“BMW Ventures Limited Q2 FY2027 Earnings Conference Call”

November 4, 2026

Management: Mr. Bijay Kumar Kishorepuria – Chairman
Mr. Neeraj Bangur – Head, Finance

Investor Relations Advisor: Mr. Rutul Shah, Preet Choradiya

Moderator: Ladies and gentlemen, good day and welcome to BMW Ventures Limited Earnings Call for Q2 FY27 financial results. Please note all participant lines will be in the listening mode. There will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. With that, I hand over the call to Mr. Chairman Bijay Kumar Kishorepuria. Thank you and over to you, sir.

Bijay K Kishorepuria: Namaskar. A very warm welcome to all the investors and analysts attending BMW Ventures Limited's first conference call. We thank you all for joining us today. First of all, I would like to share some thoughts about our company's business, our journey so far, and our future growth plans. Over the past few years, we have worked continuously to strengthen our business and expand into new business areas. BMW Ventures is primarily known for its steel distribution business. Over the past three decades, we have built strong relationships with our customers, suppliers, and dealers. Even today, our distribution business is the biggest strength of our company. We have around 1,200 dealers across Bihar, and through these dealers, we deliver our products to consumers, ensuring our products reach every village and city. Our main business is steel distribution, but it reaches consumers through the distribution network and dealers. Sales volume has been very good. Profit margins are a bit lower compared to the business. We are trying to leverage our strong supply chain, dealer network, and market reputation to grow this business further. At the same time, we are working on value-added businesses where we can earn better margins and profits. For instance, in tailor-made re-bars, when buildings are constructed, we fabricate steel according to their designs and supply it to them. This saves labor at their construction sites and materials reach them much faster, saving them a lot of time. Recently, we supplied re-bars for a project where the client mentioned that by taking ready-made re-bars from us, they saved two months of construction time. Our goal is not just to sell steel, but to provide ready-to-use products tailored to customer needs. By making the best use of our strong network, we can increase business volume.

Our future growth has a major component: the fabrication business. Keeping this in mind, BMW Prefab was started. In this business, we provide fabrication and PEB solutions. We are an approved vendor for Bihar Railways. For railway bridges, we manufacture and supply steel structures based on their designs. Currently, in Bihar and Northeast India, there is immense government focus and demand for this. We are working on this and securing good orders. Patna airport expansion is also underway, and we are supplying steel for its hangar structure from here. In Purnea, we are manufacturing steel molds; the entire steel design was done by a Delhi architect, and the steel is being manufactured at our plant. This mill has two basements, a ground floor and a 10-storey building. All the steel is being used to build the mill and we are building it. This way, we are working on value-added businesses. We believe that fabrication business yields better profit margins compared to primary steel distribution,

with an EBITDA margin of around 10% to 12%. Our goal is for the fabrication business to contribute significantly to company profits. By FY28, we aim to derive 5% to 7% of revenue and 10% of EBITDA from the fabrication business.

In the manufacturing sector, we are also taking steps into the welding electrode business. We are setting up a welding electrode plant in Purnea. The plant is built, and commercial production will start this November. We will manufacture and sell under our own brand using our existing network, so there are no marketing hurdles. Welding electrodes have a massive market. Our focus is to expand this business through good quality, fair pricing, and a strong dealer network. In the manufacturing sector, we are also making small scale nails. Though the quantity is currently small, we will scale up production under our own brand.

We hope these new businesses will contribute significantly to the company. We own two plots of land in Purnea - one measuring 16 acres and the other 43 acres. On the 16 acre plot, we plan to develop a housing project after acquiring a small adjoining piece of land. We will develop and plot the housing project to sell to customers, which will generate substantial revenue. On the 43-acre land, we plan to build an industrial park. Leaving a few acres of open land in between, we will develop industrial plots. Since the government offers subsidies for industrial parks, setting up 2-acre industrial plots will drive major growth and revenue for the company. Purnea in Bihar is close to Northeast India, so material fabrication there will have great logistical advantages.

