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Dear Sir/Madam

**Reg: Analyst/Investors Concall held on 14/02/2025**

Pursuant to clause 15 of Para A of Part A of Schedule III of Regulation 30 (2) of SEBI (listing obligations and disclosure requirements) regulations, 2015, we hereby annex the transcript of the Analyst and Investors conference call held on 14<sup>th</sup> February, 2025 to discuss un-audited financial results of the Company for the III Quarter and nine months ended on 31<sup>st</sup> December, 2024.

Submitted for the larger dissemination amongst the public at large.

Thanking You,

**Yours faithfully,  
For BCL Industries Limited**

**Ajeet Kumar Thakur  
(Company Secretary & Compliance Officer)**



# “BCL Industries Limited Q3 & 9 Months Earnings Conference Call”

**February 14, 2025**



**MANAGEMENT: MR. KUSHAL MITTAL – JOINT MANAGING DIRECTOR  
– BCL INDUSTRIES LIMITED**

**MODERATOR: MS. PRIYA SEN – INVESTOR RELATION – GO INDIA  
ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 & 9 Months FY25 Earnings Conference Call of BCL Industries Limited hosted by Go India Advisors.

As a reminder, all participant line will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Priya Sen from Go India Advisors. Thank you, and over to you, ma'am.

**Priya Sen:** Thank you, Sejal. Good afternoon, everybody. And welcome to BCL Industries Limited Earnings Conference call to discuss the Q3 and 9 months FY '25 results.

We have on the call, Mr. Kushal Mittal – Joint Managing Director.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the Company faces.

May I now request Mr. Kushal Mittal to take us through the Company's business outlook and performance, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

**Kushal Mittal:** Good evening, everyone. Thank you, Priya, and welcome. And I would like to welcome everyone to the Q3 and 9 months FY '25 Earnings Conference Call of BCL Industries Limited.

The Financial Results and Investor Presentation have been made available on the exchanges, and I hope you have had the opportunity to review them.

BCL Industries enters its 50th year of incorporation, a milestone that reflects decades of strategic evolution and growth. As we celebrate this achievement, we extend our heartfelt gratitude to all our stakeholders for their unwavering support. We are committed to creating long-term value for our shareholders.

Over the years, BCL has consistently invested in world-class assets and strengthened its grain processing expertise. This foundation has enabled us to emerge as one of India's leading producers of ethanol and ENA. By adapting to changing market dynamics, we have reinforced our position in the industry while contributing to the nation's energy security.

Today, BCL plays a vital role in reducing fuel import dependency and is recognized as a key player in green energy, driven by a legacy of innovation and sustainable growth. The Company currently operates a total distillery capacity of 700 KLPD across Bathinda and Kharagpur.

To further strengthen its presence, BCL recently acquired Goyal Distillery Private Limited in Fatehabad, which has the necessary land and approvals for setting up a 250 KLPD, grain-based ethanol plant. Initial groundwork is progressing well and necessary works are expected to begin in the coming months.

The Company is also moving forward with establishment of 150 KLPD distillery in Bathinda. All the necessary approvals have been obtained, and the construction has commenced. This project is scheduled for commissioning within 12 months.

Along with this expansion, we are also installing another paddy straw-based boiler to help decrease our fuel cost in the future as well. The total capital expenditure for this project is approximately 116 crores.

In line with its commitment to green energy, BCL is in the process of setting up a 20 metric ton per day bio-CNG plant, utilizing approximately 300 tons of paddy straw per day. This initiative will not only mitigate the issue of stubble burning in North India but also enhance farmers' income from agriculture waste.

The Company is also currently setting up a 75 KLPD biodiesel plant in Bathinda, which will support complete vertical integration in ethanol production. This we expect to be commissioned in the next three to four months. The estimated CAPEX for the project of biodiesel is around 120 crores.

Additionally, BCL has received approval to establish another 75 KLPD biodiesel plant in its Kharagpur distillery, reinforcing its long-term commitment to green energy. Further updates regarding the 75 KLPD biodiesel plant in Kharagpur will be given in the coming quarters.

BCL is undergoing a key transition with a phased exit from the edible oil segment to enhance profitability and operational focus. The exit is expected to be completed by Q1 FY '26, freeing up 90 crores in working capital and significantly reducing the debt on the Company. This will also significantly bring down the operational and overhead costs the Company continues to bear in low margin business of edible oils.

