



Date: 09-11-2023

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: Strategy Presentation

Please find enclosed herewith the Strategy Presentation for November 30, 2023.

We request you to kindly take the same on record.

Yours faithfully,
For **BMW INDUSTRIES LIMITED**

Vikram Kapur
Company Secretary

BMW Industries Limited

Trust | Consistency | Stability

Strategy
Presentation
November 2023

Safe Harbor Statement

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

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About the Company

Company Snapshot

About BMWIL

- **BMW Industry Limited (BMWIL)**, incorporated in 1981, is one of the largest steel processing company in India, having multi location manufacturing units in the Steel sector
- Engaged in the Manufacturing & Processing of HRPO Coils, CR Coils, GP Coils, GC Sheets, MS and GI pipes, TMT rebars, etc; for marquee steel players in India
- Processing both Long and Flat Products, Operates one of the largest independent cold rolling and galvanizing facility, in the country
- BMWIL strategically operates in value addition of semi-finished steel products. This helps the company maintain stable margins and providing a cushion during steel cycles

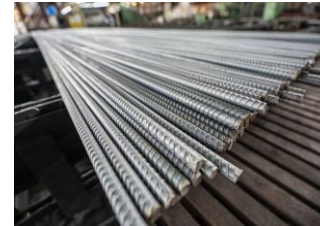
Our Presence

- Manufacturing facilities strategically located near steel manufacturing centers in India for a low manufacturing turnaround time and cost-effective transportation
- **Trusted Partner of leading steel players** like :
 - Tata Steel Limited: Long association of over 3 decades with TSL
 - SAIL : Joint venture with Steel Authority of India Limited (SAIL)

Note:

*Annualized

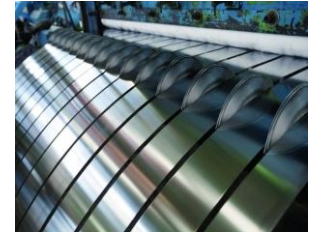
Product Portfolio



TMT



HRPO Coils



HR Slit Coils



GP Coils



GC Sheets



MS Pipes

Performance in H1'FY24

Operating Revenue
Rs. 31,695 Lacs

Gross Margin
64.3%

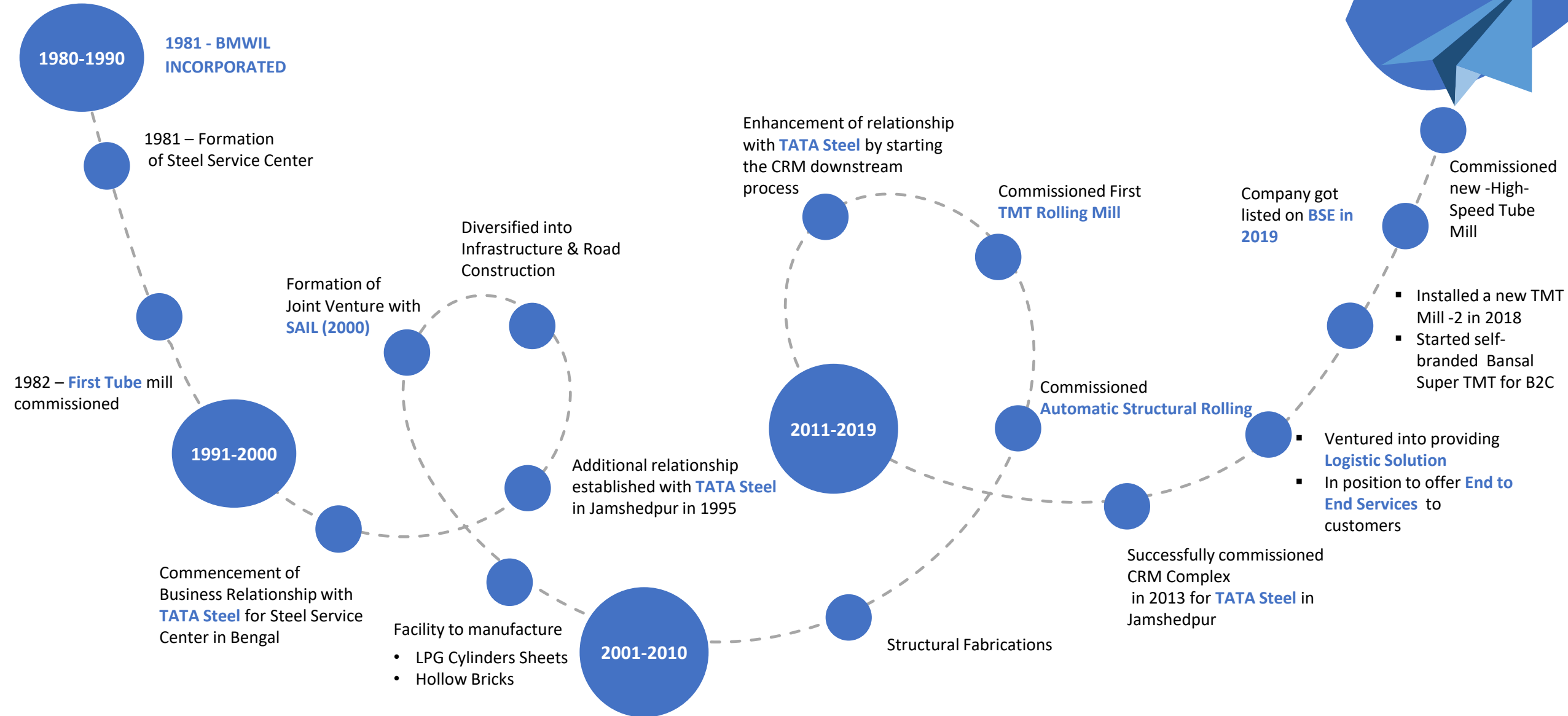
Op.EBITDA Margin
23.9%

PAT
Rs. 3,323 Lacs

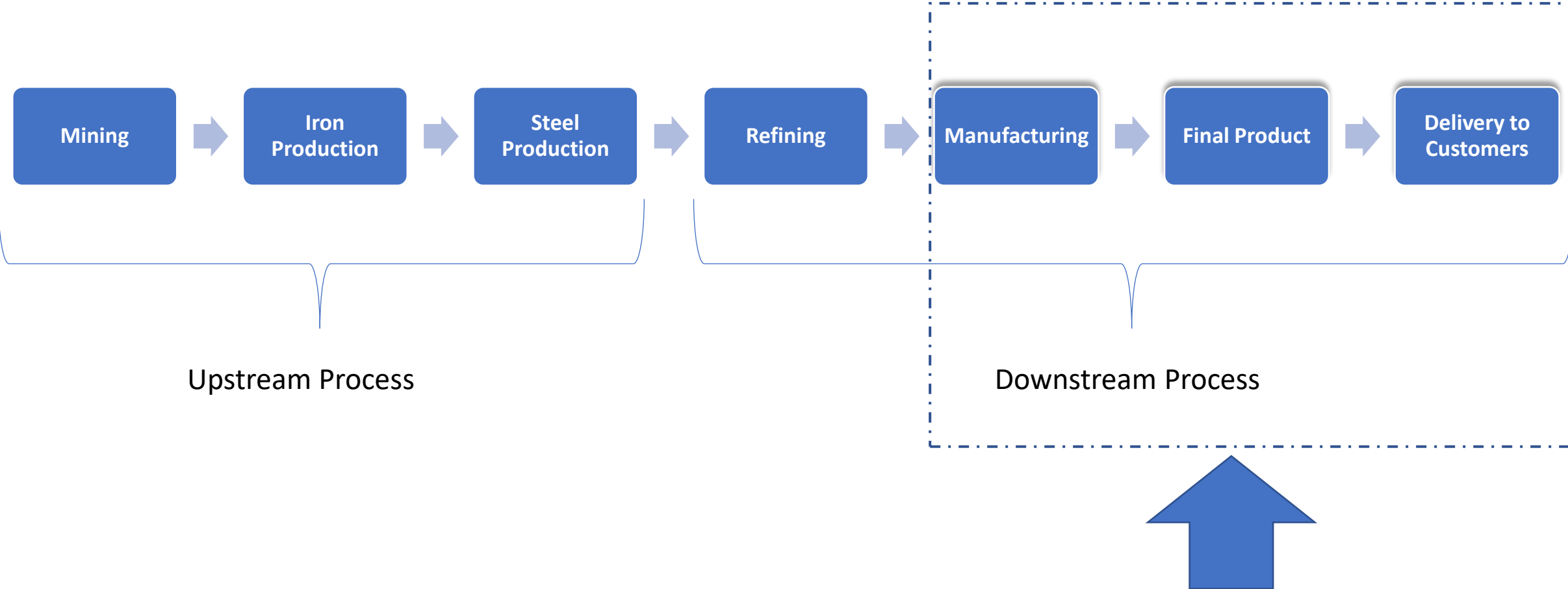
PAT Margin
10.4%

ROCE*
13.0%

Key Milestones

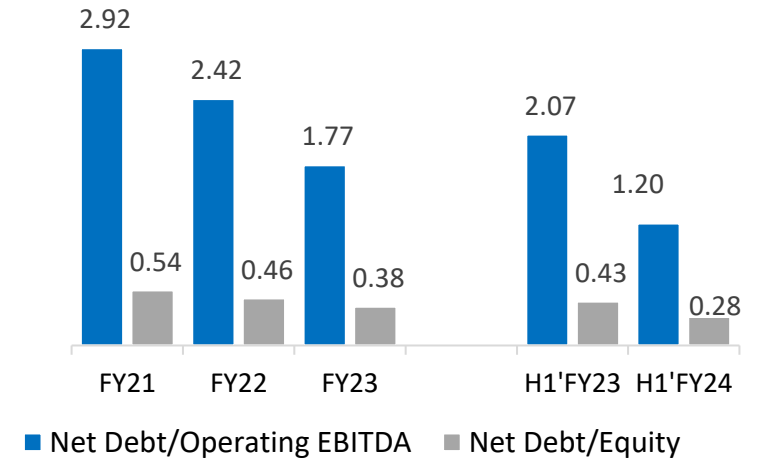
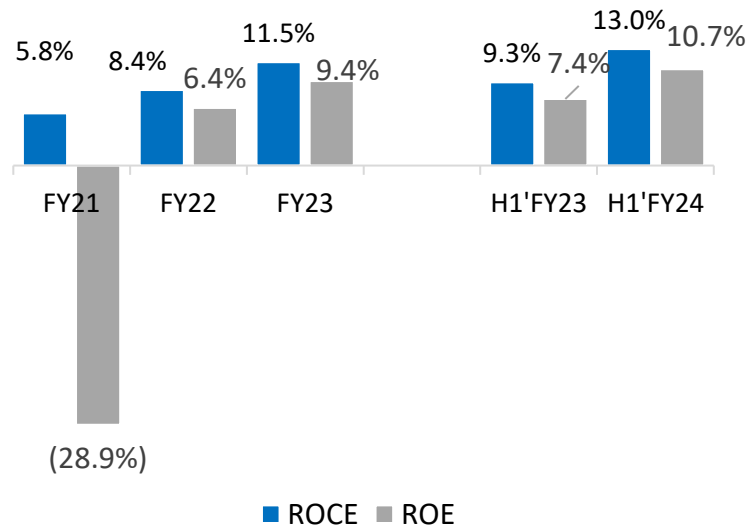
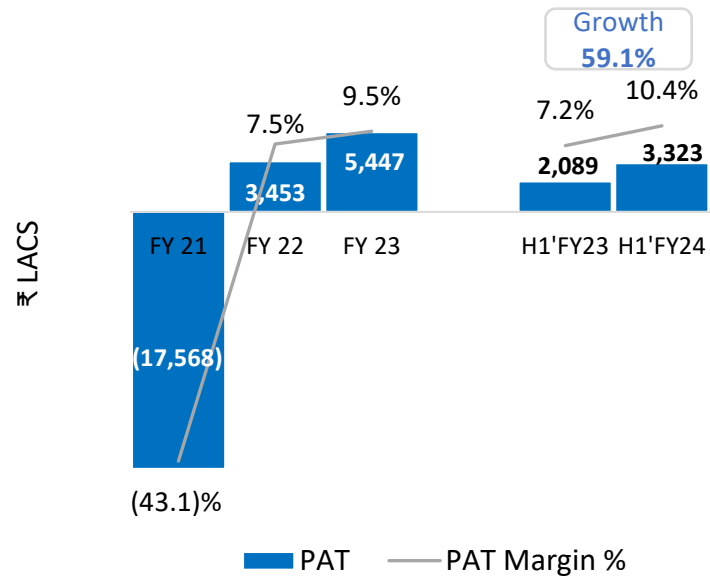
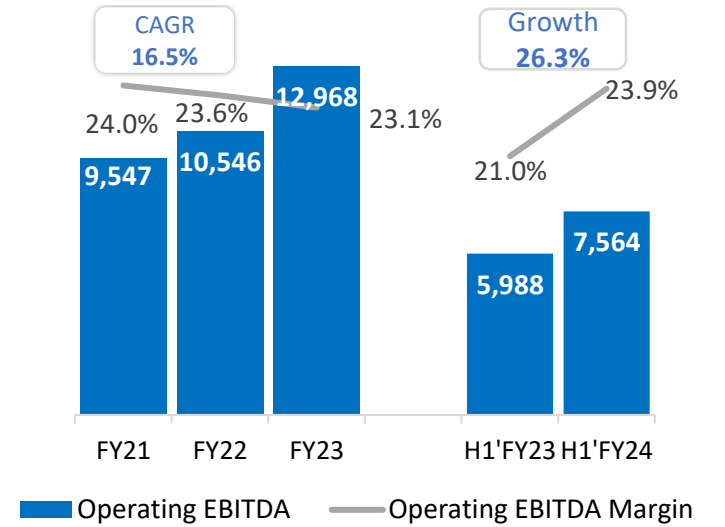
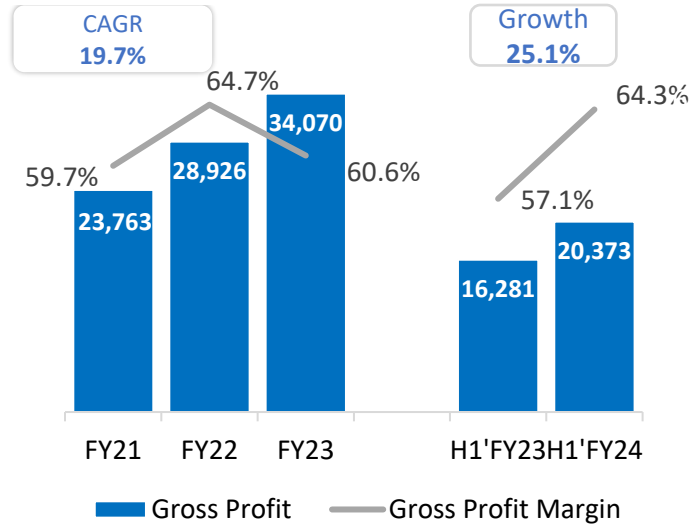
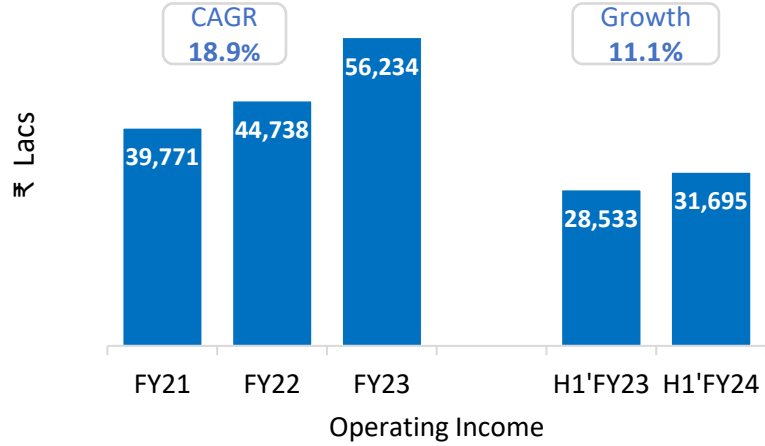


