BMW VENTURES LTD.

September 23, 2025

BMW VENTURES LIMITED

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	
Fresh Issue (Shares)	23,400,000
Net Offer to the Public	**23,400,000**
Issue Size (Rs. Cr.)	219-232
Price Band (Rs.)	94-99
Offer Date	24-Sep-25
Close Date	26-Sep-25
Face Value	10
Lot Size	151

Issue Composition

	In shares
Total Issue for Sale	23,400,000
QIB	234,000
NIB	5,616,000
Retail	17,550,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	73.02%
QIB	0.00%	0.27%
NIB	0.00%	6.48%
Retail	0.00%	20.24%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company BMW Ventures IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding working capital requirements of the Company.
2. General corporate purposes

Book Running Lead Manager

- Sarthi Capital Advisors Private Limited

Name of the registrar

- Cameo Corporate Services Limited

About the company

BMW Ventures Limited is engaged in the trading and distribution of steel products, tractor engines, and spare parts, along with the manufacturing of PVC pipes, roll-forming products, and the fabrication of pre-engineered buildings (PEB) and steel girders. As of March 31, 2025, the company supplies steel products through a strong dealer network of 1,299 dealers, covering 29 of Bihar's 38 districts. Its product portfolio includes TMT bars, GI sheets, HR sheets, wire rods, galvanized color-coated sheets, doors, GP sheets, pipes, hollow sections, screws, and other steel-related products. In line with its diversification strategy, BMW Ventures also distributes tractor engines and spare parts across Bihar. The company operates six stockyards—five in Patna and one in Purnea—backed by an extensive marketing and sales network of over 1,250 exclusive and non-exclusive dealers across the state.

Strength

Experience of Promoters and Relationship with Principal Supplier: The company holds exclusive distributorship rights for long and flat steel products from its primary supplier, catering to over 1,250 dealers and institutional buyers across Bihar. Supported by promoters with over a decade of industry experience and strong supplier relationships, the company has achieved consistent growth and market expansion, earning multiple awards. As of March 31, 2025, it employs 639 people. The Board includes independent directors with expertise in accounting, taxation, and law, while key managerial personnel bring strong backgrounds in finance, legal, secretarial, and business development.

Relationship with Established Industry Players: Serving diverse industries such as agriculture and real estate, the company has built strong partnerships with leading players to enhance service delivery and strengthen its market presence. These relationships ensure a broad client base, support sustained growth, and reinforce its competitive advantage in a dynamic industry environment.

Selling and Distribution Network: The company's wide product portfolio is marketed and distributed through a robust network across Bihar. Led by Promoter and Managing Director Nitin Kishorepuria, with 15 years of industry experience, its sales and marketing team of 124 employees drives customer engagement through both direct sales and dealer collaborations. This dual strategy has built a strong domestic presence and enhanced brand visibility.

Track Record of Financial Performance: The company has delivered steady financial growth, with revenues of Rs. 2,062.04 crore in FY25, Rs. 1,938.20 crore in FY24, and Rs. 2,015.10 crore in FY23. Profitability has strengthened, as reflected in improved EBITDA, EBIT, and PAT, while net worth rose to Rs. 210.12 crore in FY25. Key ratios, including a Debt/Equity ratio of 2.04, ROE of 15.62%, and ROCE of 12.80% in FY25, underline its stable financial foundation.

Market Position: According to CRISIL, the company accounted for ~19% of Bihar's TMT bars market in FY24, with the balance held by competitors such as Kamdhenu, Balmukund, and Captain. Its leadership in trading TMT bars and steel products is driven by product quality, innovation, customer service, competitive pricing, and effective marketing. Investments in R&D, strict quality control, and strong customer support further strengthen its market position.

Market Recognition: With three decades of operations and promoters bringing over 20 years of experience, the company enjoys strong recognition in the steel industry. Built on

product quality, reliability, and service excellence, this reputation differentiates it from peers and drives customer acquisition. In FY25, revenue concentration remained moderate, with the top 5 customers contributing 8.94% and the top 10 contributing 13.77% of total revenue.