The Company is also continuing the gradual divestment in its real estate inventory with proceeds allocated towards further debt reduction. The recent allowance of FCI rice for ethanol at price Rs. 22.50 per Kg is a positive opportunity for the industry. This measure is expected to enhance supply chain efficiency, manage surplus stocks, and support industry viability. BCL, with its capability to process both maize and rice, is well positioned to benefit from this development. Additionally, raw material prices are expected to reduce, positively impacting our margins.

The PML segment delivered strong results supported by seasonal demand with approximately 13,21,223 cases of liquor sold. This momentum is expected to continue in the coming quarters.

As BCL progresses across multiple initiatives, its focus remains steadfast on leveraging its expertise in grain procurement and processing to drive sustainable margin and long-term shareholder value.

Moving on to the financial performance for quarter 3, FY '25. In Q3, BCL reported total revenue of Rs. 763 crores, reflecting an 18.1% year-on-year increase. EBITDA stood at 48 crores with a 6% margin, down 15.7% year-on-year, while PAT reached at Rs. 21 crores, down from Rs. 33 crores in the previous financial year, marking a 36.3% decline with a 3% margin.

This quarter, we experienced a significant rise in our raw material prices, impacting our margins. However, the Company expects price correction with the arrival of FCI rice for ethanol, which will also help reduce the dependence on maize for the entire industry.

The distillery segment demonstrated robust growth with ethanol volumes rising by 26.9% to 48,845 KL. Revenue from the ethanol segment reached 350 crores with a steady 37.8% increase year-on-year, while the distillery segment EBITDA stood at 42 crores, reflecting a 14.2% decrease year-on-year.

This now concludes my presentation, and we will now open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "\*" and "1" on their touchtone telephone. If you wish to remove yourself from the question queue, you may press "\*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Deepesh Sancheti from Maanya Finance. Please go ahead.

**Deepesh Sancheti:** Okay. Hello, Kushalji. Firstly, just wanted to understand because of which raw material, mainly because of maize is what the impact was there on the financials?

**Kushal Mittal:** Yes, both maize and rice.

**Deepesh Sancheti:** Okay. I believe that FCI rice had already come into the market, right?

**Kushal Mittal:** No, it's yet to come into the market.

**Deepesh Sancheti:** Okay. So, is it expected to come into the market maybe this quarter, as in since we are already half way in this quarter, has it come into the market or still to come?

**Kushal Mittal:** It is still to come. I think we are awaiting the allocation which we are expecting to receive in a day or two from the OMCs. But just the news of FCI rice being available for the industry has cooled down the grain market.

**Deepesh Sancheti:** Okay. Even the maize prices. So, what are the maize prices in last quarter and right now? If you can just...

**Kushal Mittal:** Last quarter they were hovering around 27.5 per Kg and this quarter they are somewhere around Rs. 25.5 to Rs. 25.

**Deepesh Sancheti:** Okay. So, this quarter has already the prices have corrected. So, I mean, we can take this as a one-off quarter, December quarter, right? Is that assessment okay?

**Kushal Mittal:** Yes, I mean, just like any other business, there will be fluctuations with the raw material prices, and that is not in the control of the Company. So, it's not, I cannot make a comment that whether that was a one-off quarter or not. I can say that yes, with the FCI rice coming in, for the next year or so, the Company expects raw material prices to stay in control. And yes, that's the statement which I can make.

**Deepesh Sancheti:** No, because we have always outperformed every other Company because of our power cost, because of our expertise in procurement. So, Rs. 25 of maize, as well as if the FCI rice is also coming in, that will definitely up our margins from what it was...

**Kushal Mittal:** That will help our margins. And yes, we continue to innovate to stay ahead of competition, whether that is through paddy straw, and with the establishment of the biodiesel unit, and once that comes into commission, when that comes into production, I think we will really majorly differentiate ourselves from our competitors.

**Deepesh Sancheti:** Right. Can you provide some insights on your bio-CNG industry? I mean, this is something which newly we have understood. So, including the total addressable market and what are the expected margins? Because your biodiesel margins are, I mean, amazing because of the entire raw material coming in from your maize. Also, if I can add in that since if you move to this FCI rice, how will it impact your biodiesel?

