



Date: 11.05.2026

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

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

Dear Sir / Madam,

Subject: Transcript of the Investors'/Analyst Meet on Audited Financial Results for the Fourth Quarter and Year ended 31st March, 2026

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Investors'/Analyst Meet held on May 07, 2026 for the Audited Standalone and Consolidated Financial Results of the Company for the Fourth Quarter and Financial Year ended March 31, 2026.

The same is also available on the website of the Company at www.bmwil.co.in.

We request you to kindly take the same on record.

Thanking You,

Yours faithfully,

For BMW INDUSTRIES LIMITED

Digitally signed by VIKRAM KAPUR
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“BMW Industries Limited
Q4 FY '26 Earnings Conference Call”
May 07, 2026



MANAGEMENT: **MR. HARSH BANSAL – MANAGING DIRECTOR – BMW INDUSTRIES LIMITED**
MR. VIKRAM KAPUR – CHIEF FINANCIAL OFFICER – BMW INDUSTRIES LIMITED
MR. SANJEEV K SANCHETI – INVESTOR RELATIONS – UIRTUS ADVISORS – BMW INDUSTRIES LIMITED

MODERATOR: **MS. RONAK OSTHWAL – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the BMW Industries Limited Q4 FY '26 Conference Call hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Ms. Ronak Osthwai from Arihant Capital Markets Limited. Thank you and over to you, sir.

Ronak Osthwai: Thank you. Hello and good afternoon to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining into Q4 and full year FY '26 Earnings Conference Call of BMW Industries Limited. Today from the management we have Mr. Harsh Bansal, Managing Director; Mr. Vikram Kapur, Chief Financial Officer; and Mr. Sanjeev Sancheti, Investor Relations at Uirtus Advisors.

So without any further delay, I will now hand over the call to Sanjeev sir for their opening remarks. Over to you, sir.

Sanjeev Sancheti: Thank you. Good afternoon to all the participants. Before I hand over the call to Mr. Harsh Bansal for his opening remarks, I would like to draw your attention to the safe harbor statement included in the earnings presentation. I request all the participants to kindly review the same and have a good look at it prior to the commencement of the Q&A session.

Thank you. Over to you, Mr. Bansal.

Harsh Bansal: Thank you. Good afternoon, everyone and thank you for joining us for the BMW Industries Limited quarter 4 and full year earnings call. With this quarter's performance, we close FY '26 on a high note with the company delivering a strong performance alongside meaningful progress on our strategic priorities. The results reflect not just improved capacity utilization and disciplined execution, but also the strength of our operating model and the momentum we are building as we enter the next phase of growth.

We are delighted to report our highest ever quarterly and annual profits. For the quarter gone by, operating income stood at INR210 crores, operating EBITDA for the quarter came in at INR58 crores with a margin of 27.5%, while profit after tax came in at a record INR33 crores translating to a PAT margin of 15.4%.

For the full year, the company delivered operating income of INR665 crores with operating EBITDA of INR165 crores and a margin of 24.8%. Profit after tax stood at INR81 crores reflecting a healthy PAT margin of 11.9%. The performance is a direct outcome of our disciplined approach and improved utilization of assets.

During FY '26, the company witnessed strong operating momentum across its downstream businesses with CRM complex production increasing to ~718,000 metric tons and annualized utilization improving to 70.9% from the December number of 66.9% reflecting a stronger capacity utilization and improved operational efficiencies. The pipes and tubes segment also

recorded a healthy production growth during the year with production increasing to 201,000 metric tons from ~177,000 odd metric tons in FY '25.

Our focus on sweating the asset base is expected to further strengthen return ratios in the years ahead. We believe this sets a strong foundation for further improvement in return ratios as we scale. Reflecting on this performance, the Board has recommended a final dividend of INR0.43 per share resulting in a payout ratio of 12% reinforcing our commitment to delivering consistent shareholder returns while continuing to invest in growth.