Strategy

Expansion of Distribution Network in Bihar: The company plans to extend its steel product distribution from the current 29 districts to all 38 districts of Bihar, capitalizing on the state's rising demand for steel. Between FY2018–FY2023, steel demand in Bihar grew at a CAGR of 8.3% to 1.7 million tonnes, though it temporarily dipped to 1.5 million tonnes in FY2024 due to weak sales and adverse weather. Going forward, demand is projected to grow at 8.5–9.5% CAGR, reaching 2.1–2.2 million tonnes by FY2028, supported by government initiatives such as PM Gati Shakti and Pradhan Mantri Gram Sadak Yojana. Demand for TMT bars is also expected to rise at a similar pace.

Achieving Economies of Scale: To strengthen its market position, the company has diversified into the fabrication of pre-engineered steel buildings (PEBs) and steel girders. This integration enhances its ability to procure raw materials cost-effectively, leveraging synergies with its established steel distribution business. By securing materials directly and in higher volumes, the company benefits from economies of scale, improving efficiency and competitiveness.

Robust Quality Processes: The company maintains stringent quality control across all segments. In distribution, materials undergo a three-step inspection for rust, moisture, discoloration, and finishing quality, with issues escalated to the primary supplier. PVC pipe manufacturing includes operator-led checks for surface and dimension consistency, followed by laboratory testing for density, tensile strength, and impact resistance. Fabrication processes for girders and PEBs include multi-stage inspections covering raw material verification, cutting, welding, painting, and final QA approval before delivery, ensuring compliance with specifications and standards.

Utilities and Energy Management: Power is sourced from North and South Bihar Power Distribution Companies for the Purnea fabrication facility and Patna stockyards, respectively. To ensure uninterrupted supply, the company has installed backup diesel generators. Additionally, it has invested in solar power through photovoltaic panels, integrating a grid-tied system that enables net metering. This not only reduces reliance on conventional energy but also lowers the carbon footprint while optimizing energy costs.

Marketing and Sales Management: The sales and marketing function is led by Managing Director Nitin Kishorepuria, supported by a 103-member team. The strategy emphasizes reducing marketing costs while expanding distribution within Bihar through both direct customer engagement and dealer collaboration. The team structure includes four Business Managers for TMT, three for doors, and one for each additional product line. It is further supported by 55 Area Sales Officers, 19 Customer Service Executives, and 19 Customer Service Engineers, who strengthen dealer relationships and provide technical expertise to customers.

Risk Factor

- A significant concentration of business exists in Bihar, contributing 98.49%, 98.29%, and 98.22% of revenues in FY2025, FY2024, and FY2023, respectively. With all manufacturing and stockyard facilities also located in Bihar, adverse social, political, or natural events in the region could negatively affect operations and revenue.
- The company derives a substantial portion of its revenue from the distribution of long and flat steel products. Any reduction in demand for these products could adversely affect its business, financial condition, and cash flows.
- The company has experienced negative cash flows in the past and may continue to face such situations in the future, which could affect liquidity and operations.
- The company relies heavily on repeat orders, which accounted for 98.76%, 99.70%, and 99.23% of revenues in FY2025, FY2024, and FY2023, respectively. A loss or reduction in such repeat orders could materially impact its business, financial condition, and cash flows.

Peer Comparison

No peer comparison

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.99, the stock is priced at pre issue P/E of 19.10x on an FY25 EPS of Rs.5.18. Post issue, the stock is priced at a P/E of 26.15x on its EPS of Rs. 3.79. Looking at the P/B ratio at Rs. 99 pre issue, book value of Rs. 33.19 of P/Bvx 2.98x. Post issue, book value of Rs.50.95 of P/Bvx 1.94x.

Considering the P/E valuation, on the lower end of the price band of Rs.94, the stock is priced at pre issue P/E of 18.13x on FY25 EPS of Rs. 5.18. Post issue, the stock is priced at a P/E of 24.83x on its EPS of Rs.3.79. Looking at the P/B ratio at Rs.94 pre issue, book value of Rs. 33.19 of P/Bvx 2.83x. Post issue, book value of Rs.50.95 of P/Bvx 1.85x.