**Kushal Mittal:** See, FCI rice will be a certain amount that we will move to. And FCI rice is a temporary measure by the government to help the industry. In the long run, maize will be the best raw material for industry. And up until then, you know, as the crop increases, the government also had a problem of too much rice. And the industry also had a problem of, you know, not enough maize. So, I think it was a win-win situation for both. But this is a temporary measure. And in the long term, maize is the raw material for the ethanol industry. So, we don't see much of an impact from there.

And answering your CNG question, I think I will wait to give in any margins forecast as of now because CNG prices are fluctuating on a daily basis. Bio-CNG is not something like ethanol where the prices remain stable for an entire year. So, we are still studying the technology, evaluating which technology to opt for. And once everything is final, only then will I make any comment on that.

- Deepesh Sancheti:** But have we received anything from the OMCs? Because they will be the major...
- Kushal Mittal:** No, there is demand for bio-CNG in the country. The demand is not an issue.
- Deepesh Sancheti:** So, already people are doing bio-CNG. I mean, these are companies buying bio-CNG?
- Kushal Mittal:** Yes, of course. bio-CNG is being bought by whether that's the gas companies or the OMCs.
- Deepesh Sancheti:** So if you can just tell us what is the total addressable market, that would also be okay. Because margins...
- Kushal Mittal:** I am not sure of the addressable market, the accurate figures as of now. But yes, there are many others. Reliance has already commissioned one project, and they are setting up more. And the demand of bio-CNG is not an issue.
- Deepesh Sancheti:** Okay. And because I wanted to say that the margins are always better with BCL. So, that's the reason. So, what is the expected timeline of the plant 20 MTPD biogas plant?
- Kushal Mittal:** See, that plant will be commissioned along with the 250 KLPD plant in Fatehabad. And so we are seeing a timeline of about 18 months for the 250 KLPD ethanol plant and at least two years for the bio-CNG plant.
- Deepesh Sancheti:** Bio-CNG plant. And for the ethanol plant, when did you give, I mean, what timeline did you give?
- Kushal Mittal:** At least 18 months from now.
- Deepesh Sancheti:** 18 months.
- Kushal Mittal:** 250 KLPD. We have already begun work for the 150 KLPD at our Bathinda capacity and expansion. So, that we are hoping to commission within 12 months.
- Deepesh Sancheti:** Right, because in your presentation also, in Slide 21, you mentioned that from 700 KLPD for FY '26 it will become 850 KLPD. Now, apart from this 850 KLPD in FY '26, even our biodiesel 75 KLPD as well as Svaksha, we were planning some biodiesel plant, right? So, what will be the biodiesel capacity?
- Kushal Mittal:** Biodiesel capacity would be 75 KLPD only. For Svaksha, we have only received the necessary clearances as of yet. We haven't begun any work or any machinery order. We haven't done that. We will wait for our 75 KLPD plant at Bathinda to be commissioned successfully before we make any orders there.
- Deepesh Sancheti:** Right. And so what is the debt situation right now? How much of it is long-term and how much of it is working capital?

- Kushal Mittal:** See, for BCL, the current working capital is around 200 crores and which will be further reduced by another 60 crores. We have already reduced 30 crores as we are slowly shutting out our edible oil business. So, for long-term debt in BCL, there is the one loan that is under interest subvention with Canara Bank, which has about 107 crores outstanding. For Svaksha Distillery, we have a working capital of about 55 crores and two term loans, one for the 200 KLPD, which has about 39 crores outstanding and another for the ethanol expansion, which is under interest subvention, about 65 crores. And the rest, the Company has taken to LRDs for commercial buildings. And besides that, there is no other debt.
- Deepesh Sancheti:** Okay. And we are planning another expansion of about, you mentioned about 140 crores, right? Total CAPEX.
- Kushal Mittal:** Yes, so with biodiesel being around 120 and ethanol 150 KLPD was, I think it was around 116 crores.
- Deepesh Sancheti:** 116 crores. So, this will be additional.
- Kushal Mittal:** Yes.
- Deepesh Sancheti:** This will be additions, right? Okay. And so understanding your, since you are moving out of the entire edible oil business, how much estimate of real estate value can the Company generate? Because I am sure that you are sitting on very prime land in Bathinda. So, once you are done with all the edible oil units being wound out, how much of expected real estate value you expect to generate?
- Kushal Mittal:** I think it's too early for me to comment on that. Let's wait out to see how the real estate market is once the business is shut and we have removed the machinery, which will be at least next two years. So, I think it's a little early for me to comment on that.
- Deepesh Sancheti:** Okay. And about the IMIL, how much, I mean, we have given very interesting projections. So, does the current Punjab government helping out in IMIL sales?
- Kushal Mittal:** The Punjab policy is quite normal, which allows free trade and hence we are doing well in the trade. So, we will continue on that front.
- Deepesh Sancheti:** And if you could just mention how much was in this quarter, how much was ENA sales and how much was the ethanol sales?
- Kushal Mittal:** I think that should be mentioned on the presentation. If not, I can get back to you. I don't have the exact figures with me right now.
- Deepesh Sancheti:** Fine. I will get into the queue, and I will just check again if there is something. Thank you so much and all the very best. Thank you.



