



Date: 07.11.2025

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Scrip Code: 542669

To,
The Manager
Listing Department
The Calcutta Stock Exchange Limited
Lyons Range,
Kolkata – 700 001
Scrip Code: 12141- CSE

Dear Sir / Madam,

Subject: Intimation regarding assignment and affirmation of Credit Rating by India Ratings and Research Private Limited

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we wish to inform you that India Ratings and Research Private Limited ("India Ratings") has assigned a rating of 'IND A'/Stable to the Company's additional bank loans amounting to ₹4,800 million. Further, the agency has affirmed the existing rating as detailed below:

Particulars	Amount (INR million)	Rating	Outlook	Rating Action
Bank Loan Facilities	INR 4,800	IND A	Stable	Assigned
Bank Loan Facilities	INR 2,566.80	IND A / IND A1	Stable	Affirmed

The report issued by the credit rating agency, covering the affirmation and assignment of the credit rating, is enclosed herewith and has also been uploaded on the Company's website.

We request you to kindly take the same on record.

Yours faithfully,
For **BMW INDUSTRIES LIMITED**

VIKRAM
KAPUR

Digitally signed by
VIKRAM KAPUR
Date: 2025.11.07
18:09:39 +05'30'

Vikram Kapur
Company Secretary

India Ratings Rates BMW Industries’s Additional Bank Loans at ‘IND A’/ Stable; Affirms Existing Ratings

Nov 06, 2025 | Iron & Steel

India Ratings and Research (Ind-Ra) has taken the rating following actions on BMW Industries Ltd.’s (BMWIL) bank loan facilities:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR4,800	IND A/Stable	Assigned
Bank loan facilities	-	-	-	INR2,566.80	IND A/Stable/IND A1	Affirmed

Analytical Approach

Ind-Ra continues to take a consolidated view of BMWIL and its joint venture, SAIL Bansal Service Centre Limited (60% shareholding; partial consolidation), given the strong legal, operational and strategic linkages among them. The two former 100% subsidiaries, BMW Iron & Steel Industries Limited and Nippon Cryo Private Limited, were merged into BMWIL in September 2025, with effect from 1 April 2024, to streamline the group structure.

Detailed Rationale of the Rating Action

The rating factors in BMWIL’s sustained operating and financial performance in FY25, driven by improved realisations and a stable contribution from its conversion business. The company’s EBITDA per tonne remained steady during the year, supporting its comfortable credit metrics. The rating also derives comfort from the renewal of contracts with its key customer, Tata Steel Limited (TSL; debt rated at '[IND AAA’/Stable](#)'), as well as capacity enhancement in the tube segment, supported by work orders during the contract period, ensuring revenue visibility. Ind-Ra expects BMWIL’s business profile to strengthen in the near to medium term, aided by higher capacity utilisation in the pipe and tube segment and the phased commissioning of its greenfield facility in Bokaro.

Nonetheless, the rating is constrained by the company’s ongoing debt-funded capex, which is likely to moderate its credit metrics during the implementation phase over FY27-FY28. However, the ratios should improve post capex completion. Any time or cost overrun in the execution of the greenfield capex could adversely impact BMWIL’s cash flows and credit metrics and will remain a key monitorable.

List of Key Rating Drivers

Strengths

- Conversion business underpins margin stability and continues to drive steady cash flows
- Steady performance in FY25; growth to be driven by capacity expansion
- Long-term association with key customer
- Diversified product profile

Weaknesses

- High debt-funded capex for greenfield project; timely completion and ramp-up critical
- High customer concentration; likely to reduce

Detailed Description of Key Rating Drivers

Conversion Business Underpins Margin Stability and Continues to Drive Steady Cash Flows: BMWIL's management has been focusing on the conversion business (accounting for over 75% of sales), which offers steady margins compared to its manufacturing segment. Under the conversion business, raw materials are supplied by its conversion/ processing customers, while conversion charges are determined based on operating costs, supported by a price variation clause for its key inputs. BMWIL's cash flows continue to be predominantly driven by an agreement with its key customer, TSL, for the conversion of flat products at the former's Gamharia unit in Jamshedpur at predetermined rates. The conversion volumes of flat products increased marginally to 1,83,621 tonnes (t) during FY25 (FY24: 1,82,922t), while the segment's revenue moderated slightly to INR3,429.7 million (INR3,510 million), due to a sustained demand from the key customer and improved operational efficiencies at BMWIL's plant, despite no minimum quantity assurance since FY22. This segment contributed around 55% to the total revenue during FY25 (FY24: 59%).

Steady Performance in FY25; Growth to be Driven by Capacity Expansion: The company witnessed a steady operational performance in FY25, with the consolidated revenue increasing to INR6,286 million (FY24: INR5,982 million; FY23: INR5,623 million), supported by efficient utilisation of its installed capacity. While sales volumes in the cold rolling mill complex moderated 7% yoy in FY25, those in the thermo-mechanically treated (TMT) bars and pipes & tubes segment improved 4% and 56% yoy, respectively.

