BMW Industries Ltd.

Date: 12.09.2026

To,
The Manager
Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
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 Un-audited Standalone and Consolidated Financial Results for the Second Quarter and Half Year Ended September 30, 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 Friday, 06th November, 2026 at 10:00 A.M. (IST) in relation to the Un-Audited Standalone and Consolidated Financial Results of the Company for the Second Quarter and Half Year Ended September 30, 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**

NEHA JAIN

Digitally signed by NEHA JAIN
DN: c=IN, st=Odisha, 2.5.4.20=bc148c2981e2668de5cafc6348ffcedda6f06c0b7d28f15db4fd f26185faf5cc, postalCode=753004, street=WO Harsh Jain AFAWA NAGAR CHAULIAGANJ NAYABAZAR Cuttack Sadar, pseudonym=22df3472a6044071b6be69ad0da7a28c, title=5417, serialNumber=11a15e59fa11a60790ec892ad653ca449e07b63e38800f b9bae217da0842672, o=Personal, cn=NEHA JAIN
Date: 2026.11.12 14:53:41 +05'30'

Neha Jain
Company Secretary & Compliance Officer
M. No.: A29956

“BMW Industries Limited
Q2 & H1 FY27 Earnings Conference Call”

November 06, 2026

MANAGEMENT:	**Mr. Harsh Bansal** – Managing Director, BMW Industries Limited
	Mr. Vikram Kapur – Chief Financial Officer, BMW Industries Limited
	Mr. Sanjeev Sancheti – Investor Relations, Uirtus Advisors
MODERATOR:	**Arihant Capital Markets Limited**

Moderator: Hello and good morning, everyone. On behalf of Arihant Capital Markets Limited, I would like to welcome you all to the Q2 & H1 FY27 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, Uirtus Advisors.

Without any further delay, I would like to hand over the call to Mr. Sanjeev Sancheti for his opening remarks. Over to you, sir.

Sanjeev Sancheti: Hi, good morning, everyone, and welcome to the call. Thanks for the introduction.

Before I hand over 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 hope each one of you would have already had a look at it. In case you haven't, please have a thorough look at it before the Q&A session starts. Thank you, and over to you, Mr. Bansal.

Harsh Bansal: Thank you, sir. Good morning, everyone, and thank you for joining us for the BMW Industries Limited Earnings Call for the second quarter of FY27.

We are pleased to report a strong performance in Q2 FY27, driven by profit growth, improving capacity utilization across our downstream businesses, and continued progress on our strategic expansion initiatives.

Operating income for the quarter stood at Rs. 182 crores, registering a year-on-year growth of 25.3%. Operating EBITDA stood at Rs. 35 crores with a margin of 19.2%. Profit after tax grew 42.7% year-on-year to Rs. 22 crores, with PAT margin improving by 76 basis points to 11.1%.

This performance reflects the continued improvement in operating performance across the core businesses, supported by resilient operations. We see further headroom for improvement in capacity utilization.

On the balance sheet front, we remain focused on executing our growth ambitions while maintaining disciplined capital allocation. ROCE and ROE as of 30th September 2026, on an annualized basis, stood at 10% and 9.7%, respectively. These metrics need to be viewed in the context of our ongoing greenfield expansion at Bokaro. While the capital deployed towards Bokaro is a part of the capital employed number, the facility has yet to commence full operations. This represents a transitional phase of capital deployment. As the facility

commences operations and progressively ramps up, we expect ROCE to improve. Excluding the capital deployed towards Bokaro, ROCE would have been approximately 13% plus.

Net debt stood at Rs. 835 crores, with a net debt-to-equity ratio of 0.70x. Of this, Rs. 307 crores represents long-term borrowings drawn towards the Bokaro project.

A key milestone in our expansion program was achieved with the commissioning of our Greenfield Downstream Steel Complex at Bokaro. The colour coating line received its Consent to Operate for the first phase of its operations on the 5th of October 2026, marking the company's foray into the colour-coated steel segment.

As on 30th September 2026, total capital deployment towards the greenfield expansion stood at Rs. 516 crores, comprising Rs. 209 crores from internal accruals and Rs. 307 crores through debt. Subsequently, approximately Rs. 60 crores was capitalized on the 5th of October 2026.