Although commodity trading businesses keep profit margins regulated and steady, we are maintaining stability. In steel, even with our current inventory holding, our revenue grew by 46% pre-tax, and profit grew by 55% pre-tax, while the post-tax growth was 48%. We expect this growth to continue as demand for steel rises, driven by extensive government infrastructure projects and construction work. Our focus remains on fully utilizing our existing capacities, expanding our dealer network, and increasing overall profitability. We also distributed an interim dividend of ₹1.5 per share last year, and our board has announced another interim dividend of ₹1.5 per share. We aim to reward our shareholders consistently as profits grow. Thank you very much.

Moderator: Neeraj-ji, would you like to give some opening remarks?

Neeraj: Thank you, Bijay Sir. A warm namaskar to all investors and analysts. I will present the financial performance and operational progress of BMW Ventures for Q2. During Q2 FY27, the company's revenue stood at ₹731 crore, compared to ₹502 crore in Q2 FY26, marking an impressive revenue growth of approximately 46%. Gross profit for the quarter was ₹64.6

crore, up from ₹52 crore in the corresponding quarter last year, a growth of 24%. Our gross profit margin for the quarter was 8.8%. EBITDA for Q2 FY27 stood at ₹22.1 crore, compared to ₹20 crore last year, reflecting an 11% growth. Profit Before Tax for Q2 FY27 was ₹15 crore, up 50% from ₹10 crore in the same quarter last year. Profit After Tax for the quarter was ₹10.5 crore, compared to ₹7.1 crore in the previous year's corresponding quarter, registering a robust growth of 48%. Our PAT margin for the quarter stood at 1.4%.

Regarding our fabrication business, as our Chairman mentioned, we have an installed fabrication capacity of 24,000 metric tons in Purnea—split equally into 12,000 tons for railway applications and 12,000 tons for PEB structures. We have an operational fabrication area of around 87,000 square feet. We started our fabrication business in November 2022. As of September 30, our fabrication order book stands at a healthy ₹76.5 crore, which includes ₹50.8 crore from PEB and railway orders, and ₹25.7 crore from the Bihar Railway RDSO-approved unit orders. We believe EBITDA margins in the fabrication business range between 9% to 11%, which will play a critical role in enhancing overall company profitability going forward. Therefore, this business can play an important role in improving the overall profitability of the company in the future. Industrial warehousing, logistic infrastructure, highways, bridges, railway, metro, airport and port projects are also expected to provide good opportunities for the fabrication business in the future.

Supported by government initiatives like PM GatiShakti and massive infrastructure development by Central Government across Eastern India, demand for steel fabrication is robust. Apart from that, at the level of financial management, our focus is on improving working capital efficiency, reducing inventory days, reducing the cash conversion cycle, and reducing interest costs. I would like to tell you that the BBB minus that we got from CRISIL has been upgraded to A minus this year. Along with our business expansion, we are also giving importance to financial discipline and prudent capital allocation. In total, during the Q2 FY2027, the company's Profit Before Tax, EBITDA and Profit After Tax have shown good growth. Our focus is to keep our core distribution strong and develop new growth areas like fabrication and manufacturing. Thank you.

Moderator: Thank you, Neeraj-ji. Can we begin with the Q&A session?

Neeraj: Yes sir.

Moderator: Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question, may click on the raise hand icon from the participants tab on your screen. We request participants to try and ask your questions in Hindi language, please. We

will wait for a few minutes until the question queue assembles. We'll take our first question. We have Harshil Patel of Strata Capital. Harshil, please go ahead and you can ask your question in Hindi, please.

Harshil Patel: Thank you for the opportunity and congratulations on a good set of numbers. My first question is about the current demand and pricing environment in the domestic steel market, and how we view demand over the next 2-3 quarters.

Bijay K Kishorepuria: Steel prices are on an upward trend, and coking coal prices are also rising. There are currently no indications of price corrections in the near term. Demand, especially in Bihar, remains very strong due to massive infrastructure growth. We don't see any price drops expected in the near future; in fact, prices are being increased by ₹2,500 per ton monthly by manufacturers, and demand remains strong supported by recent government funding. So, there is less hope of a decrease in the price and the demand will continue to increase.

Harshil Patel: How do we manage our sales pricing amidst rising steel prices?