Its consolidated EBITDA margins remained largely stable at 23.4% during FY25 (FY24: 24.5%; FY23: 23.1%), aided by effective pass-through of consumable costs and reducing volatility in raw material & finished goods prices, subject to the mix of conversion/ processing services offered. However, in 1QFY26, the EBITDA margins dipped 236bp yoy to 21.14%, primarily due to transitory fixed-cost absorption amid a temporarily lower revenue base, following a temporary shutdown by key customers that impacted sales volume.

BMWIL is expanding into manufacturing through a greenfield project in Bokaro, Jharkhand, which will include facilities for cold-rolled coils, galvanising, galvalume and zinc-aluminium-magnesium (ZAM), and colour-coated sheets. Ind-Ra expects BMWIL's scale to strengthen over the near to medium term, driven by higher utilisation in the pipes and tubes segment and the phased commissioning of the Bokaro facility during FY26-FY28. Ind-Ra expects the conversion business with the key customer to continue providing margin stability and adequate cash flow generation.

Long-term Association with Key Customer: BMWIL is associated with its key customer, TSL, for over three decades. Its Gamharia plant, commissioned in December 2013 at a capital cost of over INR4,000 million, was strategically set up to exclusively cater to the key customer's requirement for the conversion of flat hot-rolled (HR) coils into galvanised plain/galvanised corrugated sheets. The plant's proximity to the key customer's manufacturing location ensures lower logistics costs for the latter. The converted products are sold by the key customer under its flagship brand Tata Shaktee. BMWIL caters to almost the entire demand of the Tata Shaktee brand.

According to the management, the contract reasonably ensures continuity of BMWIL's operations with the key customer over the long term, supported by the former's safety and quality standards, locational advantage and cost efficiency. The agreement has been renewed for five years, effective until March 2029. This entrenched strategic importance is likely to provide sustainable revenue visibility in the long run and support BMWIL's strong business risk profile.

Additionally, the company signed two agreements for increased conversion volumes of mild steel pipes (since April 2023), the contracts for which are likely up to October 2027, providing a diversification of products under the conversion segment. Ind-Ra expects BMWIL's revenue profile to remain supported by its long-term association with the key customer and the orders backed capacity enhancement in the pipes and tubes segment.

Diversified Product Profile: BMWIL maintains a diversified product portfolio, encompassing long and flat products, including TMT bars, steel pipes and galvanised plain/ corrugated sheets. High value-added products such as galvanised plain sheets accounted for approximately 55% of the total consolidated revenue in FY25 (FY24: 59%; FY23: 62%). This diversified product mix, combined with the conversion business, enables the company to sustain healthy EBITDA margins.

The company has exercised prudence in managing its sales, including writing off receivables outstanding for over six months since FY19, worth INR0.39 million in FY25, from its manufacturing segment. With the phased commissioning of BMWIL's greenfield manufacturing facility in Bokaro, the company is likely to broaden its product portfolio to include colour-coated sheets and ZAM coils. This will enhance its value-added product offerings and further diversify the revenue stream over the medium term.

High Debt-Funded Capex for Greenfield Project; Timely Completion and Ramp-Up Critical: Ind-Ra expects BMWIL's credit profile to moderate in the near to medium term, due to its significant debt-funded capex over FY26-FY28 for establishing a greenfield unit in Bokaro, Jharkhand. The company is likely to incur around INR7,500 million, to be funded through a term loan of INR5,000 million and the balance through internal accruals/ unsecured loans. The fresh debt is likely to weigh on BMWIL's credit metrics over the next three financial years, resulting in the consolidated net leverage (net debt/EBITDA) exceeding 2.0x up to FY28 and gradually tapering down thereafter.

BMWIL's consolidated gross interest coverage (EBITDA/gross interest) improved to 11.09x in FY25 (FY24: 7.40x; FY23: 5.42x), on account of lower interest costs. Its consolidated net leverage increased marginally to 0.97x in FY25 (FY24: 0.81x; FY23: 1.92x), due to higher term debt availed for the capex in the pipe and tube segment and working capital borrowings. While the interest coverage moderated to 8.78x during 1QFY26, due to lower EBITDA, the net leverage remained steady at 0.88x.

The company is also incurring brownfield capex to expand the capacity of pipes and tubes segment over FY24-FY26. The first phase, increasing the capacity to 5,34,000MT, was commissioned by March 2025. The second phase will increase the capacity to around 7,00,000MT (from the earlier planned at 10,04,000MT) by 4QFY26, with the capacity already enhanced to 5,94,000MT by 1QFYE26. The majority of this capex is complete, with minimal additional capex expected in FY26, which thus is unlikely to impact the company's credit profile beyond acceptable levels. This capacity expansion is backed by contracts with the key customer, thereby ensuring partial incremental offtake.

High Customer Concentration; Likely to Reduce: Although the contribution of BMWIL's top 10 buyers to total revenue declined to 77% in FY25 (FY24: 92%), a substantial proportion continues to comprise revenue from the key customer at 68% (79%). While customer concentration remains significant, the associated risk is mitigated by BMWIL's longstanding association with the key customer, strong credit profile of the counterparty and the varied nature of jobs executed for the key customer under different agreements.