- Kushal Mittal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Narendra from Robo Capital. Please go ahead.
- Moderator:** So, my first question is, given that the FCI rice will be available from, I guess, full effect next quarter, so as things stand, what is more profitable? Is it the rice or the maize?
- Kushal Mittal:** Are you talking about FCI rice or damaged rice?
- Narendra:** FCI rice.
- Kushal Mittal:** They are about the same.
- Narendra:** Okay. So, I mean, the margins would go, are we expecting, given that the maize prices have corrected and the FCI rice has to come in, do we expect the margins to go back to previous quarter's 7-8%?
- Kushal Mittal:** Yes, we expect margins to increase, and I think once the edible oil business shuts, the cumulative margin of the Company will increase significantly. So, when talking about EBITDA margin, we expect the distillery EBITDA margin to increase with the correction in raw material prices. And we have good crops forecasted in states like Assam and Bihar, which will also help the industry. So, yes, we are quite hopeful on that front.
- Narendra:** Okay. So, what kind of margins are we looking at? Is it 8%, 10%?
- Kushal Mittal:** I think the Company will go back around to at least 10-11% of EBITDA margin from the distillery segment.
- Narendra:** Okay, that's great. That's great, sir. And the second question is regarding ethanol pricing. So, the ethanol price from maize, are we seeing any, are we expecting any increase in that from the government?
- Kushal Mittal:** No, I don't think there will be an increase in the price of ethanol from maize.
- Narendra:** Okay. So, given there is this new, this biodiesel plant coming in, right, and given that there would be no price increase, and we are already functioning at 100% capacity, so next year our revenue should be around 2,500-2,600. Is that a correct guess?
- Kushal Mittal:** See, the distillery should give us about 1,750 to 1,800 and the biodiesel once working at 100% capacity utilization should give us anywhere close to 250 crores of revenue. But for the first year, we are not taking 100% capacity utilization because there will be somewhat of a learning curve as we are entering a new industry. And with the Bengal unit working at 100% capacity utilization should give us a revenue of at least around 750 to 800 crores. So, yes, your figures are broadly correct.

- Narendra:** Okay, sir. Okay. Thank you so much. I will get back in queue if I have any question.
- Kushal Mittal:** Thank you.
- Narendra:** Thank you.
- Moderator:** Thank you. The next question is from the line of Bala Murali Krishna from Oman Investments Advisors. Please go ahead.
- Bala Murali Krishna:** Hi, Kushal. So, regarding the FCI rice policy, I think it's even though the government relaxed the price a little bit, but I think it's valid till June end only. So, earlier, 1-1.5 year before, we were using FCI rice for making ethanol. So, at that time, what was the procurement price and the margins we were getting with the FCI rice?
- Kushal Mittal:** See, firstly, the FCI rice policy I believe has come on now till the end of this sugar year. So, I think the industry will have FCI rice until September end at least. When FCI rice was available in the past, it was available at Rs. 20 a Kg, which is now at Rs. 22.5 a Kg. So, that is the one big difference from the past to now. Otherwise, I think the policy overall remains the same.
- Bala Murali Krishna:** Yes, okay. So, earlier when we are using FCI rice, at that time the EBIT margin of the distillery was around 16-17% when you see. So, with this Rs. 2 difference, maybe we can expect around 15% EBIT margins?
- Kushal Mittal:** No, I think, let's see, because I think they will be safer to say as I mentioned in the lower double-digit range. But once the biodiesel kicks in, I think we will be again moving towards the previous EBITDA margins as biodiesel will have very minimal raw material cost and mostly processing cost.
- Bala Murali Krishna:** Okay, fine. So, in the current quarter, this maize's price is around 25.5, right?
- Kushal Mittal:** Yes, as of today.
- Bala Murali Krishna:** Okay. And one more thing regarding, so in this year we are expecting only biodiesel to get commissioned, so maybe this 120 KLPD will come on stream by the end of the year, right? So, only the additional revenue would be from the biodiesel plant only, and we will lose that edible oil revenue may be around 800 crores in this fiscal, right, next fiscal?
- Kushal Mittal:** Yes.
- Bala Murali Krishna:** Okay. That's all. Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