We reiterate our earlier guidance of approximately 70% to 75% consolidated revenue CAGR over FY25 to FY28, supported by the phased commissioning and ramp-up of Bokaro, alongside continued strategic organic growth across our existing verticals. Over the same period, we expect operating EBITDA and PAT to grow at a CAGR of approximately 40% to 45% and 35% to 40%, respectively, with EBITDA and PAT margins gradually stabilizing at approximately 12% to 13% and 5% to 6% by FY28, as the benefits of scale, integration and operating leverage materialize.

Going forward, growth will be driven by higher utilization of existing conversion capacities and the ramp-up of the new downstream facilities at Bokaro. We will continue to evolve our business model by integrating legacy conversion operations with proprietary manufacturing and supply of finished products, enabling greater value capture and a broader customer base.

Our priorities remain focused on disciplined execution, operational efficiency, prudent capital allocation and balance sheet discipline, while continuing to build a sustainable business and deliver long-term value to our stakeholders.

With that, I would like to open the floor for questions. Thank you.

Moderator: Thank you, sir, for the opening remarks. Any participant who would like to ask a question can raise their hand or put it in the chat box. We will first take questions from the participants who have raised their hands,

and then move on to the chat box. We have our first question from Yash Anand. Please go ahead.

Yash Anand: I hope I'm audible.

Harsh Bansal: Yes, you're audible.

Yash Anand: Thank you for the opportunity. Since we are moving to a new business model with our Bokaro greenfield expansion, could you give me some idea about the landscape of this business, specifically about the peers, and how we are going to capture market share? There might be players who are already in this segment, and since we are new, I was wondering what our strategy is to gain market share.

Harsh Bansal: So, a couple of things over here. India is already producing close to 170 million tons; we are the second-largest steel producer in the world. There is a steel policy that was recently announced which took the output target from close to 300 million tons to about 600 million tons.

Now, as you look at real GDP growth of close to about 10% to 11%, with steel consumption growing at higher than that, you are seeing a move from traditional coated roofing products, for example GI, to more aspirational colour-coated consumption. You add to that the fact that the Government of India has supported the industry substantially, not just with safeguard duties but also with the QCOs that came into effect last year.

There is current consumption of between 5 to 7 million tons, which is growing at almost 10% to 13% annually. My total colour-coated output is going to be about 2 lakh tons. In a scenario where we are talking about several million tons of national consumption, 2 lakh tons is hardly anything to talk about in terms of capturing the market, so to say.

The bigger value piece in the story actually comes not from the colour-coated part, which is a standard value addition, but from the other alloy-coated facilities that we are setting up, which include Galvalume, galvanized for higher thicknesses and sections, as well as ZAM. If you look at that, we will have a total saleable capacity of about 5.5 lakh tons. Of that, colour-coated is only 2 lakh tons, if we decide to do that based on the margins available at that point in time.

So, in my view, the story is not on the colour side. Colour is a value addition, but the bigger story is the alloy coating facilities, which will be about 5.5 lakh tons. When you look at that, you are looking at a market which is moving from hot-dip galvanized to pre-galvanized, whether it's pipes, structurals, fabrication engineering, PEBs, etc. You are looking at higher off-take of Galvalume materials, which are

organically or non-organically coated. You are looking at a building up of a market for ZAM, which is zinc, aluminium and magnesium. We are still a little behind the curve on that product, but I think over the next 5 to 7 years, you will see more and more adoption of ZAM, given its higher life expectancy, especially in solar applications.

I hope I've been able to answer that adequately.

Yash Anand: Yes, sir, you have given me quite the picture. A couple of follow-ups here. You mentioned that Galvalume and ZAM are basically the future of this business. Since these are coatings of aluminium and zinc, are we hedged against the price volatility of these metals?

Harsh Bansal: We are not currently hedged against it because we have not yet started production, but as and when commercial production starts, we will be using the various tools available to hedge.

Yash Anand: Makes sense. And sir, one more question on the peers. Since we are new to this segment, how will your sales strategy go? I see this as a key risk.