Bijay K Kishorepuria: Around 66% of our revenue comes through direct dealer retail sales where Tata Steel fixes the prices, and we supply accordingly while maintaining our warehouse margins. For project sales, we price competitively based on demand and project scale. HR sheets, CR sheets, and GP sheets also follow Tata Steel's structured pricing, ensuring protected margins across products. We price them according to the market. And because Tata Steel is a brand, we get premiums from other brands in every product. That's why there is growth in sales.

Harshil Patel: Okay sir, now our steel distribution business has a lot of contribution in revenue, right? What kind of revenue contribution do we expect from PEB fabrication over the next 3 to 5 years?

Bijay K Kishorepuria: Our goal is to scale the fabrication revenue contribution up to 10% of total revenue from PEB and railway segments. We are executing orders for Tata Steel, railway projects, and expanding our manufacturing capabilities. And now, as we are talking about Tata Steel Project, we have sent two machines to Neelanchal, and when those machines are stored, we will do fabrication there. So we are working in two ways in fabrication. One is with material, and the other is without material, only in conversion. So we are working in both ways. So our revenue, 10%, material, like without material and with material, we average it and we say that we have to reach 200 crores. So we will take an estimate of the price without material, that what is the price of material. For example, 65 percent is steel material and 30-35 percent is copper. This is their weight. So 35 percent is copper.

Harshil Patel: Okay sir, thank you. And what will be the margins?

Bijay K Kishorepuria: Sir, you can understand the weight. In fabrication, it is 10 to 12 rupees per kilo. So if we do manufacturing, then it will be 10 to 12 rupees per kilo. Similarly, if we add steel material, then the margin of steel will be less. So the margin of steel material will be less. And if we talk about the job market, then 20 to 25 percent is the margin of steel. But if we divide it by 20, then it will be less than 12 percent. Because in steel, the margin is not more. In steel, the margin is less.

Harshil Patel: Okay sir.

Moderator: Sorry Harshil, would you like to rejoin the queue for your follow-up question? We have other participants in the queue. Thank you Harshil. We will move to our next participant. We have Madhur Rathi. CCIPL. Madhurji, you can unmute your microphone.

Madhur Rathi: Thank you for the opportunity. Sir, I wanted to ask you, why has our margin decreased in this quarter when our fabrication revenue has also increased? Why has this happened?

Bijay K Kishorepuria: Sir, we bought some machines and gave them to Uttarakhand for fabrication. And those machines used to remain empty for 6 months, and closed for 3 months. In the first year, the work was going well. And then we sold those machines. In that, there was a loss of Rs.2 crore. Because of that, our margin has decreased. And the overall margin, you can see, from 25 to 30 basis points, before tax and after tax, it has increased. We have not bought some machines. There was a loss due to depreciation. There was impact on EBITDA. But it will be fine. When the machines are fully utilized, the EBITDA will be fine. But the margin, before tax and after tax, there is a lot of growth.

Madhur Rathi: Okay, I understood. Sir, what is the difference between a flat product and a long product?

Bijay K Kishorepuria: Sir, flat products generally yield slightly better margins compared to long products, though long products offer higher volume turnover. Overall, our blended margins remain healthy.

Madhur Rathi: I understood. Sir, in the next 1-2 years, as you said, we want to increase our revenue. But in our main business, what margin should we expect? It is just a distribution business. And there was a sub-question that a lot of players like SG MART, Shankara BuildCon, JSW One, they are all getting aggressive that everyone wants to enter the distribution business. Sir, what is the competitive advantage of BMW Industries versus those who have a bigger balance sheet than us? Can you explain the right to win for us? What is it?