**Saket Kapoor:** Yes, Namaskar, sir, and thank you for the opportunity. Sir, firstly, just like you mentioned about the Goyal Distillery, so what are we investing in the same and how are we planning it in terms of the output and the feedstock?

**Kushal Mittal:** No, in Goyal Distillery we are going to put a 250 KLPD ethanol plant with that our plan is to put a 20 ton bio CNG which will run on stubble. Of course, all our plants are designed on flexible feedstock/. So, we will continue to do the same there and our power plant again since we have had good success with paddy straw as the main fuel and Fatehabad also being a rice belt, so we will go again with a paddy straw-based boiler there.

**Saket Kapoor:** Okay. Also, what will be the CAPEX?

**Kushal Mittal:** See, we are still finalizing the machinery orders. So, you know, I can only give you a ballpark figure. As we finalize, we will have more clarity. But I think including the bio-CNG, the paddy straw-based power plant and the distillery, I think we are looking at around 370 crores of CAPEX in total.

**Saket Kapoor:** Okay. Sir, you have alluded to a number of capacities in terms of additional capacities. So, one request, sir. If in the presentation we could provide what are we eyeing in terms of capacity addition, green field and Brownfield, so that would summarize and also give us an update on where are we in terms of commercialization of the same. I think, so you have mentioned four to five years, so if that could be summarized in a single page in a presentation, included in the presentation, that would suffice a lot of questions for us.

**Kushal Mittal:** Noted. We will add one more slide.

**Saket Kapoor:** Sir what is our net debt and the CAPEX which we are going to do, how are we going to address this, how much will be the debt-equity?

**Kushal Mittal:** I have told you about the debt a few moments ago, about 107 crores in BCL is the long-term debt which is under interest subvention. So, the applicable interest rate is 4.5% on the same. Working capital in BCL as of today is around 200 crores, which will become 60 crores less in the next coming quarters, next two quarters, because we are shutting down the edible oil business.

For Svaksha Distillery, about 105 crores in long-term debt, in which 65 crores again is under interest subvention. So, there also the applicable interest rate for us is around 4.7% only, and working capital of 55 crores at Svaksha Distillery. Besides this, the two commercial buildings of the Company where they have taken LRD and no other debt besides some small vehicle loans in the Company.

**Saket Kapoor:** Sir, when we look at the IMIL business or the ENA part of the story, I think so the feed stock, if there is broken rice, then your yield comes better. Is that understanding correct?