Harsh Bansal: Again, this is a developing market and a developing landscape with respect to sales. We are sticking to the B2B portion of it for the time being, over the next 3 to 4 years, and then we will develop it as we go. Our first priority is to execute and scale up as fast as we can, because that is one of the requirements of the PLI scheme that we are a signatory to.

Yash Anand: Makes sense, sir. Thank you, sir.

Harsh Bansal: Thank you.

Moderator: Thank you, Yash. Any participant who would like to ask a question can raise their hand or put it in the chat box. We have our next question from Bhavesh Bhatia. Please go ahead.

Bhavesh Bhatia: Good morning, Mr. Bansal. Wishing you and your team a very happy Diwali, and congratulations on a good set of results. Hope I'm audible.

Harsh Bansal: Yes, Bhavesh ji, thank you so much. Happy Diwali to you too.

Bhavesh Bhatia: Thank you so much, sir. Sir, we have noted a surge in other income since Q4 FY26. Could you please clarify if this spike is due to a change in accounting or reporting practices, or explain exactly what this income consists of? If these inflows had been classified under operating revenue instead of other income, our EBITDA margins would have sustained at mid-20% levels. So, what exactly is this?

Harsh Bansal: Other income comprises a bunch of smaller revenues that we don't put in the operating line. This quarter, at least, it was due to a gain on asset

sale. We sold an asset which was no longer in use; we monetized it and brought it into the cash flow.

And Bhavesh ji, if you look at the earlier reports and calls that we've had, we have continued to divest assets that are underutilized or not in use over a period of time. This has been done with a view to improving some of the ratios on the balance sheet. Over a period of time, you do tend to accumulate a lot of these things, and we are consciously moving to divest all of that.

Bhavesh Bhatia: Understood. So, are we going to see higher other income for the full FY27, or is it done?

Harsh Bansal: It's not done, but you won't see a higher number. There will be some trickling in, which will continue to happen as we identify more assets that we don't utilize.

Bhavesh Bhatia: Understood, sir. Secondly, regarding the Bokaro plant, how is the current quarter, Q3, looking, since we are already in November? Could you please provide some colour on domestic demand for our product? Additionally, have we started booking orders for the newly commissioned colour-coated line, and if so, what is the order book as of October 31st?

Harsh Bansal: Interesting choice of words on the colour part, Bhavesh. Yes, we have started operations after the receipt of the Consent to Operate on the 5th of October, and sales are on. However, you will appreciate that this is the first quarter of operations. The reason we started with colour coating first is because it allows us to stabilize that operation before we run at full gallop with the Galvalume commissioning.

The order book situation in this case is not the traditional kind. This is not a sector where you book long-term orders. These are generally faster-execution orders: you receive an order, and in the next 10 to 15 days you execute it. Needless to say, details of the numbers will come in the next quarter's call, but yes, we have started operations and the sales of colour-coated products from Bokaro.

Bhavesh Bhatia: Perfect. Sir, one last question before I join back the queue. Since I've asked about the order book of the colour-coated line, I would like to know the status for our legacy business. Have we initiated the contract renewal process with clients for the contracts set to expire this year?

Harsh Bansal: Yes, those are all ongoing, and as and when we get the final documents or contracts relating to the extension, we will be sharing them in the disclosures.

Bhavesh Bhatia: Okay, sir. I will join back the queue. Thank you.

Harsh Bansal: Thank you very much.

Moderator: Thank you, Bhavesh. Any participant who would like to ask a question can raise their hand or put it in the chat box. We have our next question from Uttam Reddy. Please go ahead.

Uttam Reddy: Sir, good morning. When do we expect the ZAM and the Galvalume phases of our capex to come online?

Harsh Bansal: The Galvalume product will come online in Q4. ZAM and GI, which is one line with a changeable product profile, will come online in the first half of next year.

Uttam Reddy: Okay, so those capexes were taking place simultaneously along with the colour-coated line?

Harsh Bansal: Correct.

Uttam Reddy: And you said ZAM will come up next year. Did I hear you right?

Harsh Bansal: Yes, in H1 FY28.

Uttam Reddy: Okay, and Galvalume will be completed in Q4.

