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CM RATING 39 /100

# BMW Ventures

## Steel products trader

### Steel distribution in Bihar accounted for 98% of its revenue

Incorporated in 1994, BMW Ventures trades and distributes steel products, tractor engines and spare parts, manufactures PVC pipes and roll forming, and fabricates pre-engineered buildings (PEB) and steel girders. The company specializes in the distribution of long and flat steel products across Bihar, India. It supplied steel products through 1,299 dealers spanning 29 of the 38 districts in Bihar on March 31, 2025.

The company's PVC pipes are known as BMW Polytube, operating under the umbrella of BMW Ventures. This venture has an installed capacity of 800 tonnes per annum (tpa). The roll forming unit has capacity of 3,000 tpa and is at the Purnia stock yard. The steel girder installed capacity is 12,000 tpa.

The company's long products include TMT bars, wire - galvanized and structural - rectangular, square and circular steel hollow sections. Flat steel product portfolio comprises galvanized corrugated sheets, GP galvanized sheets, HR sheets & coils, GC colour coated sheets, CR sheets & coil, other steel product including hoes, shovels, sickles, crowbars, pickaxes and hammers and door for residential & commercial use.

The company sources its steel products exclusively from a primary supplier in Bihar. It applies a markup percentage on costs to cover steel cost, overheads, operational expenses, marketing expense and profit margins. Pricing is based on market demand and competition.

The steel distributorship segment constitutes the largest share of revenue. steel distribution in Bihar accounted for 98.43% of revenue from operations, while other business segments collectively contributed the remaining 1.57% to revenue from operations. Tractor engine and spare part distribution contributed 0.55%, 0.89% and 1.24% of revenue for fiscal 2025, fiscal 2024 and fiscal 2023, respectively. The PVC business contributed 0.03%, 0.08% and 0.17% in fiscal 2024 and fiscal 2023, respectively. Fabrication of PEB contributed 0.36%, 0.58% and 0.05% for fiscal 2025, fiscal 2024 and fiscal 2023, respectively. The steel girders business contributed 0.26% in fiscal 2024.

Nitin Kishorepuria, Rachna Kishorepuria, Bijay Kumar Kishorepuria, Sabita Devi Kishorepuria, BMW Fin-Invest Private Limited and Ridhisidhi Fincon Private Limited are promoters of the company.

### The Offer and the Objects

The offer comprises a fresh issue of up to 2,34,00,000 equity shares aggregating Rs 232 crore at the upper price band of Rs 99 and aggregating Rs 220 crore at the lower price band of Rs 94.

The company proposes to use the net proceeds from the issue towards repayment and pre-payment, in full or in part, of certain outstanding borrowings amounting to Rs 173.75 crore and balance towards general corporate purposes. As on March 31, 2025, the total borrowings and accrued interest were Rs 428.39 crore on a consolidated basis.

### Strengths

The company has exclusive distributorship of both long and flat products with the primary supplier since inception.

The company is an approved fabricator for steel girders by the Research Designs and Standards Organisation (RDSO), ensuring the delivery of high-quality and reliable products. Also, it started corrugation of GC sheets

and colorsheets, received in coil form and processed accordingly, in January 2025. Additionally, the company offers cut-to length services for HR sheets and GP sheets, as per customer requirements.

Over the years, the company has established a strong dealers' distributorship network for both long and flat steel products, tractor engine, roll forming and PVC. PEB and steel girders are sold to institutional clients.

The share of TMT bars in Bihar was around 19% in fiscal 2024. The remaining 81% (around 0.87 mtpa) share is of distributors of other brands such as Kamdhenu, Balmukund and Captain.

Steel demand in Bihar is expected to record a steady CAGR of 8.5-9.5% to 2.1-2.2 million tpa over fiscals 2024-28, driven by increased focus on infrastructure development due to Central government's schemes such as PM Gati Shakti for eastern regions and Pradhan Mantri Gram Sadak Yojana.

As the company distributes steel products, it can buy materials at better prices, work efficiently, and stay competitive in the market.

## **Weaknesses**

In fiscal years 2025, 2024, and 2023, the company earned 98.49%, 98.29%, and 98.22% of its operating revenue from Bihar. All its manufacturing, fabrication facilities, and stockyards are in Bihar. Therefore, any adverse social, political, or natural events in this region could negatively affect its revenue and operations.