Bijay K Kishorepuria: Tata Steel started the distribution system in 2000. Earlier, they used to do trading and in the last 20-25 years, all the cream dealers in Bihar are connected to me. So, we are not understanding the computer in front of us. So, the benefit we are getting is that they have been connected to me for 25-30 years. We tell them that there are a lot of expenses to set up this dealer. Now you are asking what are the expenses? To motivate them, we send them abroad every year or two. We give them big gifts. We give them marketing, branding, etc. Because of this, they have grown with us. They have grown and developed with us. We take care of everything. If they have any kind of loss, we take care of it first. So that we can pay them back. Because of that, they are connected to us. And we give them the first profit. The rest of the goods will be sold. And now you can say that all the Tata Steel dealers in India are in the top 5. I don't know if it is 5 or not. Volume wise. Because I have all the products of Tata Steel. Long, Flat, Agrico, Wire, Structural, etc. I have all the products. Because of having all the products, we have volume. Because in Mumbai, there are big distributors of HR. They have more volume. There is no HR here. That's why there is less volume here. That's why we are here. But in Tata Steel, we are number 2 in India. First we were number 1. Then number 2. In number 1, Chennai is ahead. Sometimes we are ahead. Sometimes they are ahead. So that's how it is. And to make a network, we tell you to make 50 stores. It will take 5 years to make a network. The backbone of BMW is this network. The network of the dealer is the backbone.

Madhur Rathi: I understood Sir. Sir, how do we expect margin in our base business? Long and flat. Can we maintain a margin of 3.5%?

Bijay K Kishorepuria: Yes. There is less margin in long. There is more margin in flat. That's why we have this margin. If we go to fabrication, we will have a margin. We will try to increase the margin. We also do transportation services. We do transportation services for customers. We do it in a total network.

We are not just distribution. We are a build-to-ship. When HR coils come, we cut them to the size of the customer and give it to them. In the same way, GC sheets comes. We have started profiling GC sheets as well. We have made a profile for the color sheet. We get the profit from their profile processing. All that is being made in volume. The margin will remain the same. It will not decrease.

Madhur Rathi: One last question. How do we understand the working capital cycle? How much credit do we give to the dealer? How much inventory do we have to keep? You said that our credit rating has improved. What is the percentage point of our working capital borrowing?

Bijay K Kishorepuria: As of now, our rating is working capital is 400 crore minus AIV. We have made a working capital limit of 350 crore. Government loans are also included. You are using 350 crore. In that 350 crore, you have 1300 crore. We are giving more than 6 times. So, this is the average of 45-day inventory and 45-day booking average of 3 months.

Madhur Rathi: Sir, thank you so much for answering my questions and all the best.

Moderator: Thank you. We will take our next question. We have Dhruv Patel of Vertex Capital. Dhruv, please go ahead.

Dhruv Patel: Hello sir, congratulations for such good numbers. Sir, the first question was that as our company is growing, are we introducing new professionals to the company? Can you tell me a little bit about management?

Bijay K Kishorepuria: Very good question. We have appointed a person yesterday. He is an engineer. We have posted his order in Karnataka. And we have appointed him at Rs. 21 lakh annually. And we will bring the orders there. And we will tell him to take one or two more orders. We have different people in every division. For example, he is an engineer. He is Mr. Ganesh. He is in charge of the entire production. In distribution, there is a different business manager for Tiscon. There are different district-wide sales guys. There is a different one for flat products. There are different business managers for each division. There are 8-10 people in each division. And there are engineers as well. For example, there is a building manager. We provide the engineer's services. We provide the entire service. It's not just trading. There are solutions as well. It's not just buying, selling, buying, selling. There are solutions. For example, we receive calls from 5-10 customers daily. They can send their engineers to us. There are different teams in the network. And they take care of their own teams. It's not a one-man show. It's a different network.

Dhruv Patel: Great Sir. Will there be people from your family involved in this? Will your family be involved?

Bijay K Kishorepuria: My son is with me. My grandson has just completed his MBA from London. He is taking an interest in PEB business. He is studying what to do with the land that I have. My son is full-time. He is looking after distribution of Tata Steel.

Dhruv Patel: What will be your future guidance? In the next 3-4 years, what will be your key business?