- Kushal Mittal:** Yes, that's correct.
- Saket Kapoor:** When we keep our outlook on the aspect of IMIL or ENA then we have to concentrate our feedstock on broken rice?
- Kushal Mittal:** No need. The market is fluctuating. Over the last few months the broken rice was not available because it was milling was closed. Now millings have started so we are getting the rice. So, now we are using rice. But yes, many times we use rice for ENA.
- Saket Kapoor:** Sir, if you can elaborate on ENA dynamic a little, how is the ENA markets are currently shaping up in the states where we operate? And I think, sir, is there any duty protection in inter-state like the states in which we are operating what kind of duty structure because which ENA producers get the protection?
- Kushal Mittal:** See, you are right, ENA market once is doing very well because the AlcoBev Sector is growing about I think 10 to 12% year-on-year. And there are no new ENA plants are coming in the country. I think I know of just one small ENA plant being added in the country as of now because the licenses have become extremely difficult to get along with the environmental clearance. So, it is a business that has very high barriers to entry, and we are seeing very little competition coming in at the moment. And with the excise policy, where the excise policy is concerned, Punjab has a little free policy, there is not much duty on import-export. It allows for free trade. Whereas Bengal has now added about I think Rs. 6 a liter on import into Bengal. So, that is beneficial to the distilleries stationed in Bengal.
- Saket Kapoor:** Okay. So, sir, that has given now it we have a little bit of advantage in Bengal like earlier there was a problem comparative to other states.
- Kushal Mittal:** Earlier we had a problem like in Bihar since ENA plant has been established earlier before the liquor prohibition, now they can't sell their ENA in Bihar. So, they were exporting in very cheap price. So, with the import duty coming into Bengal, it has given us a level playing field.
- Saket Kapoor:** Okay, sir. In your presentation you mentioned your ENA realization at 69 or so, now ENA realization is upward of 70 or is it at the level of 69?
- Kushal Mittal:** No, I think they are around 69-69. They are around that. Stable around that.
- Saket Kapoor:** In Bengal the trend is the same or is it more than this?
- Kushal Mittal:** This is the trend.
- Saket Kapoor:** Okay, sir. The our mix of raw material which you have outlined just now, so going ahead, since we have a flexibility in the plant due to which we can depend on any feedstock like maize or broken rice. It could be as per the availability. That is what the thought process is behind setting up the distilleries with multiple feedstock.

**Kushal Mittal:** Correct.

**Saket Kapoor:** Okay. But sir, when you look at the long-term policy from the government end, sir, you people are there in for a very long time. Sir, are you people getting the sense that is the government able to address this feedstock issue because the way people have come up with the distilleries and even your one in the anvil, the feedstock issue has not been addressed with that...

**Kushal Mittal:** Feedstock issue will be resolved in the coming times. I think the government's focus is on the sector that is why they have given FCI rice. The government wants the blending to go beyond 20%, flex fuel engines should come. So see, the government's focus is on that and I am saying over the last few quarters that maize is the future. And maize is an industrial crop which does not impact the consumer directly when the appreciation comes in maize. And now you are seeing farmers getting MSP and above MSP from the industry.

See, it has many, many benefits for the entire nation. One, your water level is not going down as opposed to growing paddy.

Secondly, paddy has now become a crop which the government has to take at MSP, which is way above the market price. They have to store, the rice gets rotten. So, now the government does not want to intervene.

And third, it's a more profitable crop for the farmer as opposed to paddy. If farmer gets the MSP on maize they will earn about 20% more as opposed to paddy. And in states like Bihar, where the yields are as per the global standard, the farmers are benefiting greatly from this policy.

So, one, it saves the nation's water. Two, it does not involve the government getting involved in the procurement procedure of the crop, which is a complete waste of taxpayer money. And three, it directly impacts the farmer's income. And if the income of farmers will increase, we are seeing that the sowing is increasing of maize. In Maharashtra it is by 50%, in Bihar it is up by 35%. So, with time, you know, if there is demand, there will be a supply. We no longer need the rice we are growing. Punjab and Haryana really desperately need to make a shift towards crops like maize if we want to have a sustainable future for our children.

So, I am not worried. I think with time the cropping pattern in the nation will change. It is changing. We are seeing it change and maize will become the preferred crop for ethanol, and you will see that BCL will continue to differentiate itself from our peers. We are not worried about the competition. We are always looking to be bulletproof. That's what we did with the paddy straw. That's what we are doing with biodiesel. And we will continue to innovate on this front.

**Saket Kapoor:** Okay, sir. If we go by IMIL aspect in that case the quality of the ENA which suits the taste and all for that rice feedstock is suitable.