Furthermore, with the commissioning of a greenfield manufacturing facility, Ind-Ra expects BMWIL to broaden its customer profile beyond its existing conversion business, thereby reducing customer concentration and strengthening revenue diversification over the medium term.

Liquidity

Adequate: BMWIL's cash flow from operations improved to INR1,155 million in FY25 (FY24: INR2,534 million; FY23: INR1,070 million) while the free cash flow turned negative to INR103 million (INR1,244 million; INR382 million; INR175 million), owing to the incremental working capital requirements and continuous high capex. The company's average utilisation of its fund-based limits of INR680 million and non-fund-based limits of INR739 million was around 75% and 76%, respectively, for the 12 months ended September 2025, providing a moderate buffer to meet its short-term requirements. The company has debt obligations of around INR270 million and INR280 million during FY26 and FY27, respectively. BMW's free cash balance stood at INR412 million at FYE25 (FYE24: INR62 million; FYE23: INR76 million).

BMWIL is executing a brownfield capex for expanding its capacity of pipes and tubes segment over FY24-FY26. Majority of the capex has already been completed, and minimal capex is required in FY26, which would not impact the credit profile of the company beyond acceptable levels. The financial tie-up for term loans for its greenfield capex planned in Bokaro, Jharkhand of INR5,000 million (debt to equity ratio: 2.01:1) has been completed, which will further support the company's

liquidity position. Any lower-than-expected ramp-up of the operations or any delay in the progress of the greenfield capex will impact the cash flows and liquidity and will remain a key monitorable.

Rating Sensitivities

Positive: The timely completion and the ramp-up of the greenfield capex, resulting in a substantial improvement in the scale of operations and profitability, while maintaining healthy credit metrics, all on a sustained basis, could lead to a positive rating action.

Negative: Any time or cost overrun for the ongoing capex and/or lower-than-expected profitability, leading to the likelihood of the net adjusted leverage exceeding 2.0x beyond FY28, on a sustained basis, or any unexpected change in the conversion terms with its key customer and/or a stretch in the liquidity will result in a negative rating action.

Any Other Information

Standalone Financials: BMW's revenue fell around 14.1% yoy to INR1,304 million in 1QFY26 (1QFY25: INR1,517 million; FY24: INR5,353 million; FY23: INR5,077 million). The EBITDA stood at INR236 million in 1QFY26 (FY25: INR1,183million; FY24: INR1,337 million; FY23: INR1,098 million), while the EBITDA margin stood at 18.14% (21.23%; 24.97%).

About the Company

Incorporated in 1981, BMW manufactures mild steel, long and flat products such as TMT bars, pipes, and structures. It is also engaged in the galvanisation of structures. The company has been processing, slitting, shearing, levelling, pickling and scrap handling of steel on behalf of TSL for almost three decades. It has six manufacturing facilities, of which one is in West Bengal (own manufacturing and processing) and five are in Jharkhand (dedicated to conversion works from TSL). BMW's registered office is in Kolkata, West Bengal. BMW is listed on BSE Limited since May 2019.

Key Financial Indicators

Particulars	1QFY26	FY25	FY24
Revenue (INR million)	1,487	6,286	5,982
EBITDA (INR million)	314	1,471	1,463
EBITDA margin (%)	21.15	23.4	24.46
Interest cover (x)	8.78	11.09	7.39
Net leverage (x)	0.88*	0.97	0.81
*annualised; Source: BMWIL; Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings/ Outlook	Historical Rating/ Outlook			
				3 October 2025	4 July 2024	22 September 2023	28 April 2023
Issuer rating	Long-term	-	-	-	-	WD	IND A-/Positive
Bank loan facilities	Long-term/ Short-term	INR7,366.8	IND A/Stable/IND A1	IND A/Stable/IND A1	IND A/Stable/IND A1	-	IND A-/Positive/IND A2+

Bank wise Facilities Details

The details are as reported by the issuer as on (06 Nov 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	IndusInd Bank Limited	Term Loan	370	IND A/Stable
2	State Bank of India	Term Loan	172.1	IND A/Stable
3	Punjab National Bank	Term Loan	46.4	IND A/Stable
4	State Bank of India	Fund Based Working Capital Limit	300	IND A/Stable
5	Punjab National Bank	Fund Based Working Capital Limit	40	IND A/Stable
6	Yes Bank Ltd	Fund Based Working Capital Limit	230	IND A/Stable
7	State Bank of India	Non-fund-based working capital limits	278	IND A1
8	Punjab National Bank	Non-fund-based working capital limits	196.8	IND A1
9	Yes Bank Ltd	Non-fund-based working capital limits	114.2	IND A1
10	IndusInd Bank Limited	Fund Based Working Capital Limit	110	IND A/Stable
11	Yes Bank Ltd	Term loan	337.5	IND A/Stable
12	IndusInd Bank Limited	Non-fund-based working capital limits	150	IND A1
13	NA	Fund-based/Non-fund-based limit	21.8	IND A/Stable / IND A1
14	NA	Term loan	5000	IND A/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance**Corporate Rating Methodology****Parent and Subsidiary Rating Linkage****Short-Term Ratings Criteria for Non-Financial Corporates**

The Rating Process

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