Bijay K Kishorepuria: Our key business is distribution. We will start welding rod. We will do production of 200 to 300 tons per month. We will do production of 300 tons per month. And we are talking to Tata Steel, we will make their brackets and give it to them. This is also happening, brackets are also being made. After that, we are going to the fabrication in the value-added, HR sheet etc. And we are thinking about how to go further in fabrication. There is a lot of work in fabrication and railway. There is a lot of work in fabrication. There is so much work that a person cannot do. Now we have to take it. Now my whole team has gone to Lucknow. The railway has called us there. Now we are also working for BHEL. 300 tons per month for BHEL. Now in Banaras, there is a loggia. The design has come, we have done fabrication and it has gone to our plant. We are also available for Iris Wire Company. And for BHEL, we are available. And here we are talking to Adani. Now their plant is coming in Khargone. Thermal Power plant is coming. We are also available there. a lot of demand for fabrication and I think we can reach 10% by next year.

Dhruv Patel: Yes, sir. You said that the railway is doing well, but would not the payment cycle get stuck? Would not we need more working capital for that, sir?

Bijay K Kishorepuria: In the railway, when contractors take orders to build the entire bridge, the steel fabrication can be made by me. The design approved by the RDSO, I don't have any direct interaction with the railway. But we will either supply the steel grade or we will buy it. Railway engineers will come and certify that the steel is okay. Then it will go to the manufacturer. When it is ready in the manufacturer, then the railway workers will come and inspect it. Then it will go to the paint shop. After going to the paint shop, they will come again and it will be assembled and it will be checked if it is okay. Then it will be delivered. There are 3 inspections. So, the total responsibility is theirs. We just have to fabricate it and give it to their staff to make steel. We are not taking orders for the bridge yet. The order for the bridge is a big contract and they are taking it. We are subcontracting it.

Dhruv Patel: Any guidance, sir? For FY27, is there any guidance for EBITDA, revenue, PAT level and for the next 2 -3 years?

Bijay K Kishorepuria: Sir, we have seen a 38% growth in the last year. We hope that this year we will see an average growth of 25% from the last year. We will also see a 20% increase in profit from the last year. We will see an average growth of 25% in revenue, profit before tax and after tax. We cannot say how much growth we will see for EBITDA yet. But we will see a growth in the rest.

Dhruv Patel: Thank you so much, sir.

Moderator: Thank you, Dhruv. We will move to our next participant. We will take our next question from Vishrut Shah of VFS Advisory. Vishrut, please go ahead.

Vishrut Shah: Bijay Sir, first of all, congratulations. You have delivered good numbers. My question is on PEB and fabrication business. What will be the current order book, sir? Sir, what will be the current order book for PEB and fabrication business?

Bijay K Kishorepuria: I think there's so much here. I'll give it to you. Sir, the total fabrication business is 76 crores. Out of which, 50 crores is for PEB and 25 crores is for Railway.

Vishrut Shah: Okay, I understood. What will be you expectation going forward in this segment?

Bijay K Kishorepuria: Fabrication and its business, the Tata project that is coming up, we are talking about it. If we specify one thing, the turnover and order book of our fabrication business is increasing every year. Our turnover is increasing every year, and yet our order book is increasing every year. We believe that our fabrication business will have strong growth in the future. This year, our turnover has increased by 20%. Our turnover is also increasing. The quantity we are dispatching is also increasing. The volume and the order is also increasing. After that, we have to get new vendors facilitated at many places. One benefit of fabrication is that the rest of the companies that will remain**,(inaudible)40:50**, in our previous meet we know Tata Steel will give to distributor then the distributor, whoever is our competitor who works in fabrication will purchase it and their force will be more because we buy directly from Tata Steel and use it for fabrication.

Vishrut Shah: Okay, understood, our current capacity will be able to meet the demand in the next 2 -3 years or will it expand?

Bijay K Kishorepuria: In the next 3 years, we will be able to utilize our capacity as much as possible. We have been able to utilize it for the past 4 years. We have been able to utilize our infrastructure and employees. We feel that we will be able to utilize our capacity to a great extent. And we will be able to utilize it very well.

Vishrut Shah: Okay. And how much will it be utilized? Will we do additional capex?

Bijay K Kishorepuria: Sir?

Vishrut Shah: At what level of utilization we will do additional capex?