Steel Manufacturing Value Chain



BMWIL – Presence in Steel Processing

Key Annual Highlights



Operational Highlights

Operational Update

Particulars	Installed Capacity	Actual Production ¹	Annualized Utilization
CRM Complex	10,14,000	4,26,697	84.2%
Rolling Mill (TMT Bars)	3,00,000	71,610	47.7%
Pipes & Tubes	1,32,000	49,708	75.3%
Others	4,10,000	92,955	45.3%



Note:

1. Data for H1 FY 24

Management

Experienced Board and Senior Management Team (1/2)



Ram Gopal Bansal
Chairman and Whole Time Director

- Founder having more than 50 years of experience in the steel industry, successfully led joint venture with SAIL & collaborated with Tata steel for development of the Steel Service Center Industry.. Under his vision & leadership strategy the Company is now one of the leading manufacturer/Service provider in Iron & Steel sector.



Harsh Bansal
Managing Director

- Having more than 25+ yrs of experience. Instrumental in formation of JV with SAIL & setting up the plants at Calcutta.
- An alumni of Harvard Business School,
- Ex-Ed from ISB Hyderabad, & LBS London
- Past Regional Chairperson of YPO –South Asia.
- He currently holds the position of MD at BMW Industries Ltd, overseeing manufacturing and financial operations of the company.



Vivek Bansal
Managing Director

- Graduate from Calcutta university with experience of over 19+ yrs
- Ex-ED from ISB Hyderabad.
- He currently holds the position of MD at BMW Industries Ltd & is looking into the driving Tubes & CRM/GP business



Monika Chand
Independent Director

- She is a graduate from JNU & has 10+ years of Rich Experience in Marketing & Administration.



Sunil Kumar Parik
Independent Director

- A Senior Chartered Accountant & alumni of St. Xaviers college Kolkata. Having worked with Birla group Companies & Jitmal group of companies & has 45 years of work experience.
- Chairperson Of Audit, Nomination & Remuneration Committee.



Rampriya Sharan
Independent Director.

- A retired Senior Income Tax bureaucrat with experience of over 4 decades
- Held senior positions like Vice Chairman of Settlement Commission of India
- He is the Chairperson of Stakeholder Relationship Committee & Risk Management Committee.

Experienced Board and Senior Management Team (2/2)



Abhishek Agarwal

Chief Financial Officer

- A Qualified CA/CS & an alumni of St. Xaviers College Kolkata &
- He is having 10+ years of experience.



Vikram Kapur

Compliance Officer & Company Secretary

- Qualified Company Secretary and Chartered Accountant with more than 30 years of experience
- Previously CFO and CS at Petrochem Middle East India Pvt Ltd



Avinash Kumar Jha

VP Operations, Jamshedpur

- B.Sc graduate
- VP Operations Jamshedpur.
- Having 20 +yrs of experience.



Joydeep Banerjee

Chief –Sales & Marketing

- B.SC from Calcutta University. Has been the Regional Business manager at PFIZER.
- Expertise in sales & marketing & team management & works in creating brand image & awareness.



Ramesh De

Plant Head, NH-6

- B.tech in Mechanical Engineering from IME.
- Having experience of 10+ years of experience
- Previously Worked with Shyam Metallic Energy Ltd & Vinar Ispat Ltd.