Harsh Bansal: Yes.

Uttam Reddy: Thank you.

Harsh Bansal: Thank you, Uttam ji.

Moderator: Thank you, Uttam. We have our next question from Aryan Bhatia. Please go ahead.

Aryan Bhatia: Hi, am I audible?

Harsh Bansal: Yes, I can hear you. Please go ahead.

Aryan Bhatia: I just wanted to know when all the capacity will be live and when we are expecting full capacity utilization. I believe in the annual report we have given a target of fully utilizing this capacity by the end of FY28 or the beginning of FY29.

Harsh Bansal: I'm sorry, I lost you there. Can you please repeat the question?

Aryan Bhatia: I just wanted to know when we can expect the full ramp-up of the 5 lakh tons of capacity at the Bokaro plant.

Harsh Bansal: You will start to see most of it ramped up by Q3 and Q4 of FY28.

Aryan Bhatia: Okay. And we are bringing in about 5.4 lakh tons of galvanized and 2 lakh tons of colour-coated. So, would about 3 lakh tons be the saleable volume for galvanized and ZAM, and 2 lakh tons for colour-coated? Is that the right understanding?

Harsh Bansal: 5.5 lakh tons includes Galvalume, galvanized and ZAM. And when you say 3 lakh tons of estimated utilization by FY28, I think that's a fair assumption.

Aryan Bhatia: Got it. And sir, could you throw some light on the EBITDA we are expecting from the Bokaro plant for galvanized as well as colour-coated?

Harsh Bansal: It's a little early to talk about per-ton EBITDA, but we have indicated a consolidated EBITDA range by FY28. We hope to be in the range of 11% to 12% thereabouts, on a consolidated level.

Aryan Bhatia: Okay, understood. So, basically, the Bokaro plant will be in the range of 7% to 8%, and the existing business at around 24% to 25%?

Harsh Bansal: Yes, I think that's a fair assumption.

Aryan Bhatia: Got it. Sir, on the debt side, what would be the peak debt for the overall company when the Bokaro plant is live?

Harsh Bansal: At peak, we estimate the debt to be in the range of Rs. 800 crores to Rs. 900 crores, which will include long-term debt as well as working capital needs.

Aryan Bhatia: Okay. And are we targeting the export market as well from the Bokaro plant? Some companies have been mentioning that the export market is providing them better margins.

Harsh Bansal: They have the advantage of being in the market today. Export markets do provide substantial benefits, whether you look at it in terms of margins or stable sales. We are not averse to exports, but at this point in time, it's a little early for us to start targeting them. The current focus remains on the domestic market. Exports, as and when they happen, will be more opportunistic.

Aryan Bhatia: Got it. Thank you, sir. Sorry, just one last question.

Harsh Bansal: No, please continue.

Aryan Bhatia: On the traditional business, are we looking to expand there as well, or to ramp up capacity in the traditional business?

Harsh Bansal: On the traditional businesses, the CGL complex and the rolling mill, there are no expansion plans. On pipes and tubes, there are certain specialized investments that we continue to make. If you recall from one of the earlier calls, we had held back certain capex on that because the ramp-up was slower than anticipated. That expenditure continues to happen at a smaller, slower pace, so there will be some expansion on the pipes and tubes part.

Other than that, the three main businesses that we tend to talk about, the CGL complex, rolling mill and pipes and tubes, are at a fairly mature and investment-done stage. In terms of growth of the traditional business, we are continuing to have discussions with our customers on possible future investment needs, and those will, of course, be shared as and when they happen. You will appreciate that these are typically very long-term investments, and they also take a lot of time to decide. Whether from the customer side or our side, there are lots of discussions that continue to happen. As and when they get closer to fruition and execution, we will be making the necessary disclosures.

Aryan Bhatia: Got it. And on the colour-coated side, everyone is expanding in the colour-coated coil market. Big players like Shyam Metalics and Godawari are also coming in, and players like us are also expanding. So, do you think margins will be lower in the future, considering supply is increasing at a very high pace?