The company reported negative net cash flow from operating activities in the past.

Business and profit depend on steel costs. So, delays, shortages, or price changes in steel could harm operations, cash flow, and finances.

Promoter group entity BMW Enterprises has conflicts of interest as it is engaged in similar business.

Limited operating history in offering fabrication services.

Operates in a competitive and fragmented industry with low barriers to entry and might be unable to compete with the unorganized sector.

The business environment is characterized by relatively low profit margins and susceptible to external pressures, including political, regulatory, and competitive risks.

Despite good relationships with suppliers, the company mostly distributes steel products of big suppliers (like Tata Steel), which reduces the ability to negotiate aggressively on prices and the scope for differentiating or pushing higher spreads.

Steel trading and distribution requires carrying large inventories and credit extension to dealers. Fluctuations in raw material (steel) prices and delays in receivables can strain liquidity.

## **Valuation**

Sales were up by 6% to Rs 2062.04 crore in FY 2025. The OPM rose 50 bps to 4%, leading to a 19% increase in OP to Rs 82.1 crore. OI rose 38% to Rs 5.3 crore and interest cost increased 35% to Rs 37.79 crore, while depreciation increased 19% to Rs 4.99 crore. PBT was up 11% to Rs 44.61 crore. Tax expenses were 13% higher at Rs 11.79 crore. Net profit grew 10% to Rs 32.82 crore.

FY2025 EPS on post-issue equity works out to Rs 3.8. At the upper price band of Rs 99, P/E works out to be 26

Total outstanding borrowings amounted to Rs 428.39 crore as on March 31, 2025. As much as 41% of the debt will be repaid from the issue proceeds, bringing down interest costs substantially and boosting profit. The EPS works out to Rs 5.6 if 41% of the interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 18.

As of 17 September 2025, listed peers Shiv Aum Steel traded at FY2025 P/E of 42. Shiv Aum Steel is listed on NSE SME, and the scrip is not regularly traded. The scrip of the peer company was last traded on September 17, 2025

For FY2025, BMW Ventures' Ebitda margin and ROE stood at 4.2% and 15.6% as compared with 3.9% and 8.4% for Shiv Aum Steel.

<b>BMW Ventures: Issue Highlights</b>	
Fresh issue (in number of shares)	23400000
For Fresh Issue Offer size (in Rs crore)	
- in Upper price band	232
- in Lower price band	220
Offer for sale (in Rs crore)	
Offer for sale (in number of shares )	
- in Upper price band	0
- in Lower price band	0
Price Band (Rs)	94-99
Pre issued capital (Rs crore)	63.32
<b>Post issue capital (Rs crore)</b>	86.72
Pre issue promoter shareholding (%)	100.00
<b>Post issue Promoter shareholding</b>	73.02
Bid Size (in No. of shares)	151
Issue open date	24-09-2025
Issue closed date	26-09-2025
Listing	BSE,NSE
Rating	39/100

<b>BMW Ventures: Consolidated Financials</b>			
<b>Particulars</b>	<b>2303 (12)</b>	<b>2403 (12)</b>	<b>2503 (12)</b>
Total Income	2015.10	1938.20	2062.04
OPM	3.2	3.5	4.0
Operating Profits	64.82	68.72	82.10
Other Income	3.03	3.84	5.30
PBIDT	67.85	72.56	87.39
Interest	20.65	27.99	37.79
PBDT	47.19	44.56	49.61
Depreciation	3.96	4.20	4.99
PBT	43.24	40.37	44.61
Share of Profit/loss of JV	0.00	0.00	0.00
PBT Before EO	43.24	40.37	44.61
EO	0.00	0.00	0.00
PBT after EO	43.24	40.37	44.61
Provision for Tax	10.58	10.43	11.79
Profit after Tax	32.66	29.94	32.82
PPA	0.00	0.00	0.00
Net profit after PPA	32.66	29.94	32.82
MI	0.00	0.00	0.00
Net profit after MI	32.66	29.94	32.82
EPS (Rs)*	3.8	3.5	3.8
*EPS annualized on post issue equity capital of Rs 86.72 crore of face value of Rs 10 .each			
# Not annualised due to seasonality of business			
Figures in Rs crore			
Source: Capitaline Corporate Database			