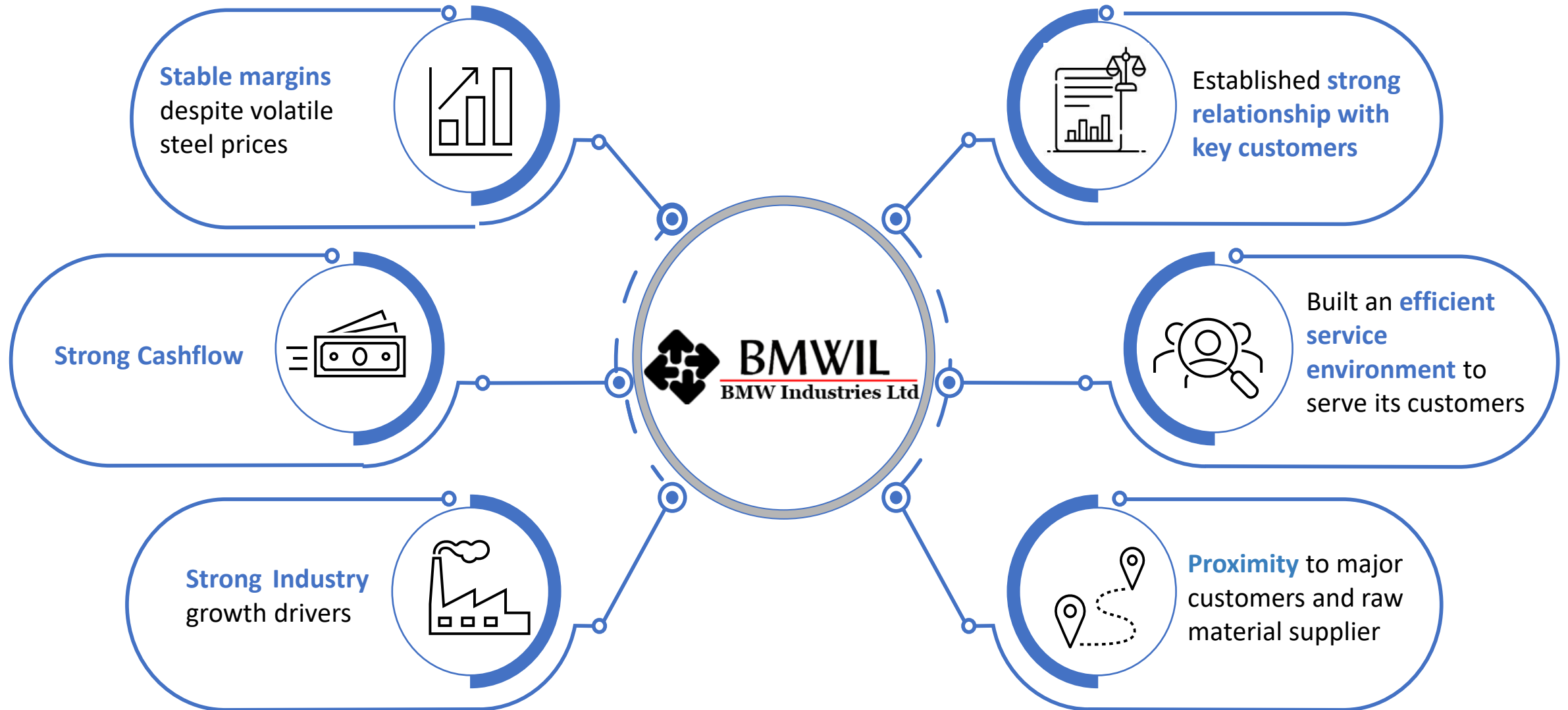


Nabyendu Gosh

Technical head

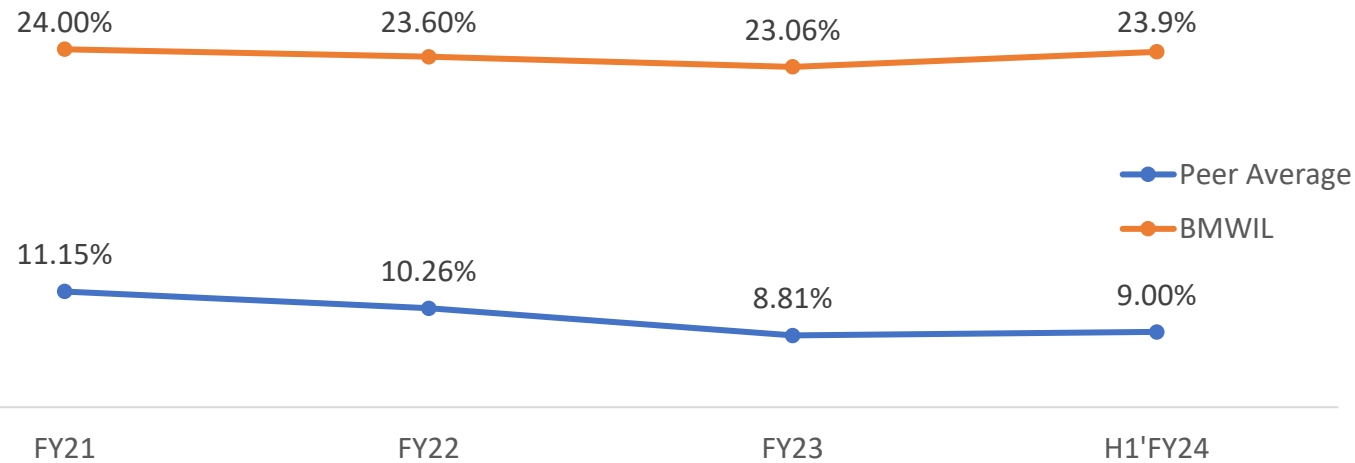
- B.Tech, in metallurgical & materials engineering from IIT KGP,
- 9 yrs of experience in managing projects in construction industry.
- Previously worked as senior engineer with L&T.

Key Investment Highlights

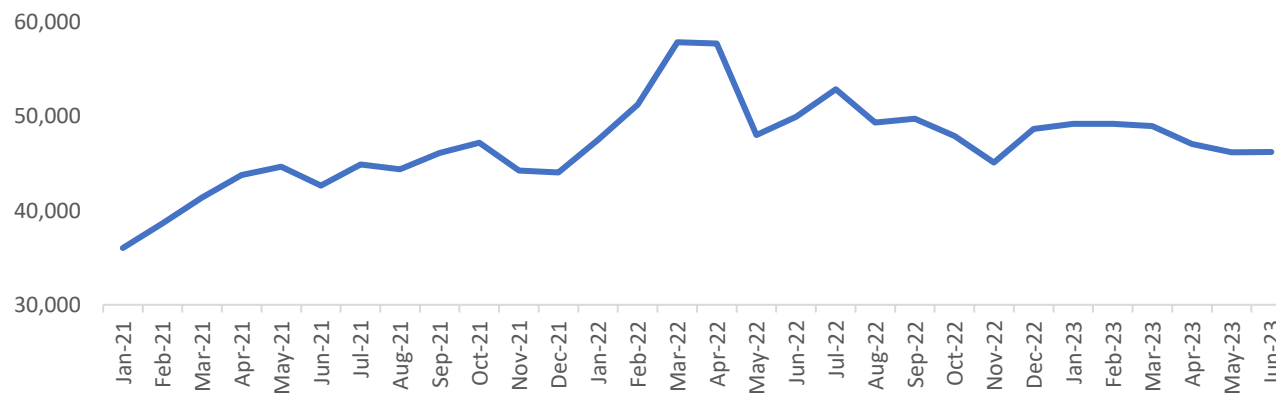


Stable Margins Despite Volatile Steel Prices

Operating EBIDTA Margin %



Steel Futures Prices in India, (Rs.)



- BMWIL strategically positioned itself within the steel industry's value chain, aiming to attain **stability and resilience against industry cycles**
- This positioning enables the company to **generate consistent cash flows** by minimizing exposure to demand and pricing fluctuations
- By occupying a stable role, BMWIL maintains financial stability, sustains operations, and has **potential for long-term contracts** (30+ years of association with Tata Steel Ltd.)
- This strategic positioning also strengthens relationships within the industry, contributing to its resilience during challenging economic conditions

Established Strong Relationship with Key Customers

Established Client Relationships of +30 years with Marquee Steel Manufacturing Players

Initiation

JV with SAIL & Start of deep association with TATA STEEL

Building Capabilities to service customers

Addition of capabilities to continue servicing customers

Formation of **JV with SAIL**

Commissioned **Automatic Structural Rolling Mill**

Setting up of **High-Speed Tube Mill for TATA Steel- April 2023**

Bouquet of services provided to TATA steel widened over time – Conversion of MS Pipe & GI Pipe, Flat Product Processing, Logistics etc.

Established processing lines for TATA steel with end customers being auto makers. Toyota, Ford etc.

Commissioned **High Speed Automated Slitting Line for TATA Steel-July 2022**

Additional relationship established with **TATA Steel in Jamshedpur in 1995** in the area of steel service center

Introduction of HR Coil pickling line for **TATA Steel** in 2007

Commissioned **Continuous Galvanizing Line Plant** in 2013 for TATA Steel in Jamshedpur

Started **Steel Service Center** concept in 1981

Set up First Tube Mill in Kolkata

Commencement of relationship with TATA in 1991

Development of Long members for **TATA Steel**, used in trailer trucks. Import Substitution.