Harsh Bansal: This is a very interesting question. You are looking at a scenario in which the economy continues to grow at a very robust pace. When you look at industrial expansion, more factories, metros, train stations, PEBs, data centers, etc., they will all need steel in various forms, colours, shapes and sizes. As India continues to push for expansion of steel capacity, there will be pressure on all sides.

I'm not saying there will be no pressure on prices; please don't get me wrong. Of course there will be pressure on prices, but at the end of the day, I think it will be decided not just on a pure commoditized product pricing basis, but also on the ability to deliver service, quality and so on. Today, India has about 170 million tons of steel, and still you have record profits for all steel players. Who would have thought that 10 years back?

Aryan Bhatia: Yes. And I just wanted to understand the specialty on the ZAM and Galvalume side. One of your peers was also mentioning that demand for Galvalume and ZAM is increasing as compared to galvanized. What is the reason?

Harsh Bansal: One of the reasons, I think, is that the price of zinc has increased substantially. There is a limitation on the coating when you make a galvanized product, as opposed to a Galvalume product, where you have the ability to control coatings much better. Galvalume, as you know, is an alloy of zinc and aluminium, and it also increases life substantially. So, on one hand, you've got a price advantage, and on the other, an increased life cycle.

Take this further with ZAM, which has an even higher life expectancy than Galvalume. As more and more capex investments become longer

term in nature, there will be a need for better quality steel at the back end that can support that long-term nature of capex, and therefore a move from traditional galvanized to aluminium and magnesium alloys.

Aryan Bhatia: Okay. And on the steel price side, if we look at current HR coil prices, they are on the higher side compared to the past 3 to 4 years. For our Bokaro plant, do you expect the conversion to be in the same range, or will margins be impacted as HR coil prices increase?

Harsh Bansal: Margins are typically more stable on a rupees-per-ton basis. As raw material prices increase, there will be two effects. One is the effect on working capital needs, and the other is a small effect on the percentage numbers, because the rupee margins will remain fairly stable but percentages may not.

Aryan Bhatia: Got it. Thank you, sir. Best of luck for the future, and hoping for good execution.

Harsh Bansal: Thank you so much.

Moderator: Thank you, Aryan. We have our next question from Bhavesh Bhatia. Please go ahead.

Bhavesh Bhatia: Thank you for the follow-up, sir. On our revenue guidance, management has guided a 75% top-line CAGR from FY25 to FY28. Given that we have already achieved approximately Rs. 350 crores in revenue in H1 FY27, where do we expect to stand by the end of FY27? Could you please provide specific revenue guidance for the full year?

Harsh Bansal: Bhavesh ji, I will refrain from doing that, as I have in the past. We will stick to our FY28 guidance. This is a very transitionary phase for the business, and a shorter-term guidance could make me look like a fool, so I would rather not do that.

Bhavesh Bhatia: Okay, sir. One last thing. Management recently appointed Mr. Rajat Kulshrestha as Chief Business Officer for the Coated Business, leveraging his extensive background at direct peers like Manaksia. Given that the colour-coated line has officially commenced operations, could you please provide an update on how he has transitioned into the role over the past few months, and specifically what changes or strategic shifts he has implemented in sales and distribution to position the company against established players in colour-coated steel?

Harsh Bansal: Bhavesh ji, I think this will be a conversation for another day, because it becomes very difficult for us on a call like this to get into the nuts and bolts of marketing strategy. As I mentioned in the past, we are working on a B2B model. The reason Rajat was hired was precisely because of his extensive background in the sector. Needless to say, every company will have a different strategy and way to execute it, and we

will do it our way. Rajat, of course, will be instrumental in doing that, but getting into the nuts and bolts of that would be very difficult for me right now.

Bhavesh Bhatia: Okay, sir, I understand. Thank you so much, and all the best for the coming quarters.

Harsh Bansal: Thank you so much. Pleasure.

Moderator: Thank you, Bhavesh. We have our next question from Harshh Saraswat. Please go ahead.

Harshh Saraswat: Hi, good morning, sir. Am I audible?

Harsh Bansal: Yes, please go ahead.

Harshh Saraswat: Sir, I wanted to ask about the incremental working capital that will be required to support Rs. 2,500 crores of Bokaro revenue. What kind of inventory days, receivable days and payable days have you assumed?

