BMW Ventures Ltd.

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IPO Note **23rd September 2025**

Company Overview

BMW Ventures Ltd. is a diversified player engaged in the trading and distribution of steel products, tractor engines and spare parts, manufacturing of PVC pipes and roll forming, and fabrication of pre-engineered buildings (PEB) and steel girders. Over the years, it has built a strong dealer and distributorship network across Bihar, supported by a business model focused on delivering high-quality products and ensuring timely deliveries. Its core steel distribution business, sourced exclusively from a primary supplier, contributes over 98% of revenue and is supported by a strong network of 1,299 dealers covering 29 of the 38 districts in Bihar. The product portfolio includes long products such as TMT bars, galvanized wires, and structural hollow sections, along with flat products like galvanized corrugated sheets (GC), galvanized plain sheets (GP), hot rolled sheets and coils (HR), colour-coated sheets, and cold rolled sheets and coils (CR), as well as farm tools, equipment, and steel doors and windows. Other segments include tractor engine distribution, PVC manufacturing, and fabrication services, which together contribute a small but growing share of revenue. Leveraging over two decades of market experience, the company operates six strategically located stockyards equipped for fabrication, storage, and distribution, ensuring timely deliveries and efficient supply chain management. With in-house and third-party logistics support, RDSO-approved fabrication capabilities, and a strong dealer network, the company has established itself as a leading steel distribution and fabrication player in Bihar, serving key sectors such as construction, automotive, and general engineering.

Objects of the issue

The net proceeds from the fresh issue will be used towards the following purposes:

⇒ To carry out the Offer for Sale;

⇒ General corporate purposes.

Investment Rationale

Strong industry alliances and robust distribution network driving sustainable growth

The company's strong relationships with established players across key industries such as agriculture and real estate provide a competitive advantage. By partnering with reputed and large-scale customers in these sectors, the company ensures consistent demand for its products and enhances its credibility and brand recognition within the market. These industry linkages provide greater business visibility, enable the company to offer tailored solutions to diverse customer needs, and help secure repeat orders, which create a stable and scalable revenue base. This extensive and loyal clientele demonstrates the company's ability to cater to multiple end-user segments, reducing dependency on any single industry and supporting long-term growth. Complementing these industry relationships is a well-established selling and distribution network that forms the backbone of the company's operations. With a focused presence in Bihar, the company markets and distributes a broad portfolio of steel products, tractor engines, spare parts, PVC pipes, and fabricated goods through a dual strategy of direct customer engagement and dealer partnerships. As of March 31, 2025, a dedicated team of 124 marketing and sales professionals, guided by the extensive industry experience of the Promoter and Managing Director, ensures effective execution of marketing initiatives and drives revenue growth. The integration of strong industry relationships, an expansive distribution network, and experienced leadership creates a durable business model capable of capturing rising demand in construction, infrastructure, agriculture, and real estate sectors. This ecosystem facilitates consistent revenue growth, enhances the company's ability to introduce new products, expand its market footprint, and defend its leadership position in the highly competitive steel distribution and fabrication market of Bihar.

Market leadership in Bihar's growing steel distribution and fabrication market a key advantage

The company holds a strong market leadership position in Bihar steel trading industry, contributing ~ 19% of the TMT bars market in the state as of FY24, according to the CRISIL Report. The remaining 81% of the market is shared among other distributors such as Kamdhenu, Balmukund, and Captain, underscoring the company's dominant presence and competitive edge in a fragmented market. This leadership has been achieved through a strategic combination of innovation, high product quality,

Issue Details	
Offer Period	24th Sept, 2025 - 26th Sept, 2025
Price Band	Rs. 94 to Rs. 99
Bid Lot	151
Listing	BSE, NSE
Issue Size (no. of shares in mn)	23.4
Issue Size (Rs. in bn)	2.31
Face Value (Rs.)	10

Issue Structure	
QIB	1%
NIB	24%
Retail	75%
BRLM	Sarthi Capital Advisors Private Ltd.
Registrar	Cameo Corporate Services Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.00	73.02
Public	0.00	26.98
Total	**100.00**	**100.00**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

competitive pricing, and superior customer service. The company continuously invests in quality control and operational processes to ensure reliable, high-grade products that meet or exceed customer expectations, while maintaining a customer-centric approach with timely deliveries, responsive support, and customised solutions. A key factor reinforcing this market position is the company's exclusive distributorship of both long and flat steel products from its primary supplier since its inception. This long-standing relationship provides a secure and consistent supply base, enabling the company to serve a vast clientele of over 1,250 dealers and institutional buyers across Bihar. The company's deep market insights and strategic vision have guided its steady growth, helping it expand its presence in existing markets and explore untapped regions. Overall, the company combines robust market share, exclusive supplier partnership, and operational excellence to sustain its competitive edge, drive consistent revenue growth, and capitalise on emerging opportunities in Bihar's growing steel distribution and fabrication market.