Commissioned **Bar Rolling Mill for Tata steel in Calcutta**

1980

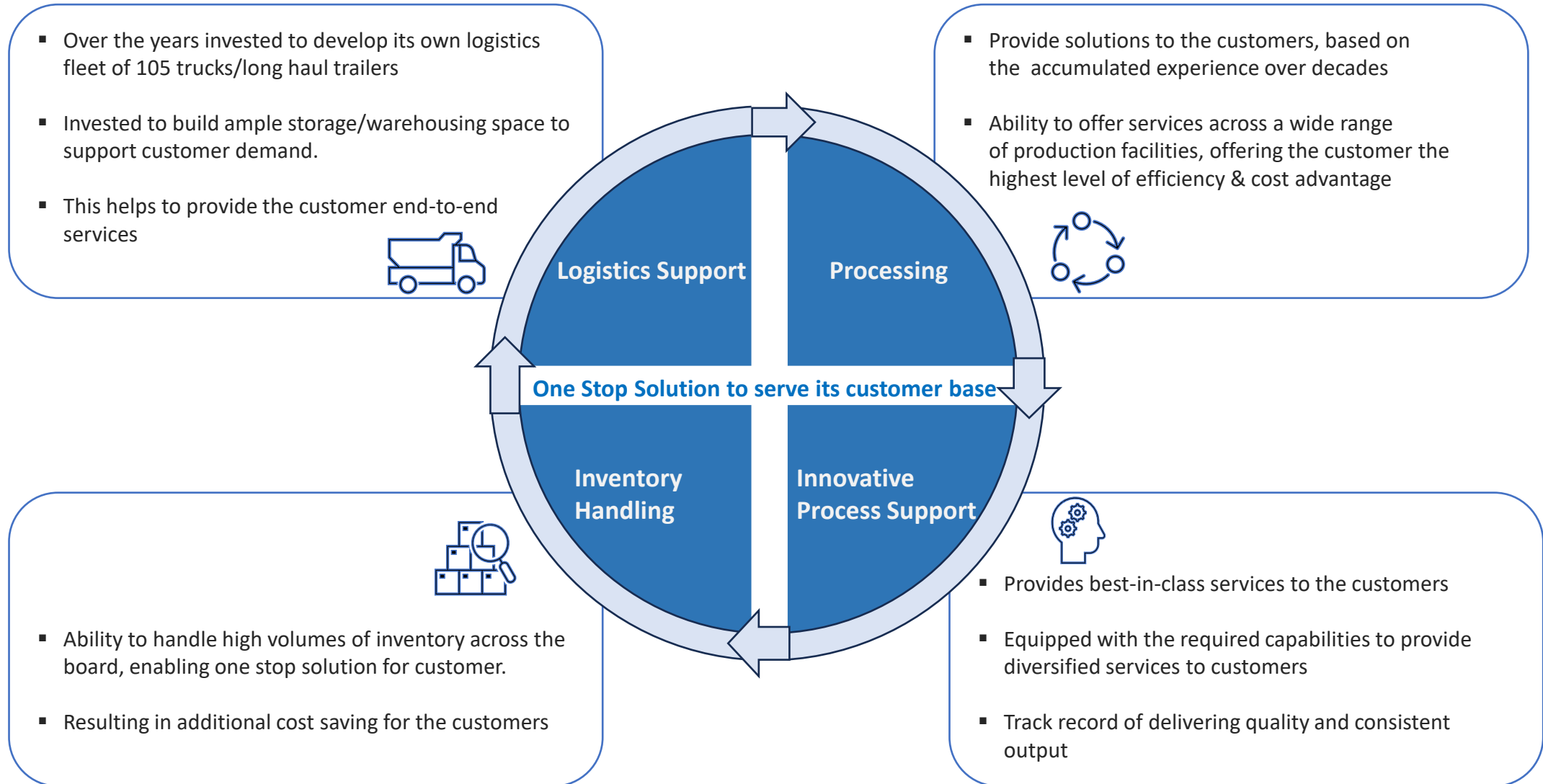
1991-2000

2001-2010

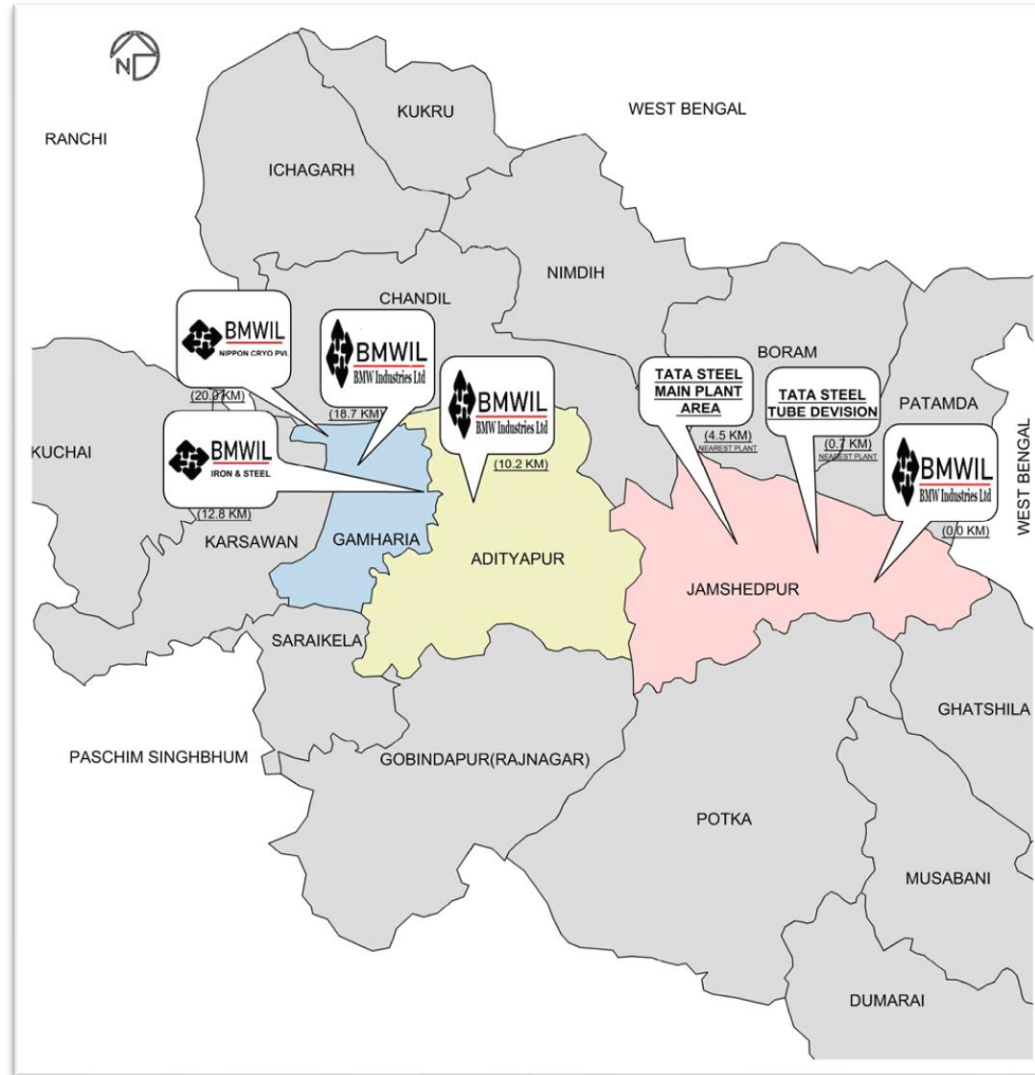
2011-2023

Continuous efforts toward Implementing Safety Measures in the Facilities

Built an efficient service environment to serve its customers



Location Advantage (1/2)

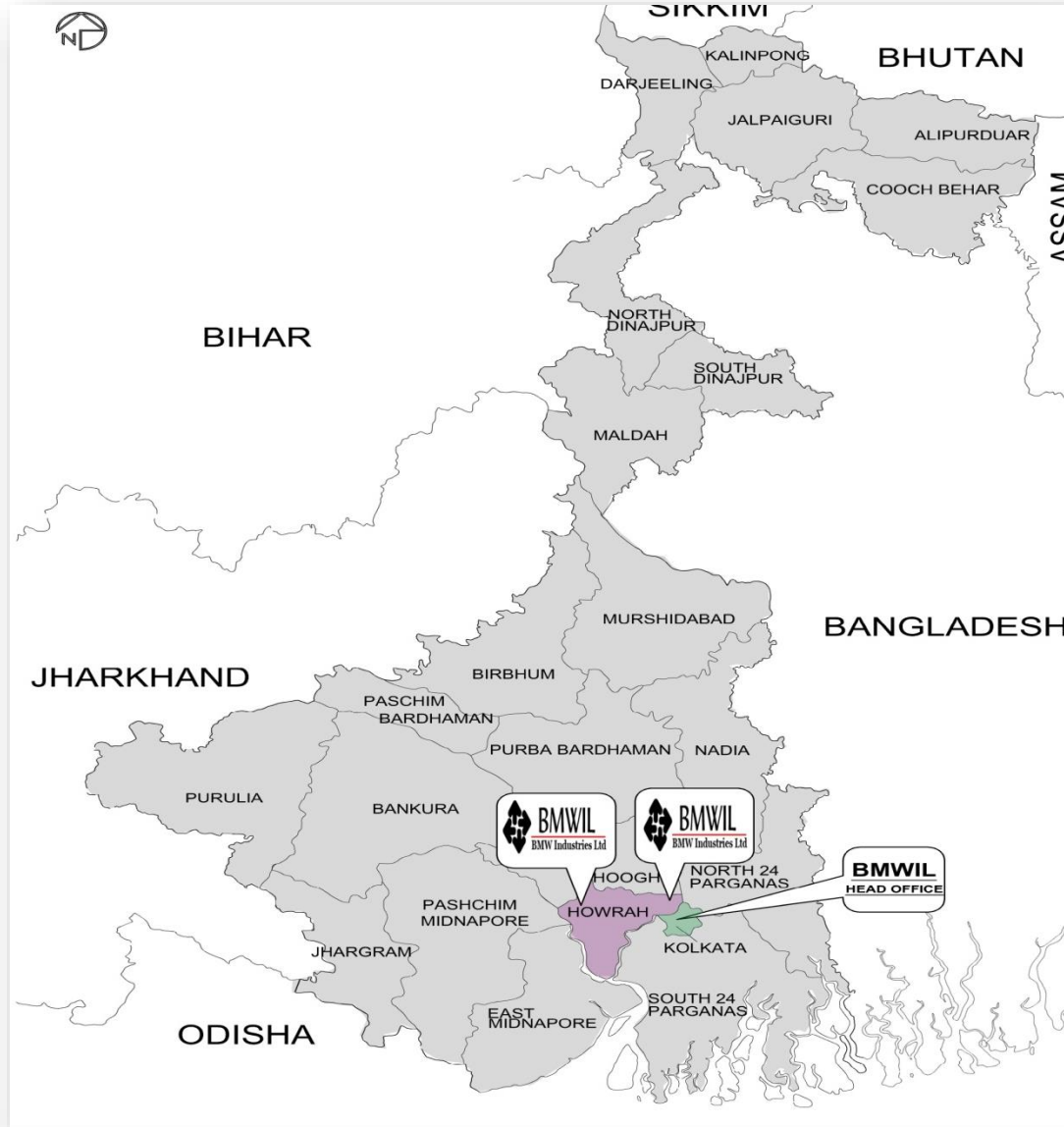


BMWIL Plants - Jharkhand

Strategically located in a region where raw material is readily available



Location Advantage (2/2)