Net debt during the year stood at INR364 crores with a net debt to equity ratio of 0.45x. Net debt also includes debt drawdown on account of the Bokaro greenfield project to the extent of INR143 crores. Net debt to equity excluding borrowings for the Bokaro project stood at 0.27x. Importantly, healthy and consistent operating cash flows enabled the company to invest INR109 crores of internal accruals into the expansion at Bokaro.

FY '26 has been a pivotal year operationally marked by strong progress on our greenfield downstream steel complex at Bokaro, which remains on track for phased commissioning starting quarter one FY '27. In anticipation, the company has begun establishing its sales and distribution networks ensuring we are well positioned for a seamless ramp-up.

We have also made significant advancement in our sustainability journey through our partnership with the Indian Oil Corporation for the supply of piped natural gas at Bokaro enabling cleaner and more cost-efficient operations.

Looking ahead, the company is entering a transformational phase of growth driven by higher utilization of existing capacities and the phased commissioning of ramp-up of the Bokaro greenfield project.

As the business evolves towards a more integrated and balanced operating model combining its established conversion strengths with a proprietary sourcing and distribution framework, the company expects to capture a larger share of the value chain while further expanding and diversifying its customer base.

We reiterate our earlier guidance of a CAGR of approximately 75% over FY '25 to FY '28 period supported by the phased commissioning and ramp-up of Bokaro greenfield project along with continued organic growth across the existing business verticals.

In line with the above guidance, operating EBITDA and PAT is expected to grow at a CAGR of nearly 45% and 40% respectively over the same periods. EBITDA and PAT margins are expected to gradually stabilize at around 12% to 13% and 5% to 6% respectively by FY '28 as the benefits of integration scale and operating leverage begin to materialize.

Given recent developments, we believe that the industrial landscape of Eastern India should get into a favourable phase of transformation. We hope that stable and progressive policy support, rising infrastructure investments, and a stronger push towards industrial development in the region will provide positive headwinds.

With strong execution momentum, capacity expansion progressing as planned, and a clearly defined strategic roadmap, the company remains confident in its ability to scale meaningfully, enhance profitability, and create sustainable long-term value for all stakeholders.

With that, I will now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from Shlok Bhartiya from Svan Investments. Please go ahead.

Shlok Bhartiya: Thank you sir, thank you for the opportunity. Am I audible?

Harsh Bansal: Yes, you are. Please continue.

Shlok Bhartiya: Harsh ji, just wanted to understand on the consol level, as you indicated EBITDA margin to get stable around 13%, 14% over by FY '28. So can you give a breakup in terms of our existing business and how the Bokaro performance will play out over the next 2 to 3 years?

Harsh Bansal: Thank you for the question, Shlok ji. One small correction, the EBITDA will stabilize at 12% to 13%, not 13% to 14%. The existing business as is -- we don't see any meaningful investments happening on this side as of now. So whatever benefits come will be on account of increased capacity utilization.

For example, from the tubes division where we have created substantial capacities but are fairly underutilized. So over the next 2 to 3 years, we expect the utilization levels to go from the existing 33%- 34%-odd to closer to 60% to 65%. So that is for the existing business.

On the Bokaro side, I think we have spoken about the capacities that are being created and that's a part of the presentation. Where over the next 12 to 15 months, as we continue to commission various parts of the project, those volumes will come in and then FY '28 we will scale up those volumes in a meaningful manner. So those numbers are there for you to see.

Shlok Bhartiya: So, is it safe to assume that if we ramp up our capacity of tubes in our existing business, the revenue of INR665 crores that we reported in FY '26 can go max up to INR800 or INR900 crores? That's a peak revenue one can assume for your existing facility. And what sorts of integration benefits -- like once you're starting in a, as per your presentation, the phase one of Bokaro is expected to come on stream in Q1. So, can you also throw some light on which all facilities are coming in Q1?