Harsh Bansal: There are two parts to this. One is that, like we said, the peak debt, including working capital, will be in the range of Rs. 800 crores to Rs. 900 crores. The assumption right now is an additional 60 to 65 days of working capital requirement. The intention is to sell on a cash-and-carry basis, but as you will appreciate, 100% of the products cannot be sold that way. We may need to change the strategy as we go along, but as of today, we think an additional 60 to 65 days of working capital, which includes the raw material I need to stock for uninterrupted production.

Harshh Saraswat: Okay, so 60 to 65 days of working capital cycle would need around Rs. 350 crores to Rs. 400 crores in absolute terms, right?

Harsh Bansal: There you go. I was not sure whether you were asking me or just calculating.

Harshh Saraswat: No, I'm just confirming whether my calculations are correct.

Harsh Bansal: Your calculations are perfect.

Harshh Saraswat: So, within Rs. 800 crores, if you take Rs. 500 crores to Rs. 550 crores of capex debt, would a total peak debt of Rs. 800 crores suffice for this working capital requirement?

Harsh Bansal: It's Rs. 800 crores to Rs. 900 crores, and the existing business will also generate cash. We've done a very extensive model. Right now, my existing business is putting all its cash into the new business. As we go forward, that cash will also be deployed in other places. The question is about peak debt. Of course, not 100% of the business needs will be financed through debt; the idea will be to deleverage

wherever it's prudent to do so. So, Rs. 800 crores to Rs. 900 crores is a fair assumption.

Harshh Saraswat: Got it, sir. On the distribution and sales network that we will have to build for this B2B business, could you share any progress that has already happened and the plans you have implemented that would make Rs. 2,500 crores of sales possible?

Harsh Bansal: Because we are not getting into the retail side of it, and a network is more of a retail requirement, right now we are working with a group of B2B buyers. So, it's not essentially a network, but yes, there is a group across several states that we have started selling in. As our throughput increases and our product portfolio expands to include Galvalume, GI and ZAM, we will get into more states that we might not be approaching right now. So, it's going to be more of a state-specific approach as opposed to a detailed dealer network.

Harshh Saraswat: Got it. Sir, on average, what kind of billing does a B2B customer do? How many customers would you practically need to reach Rs. 2,500 crores of sales? And is your product a pan-India product, or does it have geographical limitations due to logistics costs?

Harsh Bansal: If you look at the product and at the various peers, everybody has a logistics cost either on the input side or the output side. So, when you look at a pan-India situation, almost all sellers will equalize at some point. So yes, it is a pan-India product. And because it's B2B, the number of customers we need to sell to is substantially smaller than in a retail setup. It's a little early to get into the specifics of that.

Moderator: Thank you, Harsh. We have our next question from Mahesh Attal. Please go ahead.

Mahesh Attal: Sir, I'm very new to this company and am looking at it for the first time, so please pardon me if my questions are a little basic. On the greenfield project at Bokaro, I believe we have commissioned the first phase. Could you please elaborate on the investment and how the phases will come in? And at peak capacity, say at 80% to 85% utilization, what revenue could you generate from it?

Harsh Bansal: First, on the phases. The first is colour coating, followed by the base product for colour coating, which is Galvalume. Along with that will be the cold rolling and pickling. We hope to execute most of this by the fourth quarter of this financial year. Following that will be the commissioning of GI and ZAM, which will happen in the first half of the next financial year. The COD for the project is estimated at September 2027. That is the phase-wise execution.

Mahesh Attal: And what would be the total outlay?

Harsh Bansal: The total outlay is Rs. 803 crores, which is a mix of about Rs. 500 crores to Rs. 550 crores of debt, with the balance coming from internal accruals. As of 30th September, we have already spent close to Rs. 516 crores, of which Rs. 209 crores is from internal accruals and about Rs. 307 crores is from debt. So, that's the total outlay.

Mahesh Attal: What could be the peak revenue you could achieve at optimum utilization from that plant, and when do you think you will achieve it?

Harsh Bansal: Peak revenues will probably be hit sometime in FY29 or FY30. FY28 will still be a ramp-up year. The guidance that we've given is for FY28, when all facilities will be commissioned.