BMWIL Plants & H.O. West Bengal

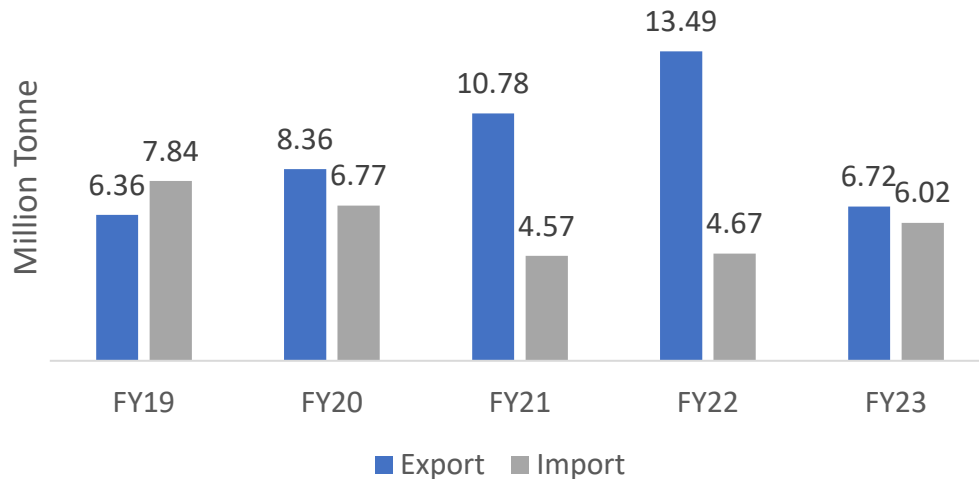
Proximity to major buyers of finished and converted products helps in delivering goods in cost efficient manner



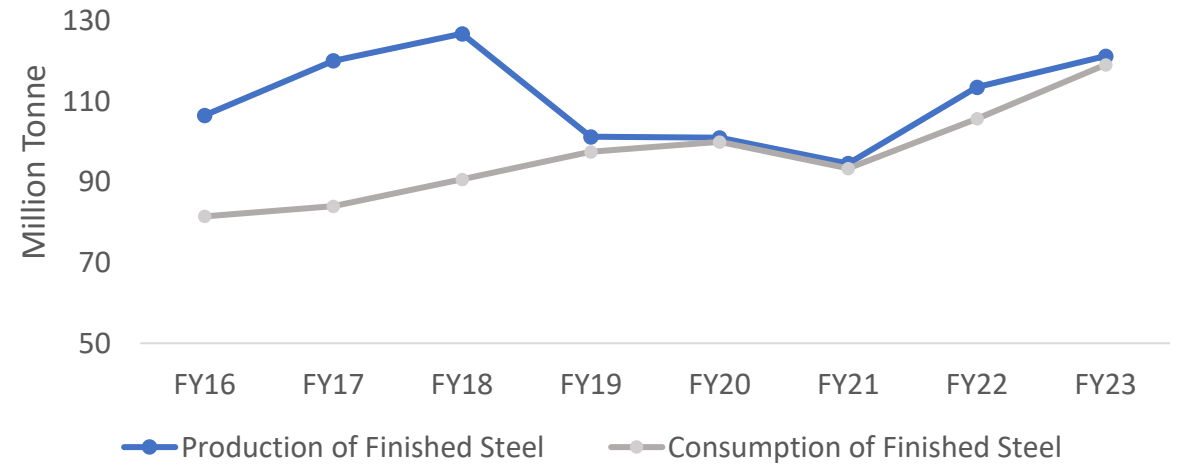
Industry Growth Factors (1/2)

- India is the **world's 2nd largest producer** of crude and finished steel, with an output of 125.3 MT of Crude Steel & 121.3 MT of Finished Steel in FY23.¹ Also, India has been the **2nd largest consumer** of finished steel as on FY21.
- The per capita steel consumption in the World is around 233 kg. The per capita consumption of steel in India is only around 84 kg, in FY23. However, per capita consumption has seen rapid increase over the last decade and the growth is expected to continue in future
- India's 2030–31 Steel Projections
 - Crude steel production is to reach 255 MT at 85% capacity utilization.
 - Finished steel production to reach 230 MT by FY31 from 133.596 MT in FY22 (CAGR of 6.2%)

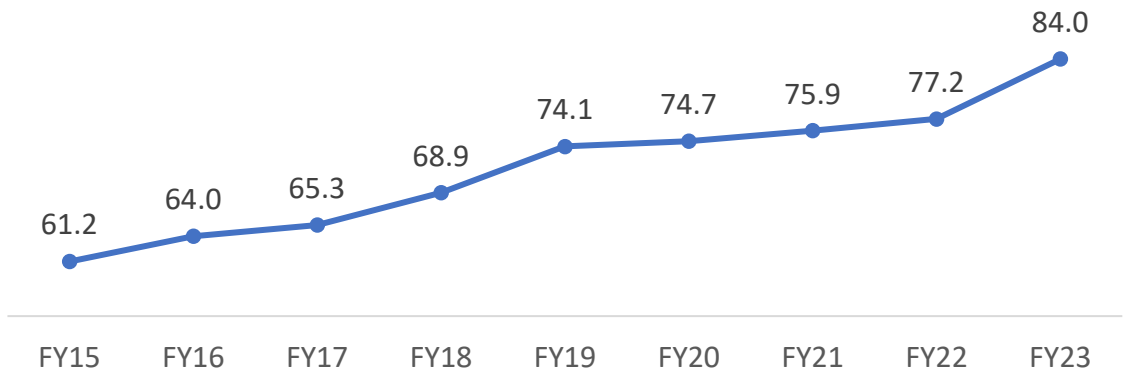
India's Annual Export & Imports of Finished Steel



India's Production and Consumption of Finished Steel



India's Per Capita Consumption of Steel (kgs)



Industry Growth Factors (2/2)

Robust Demand

Construction Industry

- Infrastructure Sector accounts for 9% of steel consumption in India
- **GVA from Construction increased by 14.8%** to 11,29,368 crore during FY22
- **Airports:** Estimated **steel consumption** in constructing airports is likely to **grow more than 20%** over the next few years.

Automotive sector

- Accounts for 10% demand of steel in India
- Automobile production in India **increased by 12.6%** during FY to 25.93 million units
- Domestic Sales increased by 20.4% during FY23 to 21 million units

Consumer Durables and Capital Goods

- Accounts for 11% of the steel consumption in India
- Indian White Goods market is estimated to cross \$ 21 Bn by 2025 expanding at a CAGR of 11%.