Bijay K Kishorepuria: Approximately, if we start getting 60 % utilization, then according to that, the growth of the company, if we feel that we will need more capex utilization, then according to that, we will start our plan that by the time our capacity is exhausted, we will have the additional capacity in our hands. For this, we already have 43 acres of land in Purnea and 17 acres in one place. We are already planning to bring a housing project in 17 acres, but nothing has been finalized for 43 acres yet. We have just purchased 1 acre of land in front of our yard. We will have to do capex only for machinery. We will have land parcel available by the time we have to do capex.

Vishrut Shah: Okay Sir, understood. Thank you so much and all the best for the future. Thank you, sir.

Moderator: Thank you, Vishrut. We'll take our next question. We have Akshi Chauhan of Velora Capital. You can go ahead now, Akshi.

Akshi Chauhan: Sir, you just mentioned that we have a land of 40 acres. Can you provide some details for that, as in what opportunities can we explore there, if we have a plan or a timeline? And we can think of anything.

Bijay K Kishorepuria: We have already 43 acres of land. The remaining 50 acres target will be acquired. The government is also providing funds for the industrial park. If we have any opportunity, we can think about it. There is no problem. It is on the main road. We can think of anything. We have thought of housing for 17 acres. We will develop the housing and sell it. We will purchase the remaining 25 acres of land. We will also make a plotting for the housing. If you have any option, we can think of it. There is no problem.

Moderator: Thank you, Akshi. Moving to our next participant, we have Mahesh Gupta of Gupta Advisory. Mahesh, you can go ahead now. Yes, Mahesh.

Mahesh Gupta: Namaste Sir, my question to you is that Bihar has always been one of the important markets for you. So, do you have any plans to expand to other states or to enter new markets? Are you thinking of doing anything? And specifically in East India, are you thinking of expanding?

Bijay K Kishorepuria: We can't go into distribution, right? In fabrication, we are thinking that if the utilization is completed here, then there is land in Calcutta. There is land in the name of the company. There is 15 acres of land already registered. So there is no final decision on what to do and what not to do. But if we understand the expansion, then we can put a fabrication unit there.

Now we are studying the container. We have to study the container. If different reports are coming, we have to study it. We haven't done anything yet. If the time comes, we will go to the same container. There is also an allowance on the container. So, we have given it to our agency. They are studying it.

Mahesh Gupta: Okay, sir. Land of 70-75 acres is still with BMW Ventures. So can you give me a break up of that? . So can you tell me how you will expand it and what monetization plan will be there? Can you tell us about that?

Bijay K Kishorepuria: In the 17 acres, we will sell housing plots. In the 49 acres, in the 5 to 6 acres, we will sell industrial plots in Purnea. Out of that 46 acres, and 7 acres of registered land. In Purnea, we will make it an industrial plot and sell it. We are just waiting for it. We are waiting for the land to be registered. As soon as it comes, this is the plan. One is the industrial plot, and the other is the housing plot. These are the two plans. We will tell you, and we will give you the details. If you will send an email, and we will give you the details.

Mahesh Gupta: Okay sir, thank you.

Moderator: You can go ahead now. Ketan Patel from Kheman Advisors. Please go ahead with your question now.

Ketan Patel: Namaste Bijayji. My question was that in East India, the government has to create a lot of demand. So what is the opportunity of BMW Ventures in that? How can they take advantage of it? Can you tell us in detail?

Bijay K Kishorepuria: We are working on that only. In Bihar and in the North-East, the project of the central government for the infra and in the main fabrication, in the railway, we are working on that. There are a lot of opportunities.You can see that in the last 6 months, we have doubled. There is a lot of growth. There is a lot of demand. We also want to tell you that the railway engineers are saying that BMW's quality, delivery time, is perfect. There is a lot of scope. There is a lot of scope in this. In Bihar, we have a single unit. If we have to bring it to Bihar, we will have to bring it from outside. We will have to bring it from factory in Mumbai or Delhi. In Bihar, we have a single unit.

Ketan Patel: Okay. My second question was that Tata Steel and other suppliers have a good relationship. In that, in terms of procurement price, can we get help in timely supply?

Bijay K Kishorepuria: How?

Ketan Patel: Like in pricing, can we get help in timely supply? With our relationship with Tata.

Bijay K Kishorepuria: In terms of price, if there is a big project, we tell the company that this project has a good price, so the company considers it. Okay.

