of 10 investors is able to generate profits and where retail losses exceed ₹50,000 crore in a financial year.

On the product side, the new asset class will help plug a gap not just in the equity space but also in the debt space.

Currently, there is no structured product available to those who have a negative outlook. This drives them to derivatives, where only one out of 10 investors makes profits



In December 2023, Sebi chief Madhabi Puri Buch (pictured) had said, "We feel that there is room for an additional asset class somewhere between mutual funds and PMS... Sebi is looking into a whole new asset class"

NEW DAWN

SOME STRATEGIES THAT THE NEW ASSET CLASS COULD OFFER

LONG SHORT FUNDS

Funds that take both long and short positions in equities

REVERSE ETFs

Scheme's returns have a negative correlation to the underlying index

HIGH-RISK DEBT FUNDS

Funds that invest in lower-rated papers and can also maintain a concentrated portfolio

Sebi envisages that the new asset class can take riskier bets compared to MFs

	MF	New product category
Minimum investment size	₹100	₹10 lakh
Derivatives exposure	For hedging	Naked
Single company exposure	10% of corpus	15% of corpus
Single issuer exposure for debt securities	10% of corpus	20% of corpus
Sector-level limits for debt securities	20%	25%

"There is a gap in the structure of debt products in MF space, where the daily liquidity provision has made it difficult to manage credit or accrual propositions. This is because the rush of investors exiting the fund in case of possibility of a credit event poses a liquidity challenge and results in propositions for existing investors becoming unattractive on risk-reward propositions for no fault of theirs and all this even before the event happens. A healthy capital market requires development of both equity and debt markets," said Akhil Chaturvedi,

Executive Director, Motilal Oswal AMC.

Tax structure the key

MFs enjoy an edge over PMS products. Their portfolio churn does not attract short- or long-term capital gains tax (STCG or LTCG). It remains to be seen whether the new asset class will enjoy an MF-like structure, which will be a key to its appeal.

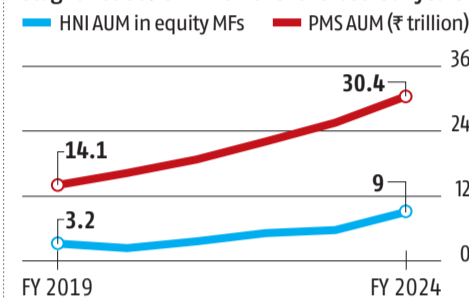
As the new asset class's broad operational and legal framework will be borrowed from MFs, experts believe it may also get the LTCG and STCG pass-

through status at the fund. This will give them an edge as Category 3 AIFs do not have similar status. In the case of PMS, the investor has to pay the taxes on the capital gains whenever the fund manager makes a profitable trade.

"The biggest use case will be tax. This structure, being part of the mutual fund umbrella, gets the benefit of no taxation at a vehicle level. On the other hand, PMS is a pass-through, while Cat 3 AIF needs to pay tax at the level of the trust," said Somnath Mukherjee, CIO and Senior Managing

SHARP SURGE IN MF HNI, PMS AUM OVER THE YEARS

However, the number of PMS clients has been stagnant at 0.16 million over the last four years



HNI: High net-worth individual, PMS: Portfolio management service, AUM: Assets under management. AUM as of the end of the financial year. PMS AUM (almost 80% which is of EPFO) | Data only includes discretionary and non-discretionary PMS. Sources: Amfi, Sebi

Partner, ASK Private Wealth.

PMS and AIF providers believe the introduction of NAC will put the spotlight on levelling the playing field when it comes to tax structures, or they could route their investments through the new structure.

"I strongly feel PMS and AIF should be given the option to participate in this new asset class. They are suited to handle HNI money," said Manish Bhandari, CEO and Portfolio Manager of PMS firm Vallum Capital Advisors and a board member of the Association of Portfolio Managers in India.

Distribution model

Though the proposed new asset class has got the market excited, some believe it may not offer something which is not already available.

According to Mukherjee, the new asset class is unlikely to offer a new use case and will only compete with PMS and AIF. Soumya Sarkar, co-founder of MF distribution firm Wealth Redefine, said that though the new asset class may have its own advantages, adoption might take off only after investors get a hang of the new offering.

Given the rising share of non-financial assets in domestic households, more investment avenues will be welcome and there will be space for each vehicle, as it will cater to a different class of investors.

The key area the Sebi consultation paper does not delve into is the revenue structure for the manufacturers. This is also the area, say experts, that can weaken the new asset class as a concept. Some in the MF industry believe the structure will mostly be similar to that of MFs, wherein expenses are charged at the fund level based on its size. In comparison, PMS regulations also allow firms to charge a performance fee.

MF players say that though a performance fee is a good idea, it is not easy to implement in a pooled investment product, especially the open-ended ones. Sebi had mooted the idea of performance fee in MFs early last year, but it did not materialise.