Harsh Bansal: On the first part, I think your assumption is fair in terms of the top line that can be derived from the existing businesses. On the second part of your question, we are looking at starting saleable production of the color coated section in this quarter. This will be then followed in subsequent quarters by the Galvalume facility, Cold Rolling, Pickling, etc.

Shlok Bhartiya: Okay. Color and then it will be Galvalume. So once your project is completed on the Bokaro where you're spending nearby INR800-odd crores, what sorts of IRR are we working on? I mean in terms of if one wants to look at the payback period. I understand that the capacity would be fully operational once in FY '29. But if you look at the IRR, what sort of IRR one can look at it?

- Harsh Bansal:** So, our base case for an investment is a 20%, so in this case it's safe to say it's above that.
- Shlok Bhartiya:** That's almost four and a half, I guess. Yes, that's all from my side, Harsh ji. Thank you and all the best.
- Harsh Bansal:** Thank you, Shlok ji.
- Moderator:** Thank you. We have the next question from Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hi, good evening, sir. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Just wanted to harp a bit upon the, you know, capex, the phase one that we're going to start in Q1. So, can you just tell me the ramp-up, how will it happen? Is the, in H1, will we, you know, need to, you know, put out some testing and then the commercial production can happen by Q2 or Q3? How would the ramp-up be and what kind of revenues can we expect from, you know, phase one in FY '27, sir?
- Harsh Bansal:** So, Darshil ji, we have not gone into detailed economics and projections about what kind of revenues we can expect on a breakdown manner. We've given an overall guidance in terms of up to FY '28 and I would like to stick to that. But in terms of your, part of the question of how much we are looking in terms of color coating and all that, so color coating will come online, you should have some sales in quarter one, but meaningful sales will only happen by quarter two because once we start production, we will take time to stabilize on quality, volumes, acceptability of the product, etcetera. Which is why we have not given a breakup quarter-wise revenue estimate, but we've given a more broader, longer-term guidance.
- Darshil Jhaveri:** No, I was not wanting a quarter-wise, just like in terms of a rough range like in FY '27 what could we, you know, expect from this because as the revenues ramp up, we'll have -- but the cost will be nearly full right now. Our EBITDA will dilute a bit. So just wanted to understand how would that kind of work. I don't want an exact number, just a rough, broad color will also, you know, be fine, sir.
- Management:** So, we would refrain from giving any kind of quarter-on-quarter guidance.
- Harsh Bansal:** But the second part of your question, Darshil ji, where you mentioned about dilution of the EBITDA, so the -- it should be seen in the context of a changing business model and not really a dilution. So, if you look at the absolute returns of EBITDA numbers, there is a substantial increase, but because we're in a conversion model today and we will be in a buy-and-sell model tomorrow, so the absolute numbers will be reflected accordingly. So, it's not really a dilution if you consider the change in model.
- Darshil Jhaveri:** Okay. Fair enough, sir. And sorry, just last one question from my end. Just in terms of accounting, because we are starting the phase one right now, the depreciation and interest will start hitting from Q1, right? Like how do we account for that?