Ketan Patel: Okay, I do not have any more questions. Happy Diwali in advance. Thank you, sir.

Moderator: Thank you, Ketan. Moving to our next participant, we have a follow-up question from Harshil Patel. Harshil, you can go ahead with your follow-up question now.

Harshil Patel: So, sir, I wanted to know that during this quarter, our revenue has grown by almost 50%, right? But our EBITDA margins have slightly declined. So we know that**.**

Moderator: Sorry, Harshil, we are not able to hear you. Your voice is breaking. You'll have to... Harshil, sorry, we are not able to hear you.

Bijay K Kishorepuria: The EBITDA margin has declined. Because of the machines that we sold, the EBITDA margin has declined. And the rest before tax, after tax, it's a good growth. This growth will be there going forward.

Harshil Patel: Sir, we are thinking of moving ahead with the PEB and railway grid fabrication. What is our strategy going to be in that? And what are the strong growth opportunities that we are seeing? If you can tell us about that, Sir.

Bijay K Kishorepuria: As I told you, a lot of work has been done by the government department here. So there is a lot of opportunity in that. And we are getting a lot of orders in that. There won't be shortage.

Harshil Patel: Can you tell us about that order? What is the ballpark number?

Bijay K Kishorepuria: We are giving 500 tons of goods per month. We have a capacity of 2000 tons. So we are giving it at 25%. I have to reach 60 -70 percent. I have an order. I have to reach 60 percent in 2000 tons. In PEB and railway.

Harshil Patel: Okay, sir. And what will be the capex requirements in this in PEB, fabrication?

Bijay K Kishorepuria: Around 5 crore, because we already have land parcel available. So if there is a requirement, it will be for the machines. There is one more thing that in fabrication, whether it is for the PEB or railway, 70-80% machines can be used on either side. In that case, the machine can

be utilized optimally. In this case, if we have to do capex, we will have to do it on the machine only.

Harshil Patel: Okay, sir. And how long are we targeting? What will be the timeline?

Bijay K Kishorepuria: Approximately within 2 -3 years, if we start utilizing our capacity and at a certain time we feel that we have utilized 60-70 % of our capacity and in the next 2 -3 -6 months we will have to reduce our capacity, then we will do capex at an advance time. So that our order book has a delivery time. The main reason why we are referring to the delivery time is that in Indian contracts, delivery time is late. But in ours, we give on-time delivery or before-time delivery. So, for that, we will maintain our delivery. We are already proactive and have land parcel available. We will invest in machines quickly.

Harshil Patel: Okay. And what will be the margins of this segment, sir? I might have missed it. Sorry.

Bijay K Kishorepuria: We will be in an increasing trend. There is a margin in fabrication and there is a margin in fabrication. For example, we have a fixed cost of 500 tons. We will also have a fixed cost of 2000 tons. In case of fabrication, we will be able to improve the margin. We have a fixed cost of purchasing from other people. Because we are purchasing directly from Tata Steel, so the raw material available to us will not be available to any other party or competitor. Because they will not be able to purchase directly from Tata Steel. Either they will purchase from a dealer or a distributor. So we have an edge there.

Harshil Patel: Okay, wonderful sir. And I wanted to know...

Moderator: I am really sorry about this. We will have to end this call. We will take this as the last question from you. Thank you, Harshil. Ladies and gentlemen, we will take this as the last question. I will now hand it over back to Bijay sir and Neeraj sir for their closing remarks.

Bijay K Kishorepuria: Thank you, sir. I am sure that distribution business and fabrication business will continue to grow. The company is working hard for this. In fabrication, we are appointing good people who can bring good orders. And we will continue to work on this. Last year, we gave a dividend of ₹1.5. This year also, we declared ₹1.5. We will continue to give dividends in the future. This is what we think. We hope that the distribution and manufacturing will continue to grow. The company will continue to grow. There is no doubt about that. Thank you, sir. Thank you.

Moderator: Thank you ladies and gentlemen. On behalf of BMW Ventures Limited, that concludes today's conference call. Thank you all for joining us and you can now click on the leave icon to exit the meeting. Thank you for your participation.