Policy Support

- **100% FDI in Steel Sector**
- **Rise in Export Duty** : Govt. hiked the export duty on iron ore to **50%** ad valorem on all varieties of iron ore, to fillip to the domestic steel industry and boost export (except pellets)
- **Steel manufacturers in the country can avail duty drawback** benefits on steel supplied through their service centers, distributors, dealers and stock yards (*Oct.2020*)
- **PLI** : July 2021, Govt. approved the PLI scheme for specialty steel, it is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- Government has brought **National Steel Policy (NSP)**, 2017 which envisages per capita steel consumption to increase up to 160 kg by 2030-31

Increasing Investments

- Rising investment from domestic and foreign players
- Increasing number of MoUs signed to boost investment in steel
- Foreign investment of nearly **US\$ 40 billion** committed in the steel sector
- Between April 2000- December 2022, Indian metallurgical industries attracted **FDIs of US\$ 17.22 billion.**

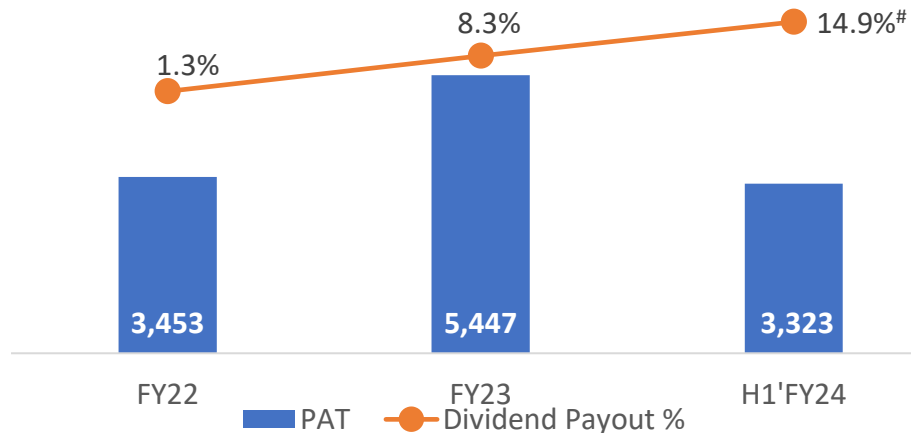
Infrastructure Investments

- In Budget FY24, capital investment outlay for infrastructure is being increased by **33% to Rs.10 lakh crore (US\$ 122 billion)**,
- Under the National Infrastructure Pipeline (NIP), projects worth **Rs.108 trillion (US\$ 1.3 trillion)** are currently at different stages of implementation

Strong Cashflow

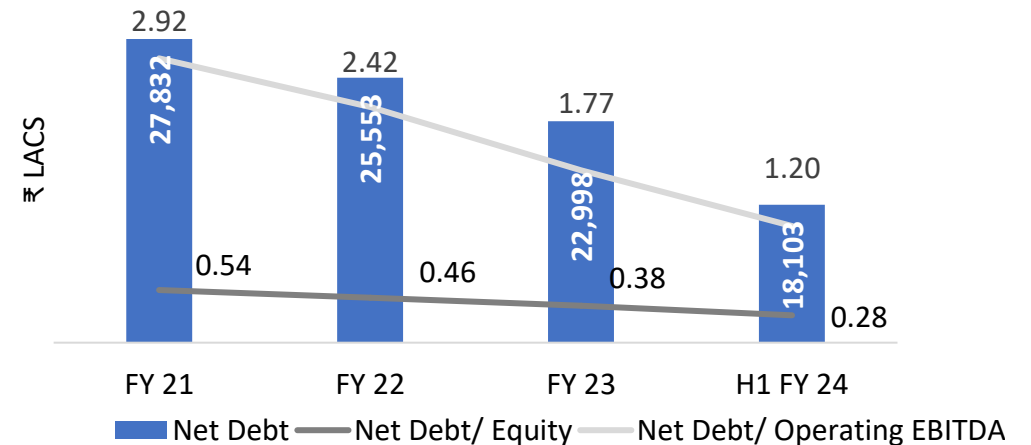
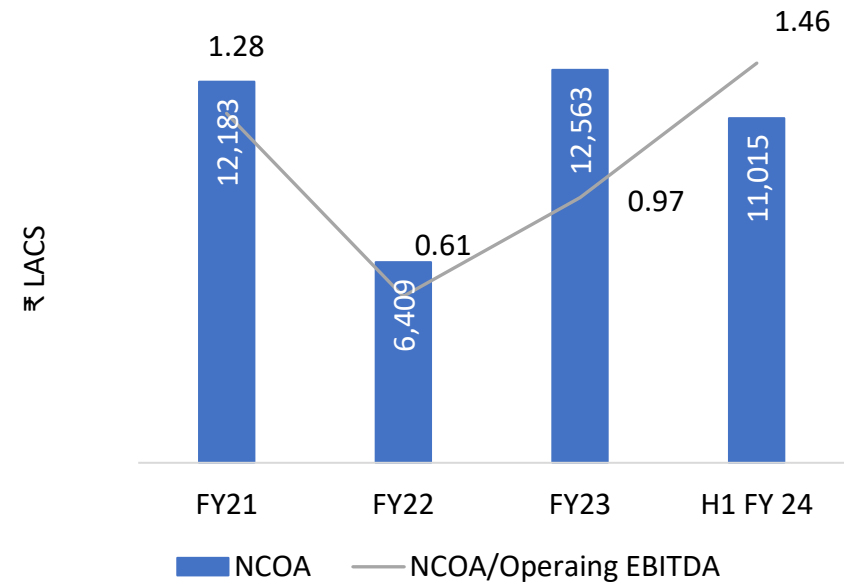
- The company has strong and consistent operating cash flow. NCOA/Operating EBITDA is at healthy levels
- Due to strong cash flow from operations, net debt/equity as well as net debt / operating EBITDA has been falling. Net debt / Equity is at a very comfortable level of 0.28
- Judicious deployment of capital has enabled the company to consistently improve its fixed asset turnover ratio from 0.76 in FY 21 to 1.28 in Sep'23
- The company has adopted a dividend payout policy wherein it will endeavor to maintain dividend pay-out ratio of 15% -20% of its annual PAT

PAT & Dividend Payout



Note:

*H1 FY 24 Net Debt/ Operating EBITDA Annualized # Dividend Payout is based on Interim Dividend



Staying true to our ESG commitments



Environment

- Planning to install solar panels across all facilities, to substantially reduce carbon footprint
- Have achieved Zero Liquid Discharge (ZLD) at all the plants
- A total of 3,000 trees have been planted at the factory



Social

- Supports cancer patients, especially women, to ensure their well-being
- **1,300** beneficiaries of medical check-ups and eye check-up camps
- **500** beneficiaries of free artificial limb and caliper camps



Governance

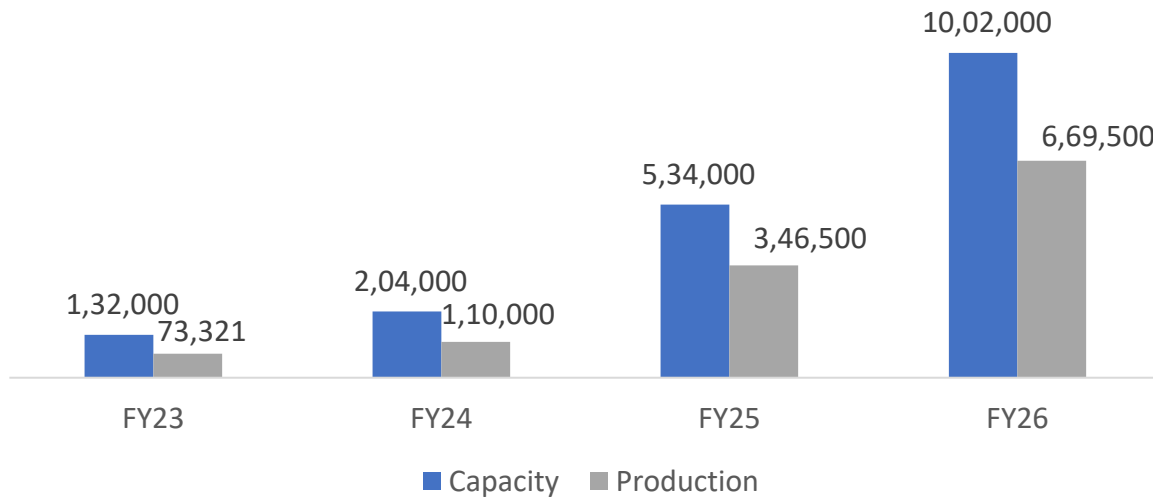
- Consistently endeavored to practice good Corporate Governance
- Believes such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness



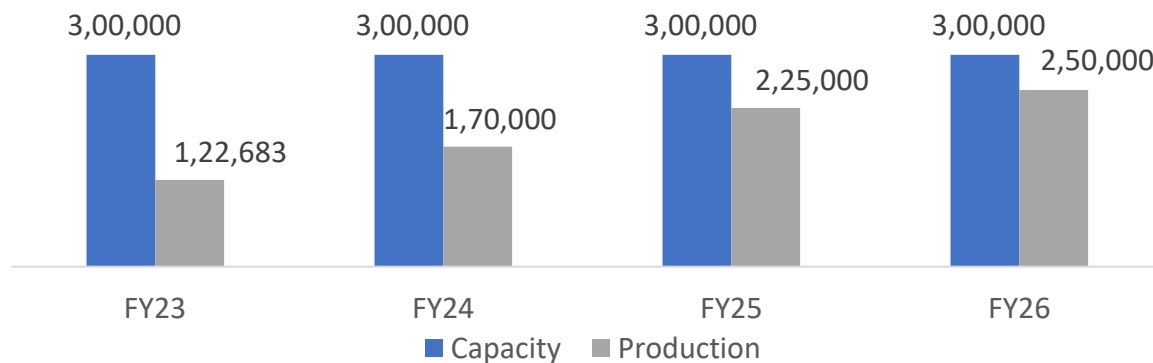
Growth Strategies

Step-up the existing capacity:

Increased Pipes & Tubes Capacity/Production (in MT)



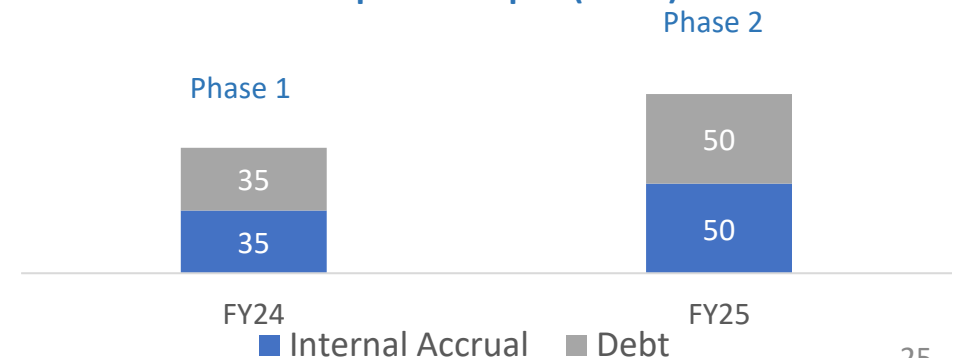
Increased Utilization of TMT Capacity (in MT)



Pipes & Tubes Capacity Expansion Plans

- Expansion of the Pipes & Tubes production capacity is at the existing plants in Kolkata and Jamshedpur.
- Increased Capacity will operate at ~70-80%
- No cash outflow required for land
- Total Project outlay Rs 170 Crore, divided into:
 - **Phase 1:** Outlay 70 Cr (35 Debt, 35 Internal Accrual)
 - **Phase 2:** Outlay 100 Cr (50 Debt, 50 Internal Accrual)
- Debt Repayment Schedule:
 - Phase 1 (Rs 35 Cr) Debt Repayment to start from Sept-2024 and end by Sept-2028
- **Currently ~ Rs. 50 cr spent on expansion (Rs 21 cr debt and remaining internal accrual)**

Expected Capex (Rs Cr.)



Strong Revenue Visibility

1

Agreement for conversion of GP/GC sheets through the **CRM Complex**, is coming up for renewal in April 2024

Expected Revenue of Rs. 2,000 crores over the contracted period of 5 years

Key Entry Barriers:

Capital Requirements

Invested Rs. 400 cr to start this line, the current CAPEX required to set up a similar plant is ~Rs. 1,000 crores

Geographical Advantage

Facility is ~5 km in the vicinity of the TSL Plant. Additionally, BMWIL provides logistics services to deliver to customers

Relationship

Has a relationship of +30 years with TSL. Consistency and product quality is maintained at BMWIL facility

Competitive cost of Production

Has acquired skills over years that allow it to produce at a highly competitive cost while maintaining consistent quality compared to peers
Expected Revenue of at least Rs. 350 crores per year

2

Agreement to manufacture ~**3,00,000 MTPA TMT Rebars** up to November 2025

Expected Revenue of Rs. 250 crores over the contracted period of 3 years with PV on Key Consumables

Key Entry Barriers:

Trusted Player

The facility is dedicated to TSL to manufacture TMT rebars.

Quality

Able to serve its customers with high-quality products of constant quality due to its cutting-edge manufacturing facilities and deep focus on process and people.

End to End Services

Provides 360-degree services to the customers from manufacturing/ processing to transportation services

Build Own Brand



Asset Light Model

- Efficiently outsourcing manufacturing facilities
- Conversion agreement for own brand is in place



Distribution in Place and Growing

- Creation of strong distribution network
- Focused penetration in under-serviced geographies
- Backed-up by in-house logistics support – one-stop shop for rural market



Establish Brand Value

- Introduction of adjacent product categories
- BMWIL cautiously spending on building a reputed brand

BANSAL SUPER
BANSAL SUPER / 500D
500D EQ-CR TMT REBAR

Financial Highlights

Profit and Loss Summary

Rs in lacs

Particulars	FY21	FY22	FY23	H1 FY24
Revenue from Operation	39,771	44,738	56,234	31,695
Gross Profit	23,763	28,926	34,070	20,373
Gross Profit Margin	59.7%	64.7%	60.6%	64.3%
Operating EBITDA	9,547	10,546	12,968	7,564
Operating EBITDA Margin	24.0%	23.6%	23.1%	23.9%
Other Income	1,016	1,299	913	280
Depreciation	5,286	4,940	3,975	2,160
Finance Costs	2,927	2,331	2,395	1,091
PBT	(21,510)	4,574	7,512	4,593
PAT	(17,568)	3,453	5,447	3,323
PAT Margin	(43.1)%	7.5%	9.5%	10.4%
EPS (Rs.)	(7.80)	1.55	2.42	1.48

Revenue Breakup

Rs in lacs

Particulars	FY 21	FY 22	FY 23	H1 FY 24
CRM Complex	30,111	31,899	38,889	21,607
Rolling Mill (TMT Bars)	3,346	5,750	8,047	4,935
Pipes & Tubes	2,082	2,810	2,950	2,256
Logistics	3,323	3,526	3,920	2,024
Others	910	749	2,428	863
Total Revenue	39,772	44,734	56,234	31,695

Balance Sheet Summary

Rs in lacs

Particulars	FY21	FY22	FY23	H1 FY24
Net Worth	52,002	55,435	60,373	63,705
Net Debt	27,832	25,553	22,998	18,103
Capital Employed	81,476	83,601	88,464	86,749
Net Fixed Assets	48,764	46,758	47,677	52,454
Net Current Assets	6,787	12,163	14,371	15,923
Total Assets	90,025	90,684	96,068	93,367

Key Ratios

Particulars	FY 21	FY 22	FY 23	H1 FY 24
Operational Ratios				
Current Ratio	1.30	1.59	1.72	2.08
Fixed Asset Turnover Ratio	0.76	0.94	1.19	1.28
Sales/Capital Employed	0.44	0.54	0.65	0.72
Cash Conversion Cycle	409	298	242	188
Solvency Ratios				
Net Debt/ Equity	0.54	0.46	0.38	0.28
Net Debt/ Operating EBITDA	2.92	2.42	1.77	1.20
Interest Coverage Ratio	1.80	2.96	4.14	5.21
Return Ratios				
ROCE	5.8%	8.4%	11.5%	13.0%
ROE	(28.9)%	6.4%	9.4%	10.7%

Thank You

For further details please contact



Chief Financial Officer

Abhishek Agarwal

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Investor Relations Advisor

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