Valuation

The company enjoys a dominant ~19% share in Bihar's TMT bars market, with an exclusive distributorship arrangement for both long and flat steel products from its primary supplier, ensuring a steady and reliable supply base. Its strong market position is further reinforced by a diversified product portfolio and an extensive distribution network of over 1,250 dealers, providing visibility for sustained revenue growth and margin stability. The company plans to expand its distribution footprint across additional districts in Bihar, leveraging its advantage as the sole distributor of its primary supplier in the state. Operationally, the company continues to invest in quality control and process enhancements to deliver high-grade products that consistently meet customer expectations, while maintaining a customer-centric approach with timely deliveries, responsive support, and customised solutions. On the financial front, the company has delivered healthy CAGR growth over FY2023–25 period, with Revenue/EBITDA CAGR of 1.2%/12.5%. With experienced promoters, skilled workforce and secured supply chain, the company is well-positioned to capture incremental market share, maintain competitive pricing, and deliver healthy earnings growth. Overall, the company's positive long-term growth trajectory is driven by strong market positioning, exclusive supplier relationships, and consistent revenue performance. **At the upper price band of Rs 99, the company is valued at a P/E multiple of 19.1x FY25 earnings. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

⇒ company relies on select suppliers with whom it has exclusive distributorships or formal agreements for the procurement and sale of its steel and tractor products. Any disruption in the supply from these key partners could adversely impact business operations, affecting product availability, revenue, and profitability.

⇒ The company derives over 98% of its revenue from Bihar, with all manufacturing, fabrication facilities, and stockyards located within the state. Consequently, any adverse social, political, or natural developments in Bihar could significantly disrupt operations and negatively impact revenue and overall financial performance.

⇒ A significant portion of the company's revenue comes from the distribution of long and flat steel products. Any decline in demand for these products could materially affect the company's business, financial condition, results of operations, and cash flows.

BMW Ventures Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from Operations	20,151	19,382	20,620
Total Revenue	**20,151**	**19,382**	**20,620**
Expenses			
Cost of raw materials consumed	66	178	79
Purchases of stock-in-trade	19,743	18,385	18,329
Changes in inventories of stock-in-trade and finished goods	(1,130)	(858)	193
Employee benefit expenses	190	201	206
Other expenses	633	788	992
Total Operating Expenses	**19,503**	**18,695**	**19,799**
EBITDA	**648**	**687**	**821**
Depreciation and Amortization expenses	40	42	50
EBIT	**609**	**645**	**771**
Finance costs	207	280	378
Other Income	30	38	53
PBT	**432**	**404**	**446**
Total tax	106	104	118
PAT	**327**	**299**	**328**
Diluted EPS	**5.2**	**4.7**	**5.2**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	**-835**	**-530**	**502**
Cash flow from investing activities	-212	-265	-241
Cash flow from financing activities	991	798	-142
Net increase/(decrease) in cash and cash equivalents	**-56**	**2**	**119**
Cash and cash equivalents at the beginning of the period	**56**	**0**	**3**
Cash and cash equivalents at the end of the period	**3**	**5**	**124**

Source: RHP, BP Equities Research

BMW Ventures Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	685	804	1,132
Capital work in Progress	13	162	5
Right of Use assets	42	0	0
Intangible Assets	5	4	3
Investment Property	248	251	266
Other financial assets	53	14	19
Total Non current assets	**1,102**	**1,260**	**1,444**
Current Assets			
Inventories	2,346	3,207	3,018
Investments	12	18	36
(i)Trade Receivables	1,099	1,410	1,641
(ii)Cash and cash equivalents	3	5	124
(ii)Other Bank Balance	0	39	38
Others financial assets	5	267	257
Current tax assets	14	2	0
Other current assets	239	253	203
Total Current Assets	**3,718**	**5,201**	**5,317**
Total Assets	**4,820**	**6,461**	**6,761**
Equity and Liabilities			
Equity Share Capital	158	633	633
Other Equity	1,406	1,234	1,468
Total Equity	1,565	1,867	2,101
Non-Current Liabilities			
Financial Liabilities			
Borrowings	415	450	312
Lease Liabilities	37	0	0
Provisions	9	7	6
Other financial liabilities	3	2	4
Deferred tax liabilities (net)	21	31	52
Current Liabilities			
Financial Liabilities			
Borrowings	2,421	3,503	3,972
Lease Liabilities	6	0	0
Trade Payable	53	239	3
Other financial liabilities	178	100	146
Current tax liabilities	2	0	2
Provisions	4	6	1
Other current liabilities	107	257	162
Total Current Liabilities	**2,772**	**4,104**	**4,286**
Total liabilities	**3,255**	**4,594**	**4,660**
Total Equity and Liabilities	**4,820**	**6,461**	**6,761**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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