- Harsh Bansal:** We will be capitalizing it on a phased-wise manner depending on which part of the project we commission and therefore accordingly on a quarter-on-quarter basis, whatever we commission will get capitalized and reflected in the numbers.
- Darshil Jhaveri:** Okay. Fair enough, sir. Thank you so much.
- Harsh Bansal:** Thank you. Darshil ji.
- Moderator:** Thank you. The next question is from Priyal from Value Money. Please go ahead. Priyal your line is now open.. We will take the next question. We have the next question from Mr. Bhavesh as an Individual investor. Please go ahead.
- Bhavesh:** Good afternoon, Mr. Bansal. Congratulations on a good set of results. My first question is on the revenues. So, we have observed a sequential improvement in revenues from Q3 with a strong uptick in Q4. So, should we expect this momentum to continue in the coming quarters particularly leading up to the commissioning of phase one of the Bokaro plant?
- Harsh Bansal:** So, Bhavesh ji, thank you so much for the question and welcome back. Good to hear you again. I don't think the same momentum will continue because if you look at the existing numbers, they don't reflect Bokaro and with the existing business other than certain capacity utilization variations, we are not seeing any meaningful change. When it comes to Bokaro, like I mentioned to Darshil ji, we will have meaningful sales top line reflected starting from quarter two. In quarter one there will be some but I wouldn't want to club those sales with these sales for the benefit of not confusing you.
- Bhavesh:** Understood. That was helpful. Sir, next question is with respect to the trade receivables that have increased significantly from approximately 80 crores in FY '25 to around INR150 crores in FY '26. So, could you elaborate on the key drivers behind this increase?
- Harsh Bansal:** So, if you even look at the receivable days, I think this was all on account of one of our key customers holding back payments because of March quarter and this led to this number. We actually got the payments in early April, so it was more of a timing issue. But anyway, it got reflected in the balance sheet because it's of 31st March.
- Bhavesh:** Understood, sir. Next question is on the downstream plant. So, the presentation indicates that the phase one commissioning will happen in Q1 FY '27. So, since we are already in the month of May, could you provide a more precise timeline for commissioning? Are we looking at late May or June? And what is the expected timeline for phase two? And additionally, I would request the company to issue a press release once it commissions phase one so that all the investors are well aware on this.
- Harsh Bansal:** Of course. So, I'm sure you will hear about that when we hit the proper commissioning. But we expect to start some form of cold trials before the end of this month and hot trials in June. And of course, once we get to saleable material, you'll be able to read the releases.
- Bhavesh:** Perfect, sir. Sir, on this Bokaro facility, so it is focusing on high value-added products. So, could you share some your go-to-market strategy? Have you identified or engaged with potential

customers in the automobile, infra, solar, defence engineering space? And I'll proceed with the further part.

Harsh Bansal: So not specifically the sectors that you mentioned it, but I want to give you the comfort that we've already started going to market and discussing with potential buyers without mentioning specific industries.

Bhavesh: So, the sales will be...

Moderator: Sir, Mr. Bhavesh, in order to ensure the management is able to address questions from all participants, please limit your questions to two per participant. Please join the queue back. Thank you, sir.

Bhavesh: I'll join back. Sure.

Moderator: Thank you, sir. We have next question from Mr. Sanket as an Individual Investor. Please go ahead.

Sanket: Yes, sir. So we have a listed peer Manaksia Color Coated. So they are also into the business which we are doing capex in. So can you just throw a light -- like they do EBITDA margins in the range of 5 to 9% and we are guiding somewhere around 12% to 13% at stabilized levels. So how are we -- how is our product mix differ from them? Can you just throw some light on that?

Harsh Bansal: So two things, Sanketji. One, I think our business model on a blended basis is different.

Sanket: Okay. So the 12% to 13% is not just for the....

Harsh Bansal: No, no. Please note it is the blended margin. It's the company's guidance and not the Bokaro plant's guidance. So that is one. The second is I think our capacities on a complete basis differ substantially, which allows us to maximize our efficiencies of scale.

Sanket: Okay. And exports will be what chunk of our revenue going forward because they have significant chunk of their revenue as exports.

Harsh Bansal: So we can't give you a specific number, but I think it'll be safe to say that we will be looking at the export market very seriously.

Sanket: And EU will be one of the key markets given the track record?

Harsh Bansal: I wouldn't want to discriminate against anyone. So I'll give all markets the benefit of having my wonderful product.

Sanket: Fair enough, fair enough. Yes, that's all.

Harsh Bansal: Thank you Sanketji.

Moderator: Thank you, sir. The next question is from the line of Ajit Sethi from Eiko Quantum Solutions. Please go ahead.