Peak revenue is a very difficult number to state here. If I look at 5,50,000 tons of sales and an average realization of, let's say, Rs. 90,000 a ton, you can calculate it that way, but it will also depend on pricing, terms, etc. But Rs. 3,000 crores to Rs. 3,500 crores is a fair estimate.

Mahesh Attal: Okay. And sir, since you are now going downstream, how will you be sourcing the raw material for this?

Harsh Bansal: We are currently sourcing the alloy-coated base product, and there are various sellers in Eastern India itself. As we continue to commission the back end of the plant, we will move to sourcing HR coils. Again, if you look at Eastern India, you have some of the country's largest suppliers of HR coil there, so that is the final plan.

Mahesh Attal: Alright. And sir, what could be the addition to your margins once the Bokaro plant reaches optimum utilization?

Harsh Bansal: We have indicated a blended margin profile of about 11% to 12% on a consolidated basis.

Mahesh Attal: Is that the PAT margin you're talking about?

Harsh Bansal: No, EBITDA.

Mahesh Attal: But I think your current business does more than that, right?

Harsh Bansal: Yes, because the current business needs to be looked at differently. We don't have any raw material cost in the current business.

Mahesh Attal: Alright. So, because the new business will be higher volume, your margins would be lower, is it?

Harsh Bansal: No, let me explain. The present business is a conversion business, where we do not account for the raw material, because customers supply it to us free of cost. So, obviously, it's the processing cost which goes into the EBITDA, and the revenue is lower because the raw

material is not included. Right now, the entire revenue consists only of the fees that we charge for conversion.

Mahesh Attal: Can we take it as a kind of job-work fee?

Harsh Bansal: Got it. Yes, that's right.

Mahesh Attal: So, the Rs. 182 crores that you have done this quarter is all processing fees that you have charged to the players for whom you are doing the manufacturing?

Harsh Bansal: Correct. That's right.

Mahesh Attal: Is the entire business that today, sir, or is there any other part to the business?

Harsh Bansal: A substantial part is that.

Mahesh Attal: And sir, what is the vision behind starting the Bokaro plant? I would like to understand the management's thinking, because you will now be moving to a completely different part of the value chain, and this is the largest capex that you will be doing.

Harsh Bansal: As India moves to produce more and more steel, there need to be more players in the segment that can supply not just more value-added steel, but better value-added steel. We have been in this process for the last 30-odd years. The only difference is that for the last 30 to 35 years, we have been doing it for somebody else. The change today is that we want to do it for ourselves, at least for some products.

Even if you look at the cold rolling and galvanizing side, we have been operating a CGL for our customers for the last 12 years. So, in some ways, it's not a new process for us, but yes, it is a new business, because today we will be exposed to raw material fluctuations, market vagaries and so on. The thought was that at some point, we need to get out of the protective shell of the customer and start controlling our own growth journey. Today, our balance sheet is sufficient to support that, and we have a team which is eager to grow. So, we thought this was a good time to kick this off.

Mahesh Attal: And sir, can your existing business and customer relationships also benefit the new business? You already know the customers to whom your principals must be selling.

Harsh Bansal: No, we must remember that these are two separate businesses, and it is not a part of our business practice or ethics to do that.

Mahesh Attal: No, that's alright, sir, I'm not suggesting that. What I'm asking is that it also gives you a fair understanding of the market size, right? Before

you got into this project, you must have done some analysis of the market.

Harsh Bansal: Of course. As a conversion agent, we have been in this market for 35 years, and we have been in the steel market for longer than that. So, it's fair to assume that we have a sense of where the market is going and what processes or value addition will be required. We have been in the value-added game for a fairly long time.

Mahesh Attal: If I may ask, sir, what could be the total market size for coated steel in India today, when you say you are doing 5,50,000 metric tons?

Harsh Bansal: If you look at just India, by FY30 we expect the coated market to be in the range of $35 billion to maybe $40 billion. In terms of volume of steel, this will of course have some dependence on prices. But yes, $35 billion to $40 billion, which is, let's say, about Rs. 3.5 lakh crores to Rs. 4 lakh crores.