Cosmo First
Ahead Always

Committed to Providing
**Quality Without
Compromise**

UNAUDITED CONSOLIDATED FINANCIAL RESULTS

(Rs in Crores)

EBITDA 52% ▲ (YoY)

PAT 123% ▲ (YoY)

Particulars	Quarter Ended		Year Ended	
	30.06.2024 Unaudited	31.03.2024 Audited	30.06.2023 Unaudited	31.03.2024 Audited
Revenue from operations	690	641	658	2,587
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	84	67	55	251
Net Profit/(Loss) for the period (before tax, and/or exceptional items)	37	18	16	72
Net Profit/(Loss) for the period before tax (after exceptional items)	37	18	16	72
Net Profit/(Loss) from ordinary activities after tax	31	15	14	62
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	30	17	7	59
Equity Share Capital	26	26	26	26
Earnings Per Share (of Rs 10 each) (not annualised)				
- Basic:	12.0	5.9	5.4	24.0
- Diluted:	11.8	5.9	5.3	23.6

Notes:

- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors on 8th August 2024 and limited review of the same has been carried out by the statutory auditors of the Company.
- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Financial Results are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on Company's website (www.cosmofirst.com).
- Key numbers of Standalone financial results are as given below. The standalone financial results are available at Company's website.

Particulars	Quarter Ended		Year Ended	
	30.06.2024 Unaudited	31.03.2024 Audited	30.06.2023 Unaudited	31.03.2024 Audited
Revenue from operations	647	604	602	2,391
Profit/(Loss) from ordinary activities before tax	19	3	9	43
Profit/(Loss) from ordinary activities after tax	16	3	9	39

New Delhi
8th August 2024

ASHOK JAIPURIA
CHAIRMAN & MANAGING DIRECTOR

COSMO FIRST LIMITED

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"We uphold the highest standards to ensure unparalleled quality in every product. Our relentless pursuit of excellence ensures that we consistently set new benchmarks."

- **Ashok Jaipuria**

OUR BUSINESSES: **COSMO FILMS** **COSMO PLASTECH** **COSMO SUNSHIELD** **COSMO SECURITY CHEMICALS** **zidly**

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Where service is a way of life

TENDER NOTICE
Sealed tender are invited for "Selection of Vendor for Supply, Implementation, Integration, Maintenance and Management of Real Time Transaction Monitoring System (RTMS) and Portal for Real Time NCCRP reporting system in the Bank for 5 years". For Eligibility, Technical specifications & other relevant details, RFP may be downloaded from Bank's website <https://punjabandsindbank.co.in> and from GeM. Any further changes related to the said Tender shall be posted on Bank's website and GeM only.

Chief Manager

Punjab & Sind Bank
(A Government of India Undertaking)
H.O. Transformation Projects Deptt.,
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East Kirti Nagar, New Delhi-110023
E-mail: ho_tp@psb.co.in
Where service is a way of life

TENDER NOTICE
Bank invites bids from eligible Bidders on Government e-Marketplace (GeM) for rendering "Selection of vendor for customer on-boarding solution for CASA" Last date of submission of bids is 30.08.2024. For further details, please visit GeM portal. Deputy General Manager Transformation Projects Deptt.

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EXTRACT OF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS (UN-AUDITED) FOR THE QUARTER ENDED JUNE 30, 2024
(Rs. in Millions)

Particulars	Quarter Ended		Year Ended
	30.06.2024 Un-audited	30.06.2023 Un-audited	31.03.2024 Audited
Total income from operations (net)	6,373	5,785	28,998
Net Profit / (Loss) for the period (before tax, Exceptional and/or Extraordinary items)	700	640	3,301
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	700	640	3,301
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	548	496	2,504
Net Profit / (Loss) after taxes, minority interest and share of profit / (Loss) of associates	550	500	2,456
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	529	489	2,510
Equity Share Capital	124	124	124
(Earnings per share of Rs.2/- each) (for continued and discontinued operations)			(in Rs.)
Basic / Diluted	8.84	8.04	39.49
(Earnings per share of Rs.2/- each) (for continued and discontinued operations)			(in Rs.)
Diluted	8.74	8.04	39.49

Notes:
1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites www.nseindia.com and www.bseindia.com and also on the company's website www.wabag.com.
2. The above results were reviewed by the Audit Committee and approved and taken on record by the Board at its meeting held on 08.08.2024 and a limited review has been carried out by the Statutory auditors of the Company.
3. Figures for the previous periods have been regrouped/reclassified to confirm to the figures presented in the current period.
4. The details of turnover, profit before tax and profit after tax on a standalone basis are given below:

Particulars	Quarter Ended		Year Ended
	30.06.2024 Un-audited	30.06.2023 Un-audited	31.03.2024 Audited
Turnover	5,459	5,092	25,097
Profit / (Loss) Before Tax	662	606	3,160
Profit / (Loss) After Tax	505	470	2,358

For VA TECH WABAG LIMITED
Sd/-
Rajiv Mittal
Chairman & Managing Director
Date : 08.08.2024
Place : Vienna
DIN : 01291910