Ajit Sethi: Yes, thank you for the opportunity. Sir, you are guiding for around 75% revenue CAGR over the next three years. So could you help us understand the key growth driver behind this guidance and also how confident are we in achieving this target? Do we currently have an order book or customer visibility supporting this growth outlook?

Harsh Bansal: So thank you for the question, Ajit ji. It's actually not a guidance of the next two years; it was a three-year guidance starting from FY25. And so 75% CAGR up to FY28 and this is not an annual-on-annual basis, it's a three-year CAGR. So that is one part.

The second part of yours was the product mix and everything and order book. I think it's a little early for us to be accumulating an order book because my plants are not yet commissioned. But in subsequent calls, I'll be happy to talk about the order books etcetera.

But a lot of these products are not long gestation sales periods, you typically have an order to delivery gap of maybe about two weeks. So the order book kind of becomes a little moot.

The other factor being that because some of the components are highly volatile in nature, for example zinc or aluminum or magnesium going forward, it'd be very difficult for us to take long forward orders without a proper current hedging strategy. That could expose us to substantial downside risk.

Ajit Sethi: Understood. Sir, could you help us understand the key competitive advantages of the company and what differentiate us from other players in the industry?

Harsh Bansal: So I think Ajit ji, without going into too much detail on that, I think this is all a part of the presentation pack, but needless to say, we've been around in the service sector for the last 40 odd years, we've been working with key customers in the Indian steel industry

We are one of the largest downstream steel processing operations in the country, one of the largest single location tube capacities in the country. You know, so there are a whole bunch of things. I think we are one of the few players that are present across verticals along with logistics and things like that. So for a more detailed thing, it's a part of the presentation pack.

Ajit Sethi: Okay. Thank you, sir.

Harsh Bansal: Thank you Ajit ji.

Moderator: We have next question from Priyal from Value Money. Please go ahead.

Priyal: Thank you for the opportunity. How much of the new Bokaro capacity will be consumed internally across the value chain versus sold externally? And can you quantify the integration benefits from reducing intermediate outsourcing and purchases?

Harsh Bansal: So Priyal ji, I'll answer the first part of the question. I'm not sure I understand the second part, so I'll come back to you on that. But on the first part, if you look at the product profile of Bokaro, we have about 500,000 to 600,000 tons of pickling capacity, we've got a cold rolling capacity of 3 to 4 lakh tons and then on top of that we've got galvanizing, GI, and ZAM capacity of about 5 to 6 lakh tons and color coating of about 2 lakh tons.

So if you look at saleable products, it'll be the differences because the highest value add is the color coat. So the leftover of about 3 to 4 lakh tons will be in the form of galvanized, Galvalume or ZAM. And if there is any other balance, it'll be in the form of FHCR or HRPO. So there is a trickle down, but the overall sales from the unit at peak will be about 6 lakh tons.

Priyal: Okay, sir. And what would be the value-wise benefit from internal consumption?

Harsh Bansal: So the internal consumption has two factors, Priyal ji. One, my cost of procurement goes down because I'm able to control my own raw material. The second is I'm also able to control my quality, which becomes very critical over here.

Because the cold rolling mill will ensure I have a good product and control on the galvanizing, Galvalume, and ZAM, which further adds value to my control on the color coated. So one of course is reducing the cost of raw material, the second is the control on quality.

Priyal: Okay, got it, sir. And one more question, how are spreads behaving currently across HR, CR, GI, and color coated segments? Have recent steel price movements improved realization or compressed downstream margins?

Harsh Bansal: So if you look at long-term averages, the spreads are fairly stable. There are short-term aberrations from time to time and in the steel industry, it's best not to focus on the short-term aberrations. I think long-term the spreads are positive.

Priyal: Okay, sir. Okay, thank you.

Harsh Bansal: Thank you.

Moderator: Thank you. The next question is from Kunal Bansal from Anantnath Skycon Private Limited. Please go ahead.

Kunal Bansal: Hello, sir.

Harsh Bansal: Hi Kunal, ji.