Industry Outlook

The industry outlook is positive, with steel demand in Bihar projected to grow at a steady CAGR of 8.5-9.5% to 2.1-2.2 million tonnes per annum over fiscals 2024-2028. This growth is expected to be fueled by an increased focus on infrastructure development within the state, driven by central government schemes like PM Gati Shakti for eastern regions and the Pradhan Mantri Gram Sadak Yojana. The demand for TMT reinforcement bars, in particular, is also expected to increase at a similar CAGR of 8.5-9.5% over the same period, with major growth drivers being the aforementioned government initiatives as well as the Bharatmala scheme. While steel demand in Bihar grew at a CAGR of 8.3% between fiscals 2018-2023, it saw a decline in Fiscal 2024 to 1.5 million tonnes due to poor sales and a decrease in overall construction activity from extreme weather conditions. However, the industry is expected to recover and grow as the construction sector, including private construction, bounces back from the pandemic, and people with higher disposable income look to build houses.

Outlook

BMW Ventures Limited is well-positioned for growth, supported by experienced promoters, strong supplier relationships, and a robust dealer network across Bihar. Its strategy to expand distribution to all 38 districts, diversify into PEB and steel girder fabrication, and maintain stringent quality controls enhances operational efficiency and market competitiveness. While concentrated operations and supplier dependence present risks, steady steel demand, government infrastructure initiatives, and a focus on repeat orders and dealer relationships underpin the company's growth potential and long-term financial stability.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	24-September-25
BID/ISSUE CLOSES ON	26-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	29-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	30-September-25
Credit of Equity Shares to Demat Accounts of Allottees	30-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	01-October-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	2062.04	1938.20	2015.10
Total expenditure	1979.94	1869.47	1950.28
Operating Profit	**82.10**	**68.72**	**64.82**
OPM%	3.98	3.55	3.22
Other Income	5.30	3.84	3.03
Total Net Income	**87.39**	**72.56**	**67.85**
Interest	37.79	27.99	20.65
PBDT	**49.61**	**44.56**	**47.19**
Depreciation	4.99	4.20	3.96
Restated loss before tax	**44.61**	**40.37**	**43.24**
Tax	11.79	10.43	10.58
Profit & Loss	**32.82**	**29.94**	**32.66**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
(a) Property, Plant and Equipment	113.22	80.39	68.54
(b) Capital Work in Progress	0.53	16.25	1.31
(c) Right of Use Assets	0.00	0.00	4.20
(d) Investment Properties	26.55	25.08	24.78
(e) Intangible Assets	0.26	0.36	0.47
(f) Financial Assets			
(I) Investments			
(ii) Others Financial Assets	1.91	1.37	5.27
(g) Other Non Current Assets	1.93	2.59	5.63
Total non-current assets	**144.39**	**126.05**	**110.20**
Current asset			
(a) Inventories	301.76	320.67	234.59
(b) Financial Assets			
(i) Investments	3.57	1.75	1.21
(ii) Trade Receivables	164.11	141.00	109.93
(iii) Cash and Cash Equivalents	12.43	0.53	0.28
(iv) Bank balances other than (ii) above	3.79	3.88	0.00
(v) Loans and advances	25.74	26.72	0.48
(vi) Other financials assets			
(c) Other Current Assets	20.31	25.30	23.90
(d) Income Tax Assets (net)	0.00	0.24	1.42
Total current assets	**531.71**	**520.10**	**371.82**
Total Assets	**676.09**	**646.15**	**482.02**
Non-current liabilities			
Financial liabilities			
Borrowings	31.19	45.04	41.45
Lease Liabilities	0.00	0.00	3.68
Other Financial Liabilities	0.35	0.20	0.25
Provisions	0.60	0.67	0.87
Deferred Tax Liabilities	5.21	3.13	2.08
Total Non- Current liabilities	**37.35**	**49.05**	**48.34**
Current liabilities			
Financial Liabilities			
Borrowings	397.19	350.26	242.13
Lease Liabilities	0.00	0.00	0.60
Trade payables- Total outstanding dues of micro and small enterprises	0.00	0.00	0.00
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	0.31	23.87	5.28
Other Financial Liabilities	14.63	9.96	17.82
Other Current Liabilities	16.19	25.72	10.71
Provisions	0.09	0.59	0.44
Current Tax Liabilities	0.21	0.00	0.23
Total - Current Liabilities	**428.63**	**410.39**	**277.20**
Total Liabilities	**465.98**	**459.44**	**325.54**
Net worth represented by:			
Equity share capital	63.32	63.32	15.83
Other equity	146.80	123.39	140.65
Total Equity	**210.12**	**186.71**	**156.48**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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