Mahesh Attal: Okay, and you will be just a small part of that market?

Harsh Bansal: Absolutely. In fact, I'm happy you said that, because that's exactly what we have been trying to tell a lot of people: in the bigger scheme of things, we are a rounding error. So, when you're talking about capacity utilization or market size, we are insignificant.

Mahesh Attal: And sir, if we want to compare you to any peer in the listed space, whom do you see as the closest peer?

Harsh Bansal: I would actually be brash enough to say that I don't see peers in the listed space that you can compare us to. But I think, beyond that point, it's for you to figure out.

Mahesh Attal: That's alright. And sir, if I may ask...

Harsh Bansal: We can restrict questions to two or three because there are other participants, but I will take this as the last one. It's a fun conversation, so please go ahead.

Mahesh Attal: Sure, sir. I'll close with this last question. On the competitive landscape, what could be the closest competition you see, and what challenges do you see today in selling this product in the Indian market?

Harsh Bansal: You can ask. It's the same question framed differently; nice try. But I do not see challenges in selling the product in the Indian market as we see the market today. As a follow-up to your earlier comment about our capacities as a percentage of the overall market size, I'll come back to that once again. We are talking about a market which is going to go from 170 million tons to 300 million tons, and then to 600 million tons. Even if we don't achieve 600, say we achieve 500, out of 500

million tons, I am half a million. If I can't even sell that, especially being 35 years in this business...

Mahesh Attal: Fair enough, sir. That gives me a good perspective. Season's greetings to you and your team, and all the best.

Harsh Bansal: Thank you so much.

Moderator: Thank you, sir. We have our next question from Uttam Reddy. Please go ahead.

Uttam Reddy: Thank you for letting me speak once again. I just wanted to get your thoughts on our peak debt. It might be a little too early to comment, but will you aggressively aim to pare that down once all the capacities are up, using cash from the existing facilities as well as what is coming up? Or just your general thoughts on the peak debt number.

Harsh Bansal: Absolutely, great question, Uttam ji. Like we mentioned, we expect the debt to hit its peak at Rs. 800 crores to Rs. 900 crores as we ramp up. On the second part of your question, will we look to pare it down? Of course. When we talk about capital allocation and responsible balance sheet management, we will pare it down to a level which is sustainable, fair and value-generating. I don't think zero debt is a great idea, and I don't think very high debt is a great idea. We will decide as we go along what the fair number is, one which is sustainable but also creates value.

The existing business creates cash, and as we go along, the new business will also create cash. This will allow us to pare down the debt faster than, let's say, the timeline mandated by the banks. The COD is September 2027, and repayment is scheduled to start in September 2028, so post that, we can take a call on how much and how fast it needs to be pared down.

Uttam Reddy: Sir, would you consider repaying ahead of schedule? Again, just your thoughts; I know it's early.

Harsh Bansal: Yes, absolutely, Uttam ji. It's built into the contracts we've signed with the banks, where we have left that option open; we want to keep that option in hand. Just to add, the PLI incentive itself will also go towards repayment of the loan. The PLI is not factored in here. The PLI, any state investment schemes that we are signatories to, and any capital subsidies, reimbursements, etc., will all go towards repayment of debt without any penalties from the bank.

Uttam Reddy: Okay, thank you so much, sir. Great clarity on where this business is headed and on your thought process. Thank you for sharing all this.

Harsh Bansal: Thank you, sir. Thanks for your time.

Moderator: Any participant who would like to ask a question can raise their hand or put it in the chat box. As there are no further questions, we will take that as the last question. On behalf of Arihant Capital Markets Limited, I would like to thank the management for sparing their time with us. I would now like to hand over to the management for their closing remarks.

Harsh Bansal: Thank you all so much for joining on what must have been a very busy Dhanteras morning. Wishing everybody a very happy Diwali, Shubh Diwali, and a happy holiday season. Please be safe, be with your families, and let's connect once again in the following quarter. Thank you so much for being here, and happy Diwali to all.

Moderator: Thank you.

Note:

This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings. Any forward-looking statements made during the call are subject to the risks and uncertainties described in the safe harbor statement in the Company's earnings presentation.