Kunal Bansal: Hi. So sir, I just wanted to confirm -- like earlier in the call you guided a 75% CAGR for revenue, 45% CAGR for EBITDA and 40% CAGR for PAT. So is it annual growth or combined growth till FY28?

Harsh Bansal: So this is a compounded annual growth rate between FY25 and FY28. So if you take the two numbers of 25 and 28, this will be a compounded growth number.

Kunal Bansal: Okay. Thank you.

Harsh Bansal: Thank you Kunal ji.

Moderator: We have follow-up question from Mr. Bhavesh as Individual Investor. Mr. Bhavesh, please go ahead.

- Bhavesh:** Thank you for the opportunity. Sir, I have a couple of questions. In your Investor Presentation Slide number 16 you have highlighted benefits under Jharkhand Industrial and Investment Promotion Policy including capital subsidy, SGST reimbursement, power duty incentives. So could you quantify the potential financial impact of these incentives?
- Harsh Bansal:** So Bhavesh ji, if you look at the little script at the bottom of the page, there is a reason why we are not quantifying it, is because we don't know the exact numbers that we will receive. And so we have not even taken it as a part of our financial projections, but whatever we receive, whenever, will be duly reflected.
- The other part is as a policy that we have internally, any subsidies we receive going forward whether it's the Jharkhand or PLI or whatever will be used to repay the debt. And that's a part of our agreement we've also committed to the bank. So that's that.
- Bhavesh:** Right. Understood, sir. Sir, one last question. So, could you please provide details about the technology and automation at the Bokaro plant? And additionally, I would like to know your technology provider and EPC partner for this greenfield project.
- Harsh Bansal:** So, in terms of technology, this is not new technology. It's been around for a long time. You've got a number of plants around the country who are using similar technology. Our partners are the equipment vendors from whom we've procured. I don't want to go into the details, I'm not sure whether I can disclose the names at this point. But what was the other part of the question Bhavesh ji?
- Bhavesh:** So, automation, technology provider and EPC partner for this project like L&T or any other?
- Harsh Bansal:** No, so we are not using L&T but we are using others who are more locally available. Yes.
- Bhavesh:** Got it, sir. Thank you so much for answering all my questions and all the best for the upcoming quarters.
- Harsh Bansal:** Thank you. Bhavesh ji. Look forward to hearing from you again.
- Moderator:** Thank you, sir. Participants, anyone who wishes to ask a question may press star and 1 on their touch-tone telephone. The next question is from Rohan Baranwal from ASK. Please go ahead.
- Rohan Baranwal:** Hi, thank you very much, sir, for the opportunity. My question is on the ZAM coated product side. So, can you please explain us the opportunity size for the ZAM coated products in India?
- Harsh Bansal:** So wonderful question Rohan ji. So, if you look at the move of the industry, it's essentially towards more longevity steel coating processes, but also lighter steel and steel which provides more value for money. Because of that, you went into galvanizing, you went into high-tensile steels which provide higher strength at lower thicknesses.
- And similarly, if you look at ZAM, the industry is starting to move towards magnesium coated because of higher life expectancy. Now, if you look at a galvanized product, it typically has a life of about four to five years at standard coating.

Now to increase the life, what Indian customers have been asking for is about 3x, 4x coating, which makes it very expensive considering zinc is currently at about INR3 lakhs, INR3.25 lakh per ton. Now, there is only so much you can do, right? Because I can't indefinitely keep coating zinc at those prices.

You might as well then at some point start using zinc sheets and not steel sheets. Now to get better value for money, you start looking at other alternatives, one of which is ZAM. Zinc-Aluminium-Manganese same to same coated provide about 5x to 6x of the life of zinc. Now, if you are able to provide 5x, 6x life at same coating as zinc, there is a substantial value to be derived by the customers.

One of the impediments today is that even though there is demand, there is not adequate supply. You will see supply coming onto the market over the next few years, one of which will be ours. And once there is adequate supply, we expect the market to also develop much faster.

So, this is kind of a chicken and egg story where you can argue that there is no demand because there is no supply, so someone has to come first. There is a lot of demand from a host of sectors, solar is one of those because today any EPC supplier in the solar sector has to give commitments, guarantees of let's say 20 years, 30 years, but zinc coating does not provide those kinds of lives whereas ZAM does. So, we are actually quite positive on that.

Rohan Baranwal:

Got it, sir. And what is the premium pricing we can expect, like what would be the premium we expect compared to like GI or GL products, sir?

Harsh Bansal:

I am not actually, there is a little bit of premium, but then this is like looking into a crystal ball because in the future I don't know how much supply or how much demand will be there. But needless to say, there is a marginal premium over GI. Now if there is a case made of value derived by the customer, then some of that value can be converted to rupees and dollars, I guess.

Rohan Baranwal:

Got it, sir. On the pipes and tube side, so what is the current utilization level and what is the TMT businesses which remains relatively low despite the current expansion? What are the key bottlenecks do we see on that side, sir?

Harsh Bansal:

So on the TMT rolling mill side, we have raw material constraints on the customer side. We are working with them to see how some of those things can be sorted out, what can we do in terms of enhancing our capabilities if that would help.

On the pipes and tube side, you will notice that there has been a substantial increase in the installed capacity, which has gone in the last year from less than 6 lakh tons to about 7.32 lakh tons today.

On a utilization level, even though we have increased utilization by about 30% overall, we are still at about 34.2%. Now we expect stable state tubes and pipes utilization to be in the range of about 60% to 65% and we hope to get there over the next maybe two to three years.

Moderator:

Thank you, Mr. Rohan. Please rejoin the queue. Ladies and gentlemen, in order to ensure the management is able to address questions, please limit your questions to two per participant.

Participants, if you want to ask any question you may press star 1 on your touch-tone telephone. We have follow-up question from Shlok Bhartiya from Svan Investments. Please go ahead.

Shlok Bhartiya: Thank you for the opportunity once again. Sir, just wanted to understand once your facility commence in Bokaro, what sorts of working capital cycle one can assume? Because I can understand that in month of March because of a higher data day from our one customer has taken a hit. But on a steady state basis, if you just want to understand the Bokaro dynamics, what sort of working capital cycle one should look at the Bokaro unit?

Harsh Bansal: So, we are targeting a working capital cycle of about 30 days in Bokaro. But I mean a lot of it will depend on where we buy the steel from, what is the product that we ultimately sell, how much inventory we need to carry on the FC side, etcetera. But I think it's fair to say between 30 to 40 days is comfortable.

Shlok Bhartiya: And the entire production from the Bokaro would be under our brand, right? BMW.

Harsh Bansal: That's right.

Shlok Bhartiya: And what sorts of advertisement expenses are we planning to incur to establish the brand BMW in the market?

Harsh Bansal: So this will essentially be a B2B, so I don't see very high advertisement spends because whatever will come only after FY29, FY30 because up to that stage, our focus is on B2B enhancing volumes and moving more and more product. So I don't see substantial B2C kind of ad spends. There will of course be some, but they'll primarily be targeted towards B2B sales.

Shlok Bhartiya: So is it safe to assume that are we going to replicate our existing business? Definitely here we have a one steady state customer. But are we in touch with the couple of big names in the Bokaro for converting the coils into the final product and selling back to them? I mean is that the?

Harsh Bansal: No, we are not in touch with anybody for conversion at Bokaro.

Shlok Bhartiya: Oh, okay. And in terms of debt, definitely 800 crores is a bigger capex that you'll be spending it and will be drawing a debt from the bank. But of post the completion, what sorts of peak debt one can assume on the company level?

Harsh Bansal: So I think once we look at the completion of and the commissioning of this project, which will be the peak debt. And we're not talking about the working capital etcetera right now, but in terms of long-term debt, we'll be at the peak by let's say in the next 12 to 15 months.

Shlok Bhartiya: Will it because see currently our total debt on the book is almost INR370 crores, of which 135 is short-term borrowings, right? So this for INR370 crores can probably take it at around INR800 crores or INR700 crores by end of FY28?

Harsh Bansal: That's fair. That's fair. That's a fair assumption.

Shlok Bhartiya: INR700 crores to INR800 crores could be the numbers we work out for. Sure, sir. Thank you. That's all from my side.

- Harsh Bansal:** Thank you Shlok.
- Moderator:** Thank you. Sir, we have a follow-up question from Mr. Ajit Sethi from Echo Quantum Solutions. Please go ahead.
- Ajit Sethi:** Yes, thank you for the opportunity once again. Sir, in our legacy business, at peak utilization, what kind of revenue we can achieve?
- Harsh Bansal:** I think this was a question somebody else also asked. I think it's fair to assume between INR800 crores to INR900 crores.
- Ajit Sethi:** 800 to 900. Okay. And sir, coming to your guidance of reaching 75% CAGR between FY25 to FY28, so to achieve this, you have to grow substantial revenue in FY27 and FY28. So how confident you are to achieve this growth guidance?
- Harsh Bansal:** Fairly confident. No reason for not being confident.
- Ajit Sethi:** Can I know the growth drivers behind this guidance?
- Harsh Bansal:** So the primary growth driver, Ajit, is Bokaro, right? My current revenue comes entirely from conversion business where there is no raw material reflected in the cost of sales. But starting from this quarter or the following quarter, you will start to see a lot of the absolute sales numbers increasing because it will also account for the cost of material. Today it's entirely services. And therefore the CAGR change substantially.
- Ajit Sethi:** Okay, fine. And from this phase one Bokaro capacity, what kind of revenue we can achieve?
- Harsh Bansal:** Stage one, we are not giving a breakdown of stage-wise or quarter-wise, so I think we'll just stick with that, Ajit.
- Ajit Sethi:** No problem. Thank you, sir.
- Harsh Bansal:** Thank you.
- Moderator:** Thank you. The next question is from Mr. Rohan Baranwal from ASK. Please go ahead.
- Rohan Baranwal:** Yes, so my question is on the Bokaro coated steel side. What kind of EBITDA per ton margins are we expecting on the coated steel business versus the legacy conversion business, sir?
- Harsh Bansal:** So, Rohan, we are not giving breakups of Bokaro and existing businesses. We've given a company-wide estimate. And further, I think it's a little early to give you product-wise breakdown of per ton EBITDA. I think those will come in due course.
- Rohan Baranwal:** And with the investment of 800 crores, so what kind of ROCE we are expecting with this business, with the new plant which you are expecting?
- Harsh Bansal:** So on a blended basis, we expect to reach 15 plus.

- Rohan Baranwal:** Okay. And how much would be infused through debt and what would the equity we are looking to raise, sir, for this investment?
- Harsh Bansal:** So on a total cost of INR803 crores, our debt-equity is at roughly 250 to 300 of equity and balance of debt.
- Rohan Baranwal:** And will this be funded mainly through cash flows coming from the current capacity?
- Harsh Bansal:** Yes, primarily.
- Rohan Baranwal:** Next, last question is, sir, given the shift towards the value-added product, how should think about the blended margins improvement over the next two to three years, sir?
- Harsh Bansal:** So we've given a guidance of EBITDA blended EBITDAs in the range of 12% to 13% and PAT in the range of 5% to 6% on a blended basis.
- Rohan Baranwal:** Got it sir. That answers my question. Thank you very much.
- Harsh Bansal:** Thank you. Thank you Rohan.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to management for closing comments.
- Management:** Yes, thanks everybody for taking out time to join this call, really appreciate. If you've any further queries, please feel free to get in touch with us. Thank you.
- Moderator:** Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.