- Kushal Mittal:** Even maize is sufficient. Maize is fine too. Both are fine.
- Saket Kapoor:** Okay, sir. And in ethanol made from maize would we get the same calorific value in blending.
- Kushal Mittal:** No, ethanol is same, you know, otherwise OMCs will not buy. They have their specification which we have to adhere to and only then. See, we are extracting alcohol out of starch. Any starch bearing material can be used to extract alcohol.
- Saket Kapoor:** Okay. And lastly sir, pricing front, how are the price trends for maize being for this quarter and even for 9 months average in the competitive number?
- Kushal Mittal:** See, this quarter, as I mentioned, we have seen a correction from the previous quarter, and we are expecting to see more correction in the, hopefully we are hoping for more correction in the coming quarters with the new harvest coming in and the FCI rice being allowed for ethanol.
- Saket Kapoor:** In pricing terms, in percentage terms, can you give some color in what has been the trend, the price reduction which we are witnessing in the procurement prices for the RM or raw material?
- Kushal Mittal:** It has gone up from 22.50 to 25, let's see what happens going forward.
- Saket Kapoor:** Sir, this is for the FCI rice. I am asking about maize price.
- Kushal Mittal:** I am talking from Maize price.
- Saket Kapoor:** Okay. So, maize prices have been reduced from 27.5. Sir, maize and rice are equally priced at the same level?
- Kushal Mittal:** No, always rice is more expensive, and rice is priced differently. There is a major difference in the prices of rice in Bengal and Punjab since milling has started in Punjab. So, Punjab rice is now around 25.5, whereas in Bengal it's still around 27, 27.5.
- Saket Kapoor:** Okay. Thank you, sir. I will join the queue again. Thank you.
- Moderator:** Thank you. The next question is from the line of Shravan Niranjana from Analyse India. Please go ahead.
- Shravan Niranjana:** Yes. So with respect to the distillery segment, so you had mentioned that we could see maybe around 750 to 1,800-1,900 crore revenue. So, this would be with the 700 KLPD plus 150, if I am not mistaken.
- Kushal Mittal:** Sorry, no, this is not including the 150.
- Shravan Niranjana:** So, this is just with the 700 KLPD?

- Kushal Mittal:** Yes.
- Shravan Niranjana:** And sir, assuming we have reached that 1,100 mark, maybe 2-3 years down the line, how much would 1,100 KLPD, how much would it fetch us in terms of revenue as a rough number if possible?
- Kushal Mittal:** 1,150 would be, I think around, depends on the, it's not price in the future, but, approximately, I think it should be around 2,800 crores.
- Shravan Niranjana:** All right, okay. So, the biodiesel, just to again clarify here, so the Bathinda Plant, there is work is going on which will take another couple of months and Kharagpur, as of now, there has been no work. We have only got the permissions or clearances required. Is that correct?
- Kushal Mittal:** Yes, correct, correct.
- Shravan Niranjana:** And in terms of not very specific, but again a 75 KLPD in terms of biodiesel, what would that fetch us in terms of revenue and like, would you be able to give an idea of the weak margins that I get on that EBITDA margin?
- Kushal Mittal:** See, the revenue is around, I was working at 100% capacity utilization, expect the revenue to be close to 50 crores. And margins, you know, I don't want to give any specific figures as of now. We are waiting to commission. But margins, of course, will be very good, considering the fact that most of the raw material that we will be using to produce the biodiesel will be in-house with very little cost, only processing cost involved. So, we expect very, very good margins from that sector of the business.
- Shravan Niranjana:** Right. So, just one, with respect to the there was a slide in the presentation about the different players in the industry and how we are about 6th as of FY '24, say 7th in fact in the industry. So, this is both molasses and with the grain-based distillery.
- Kushal Mittal:** Correct.
- Shravan Niranjana:** If you could give us only grain-based distillery, if I was to consider that, where would we be standing?
- Kushal Mittal:** I think in the grain-based we would be top 3, I don't know. I think the top 3 are quite close by in terms of capacity. So, it's tough for me to comment. But yes.
- Shravan Niranjana:** And if I want to make a switch from molasses to grain-based, is it a sort of expensive procedure? Like is there a lot of, in terms of my plants and machinery, is there a big difference? Or is it roughly the same?
- Kushal Mittal:** No, there are a few sections that are exclusive to grain-based ethanol production, and there are a few sections that are exclusive to molasses-based ethanol production. So, if an ethanol plant,

molasses plant wants to set up a grain-based plant, yes, the CAPEX is significant. But we are seeing some of the big players establishing some grain capacity for off-season. But yes, the CAPEX is significant.

**Shravan Niranjana:** Right. Sir, just lastly, it's been mentioned at a couple of places that we use wet maize, we procure wet maize. Is there a difference between wet maize and dry maize in terms of either availability or pricing or anything of that sort?

**Kushal Mittal:** Yes, see wet maize is a crop that very few buyers are there in the market because mostly it's infected maize. Once the maize has been wet for a couple of days, it tends to catch an infection. But what we have done is we have installed our own dryers to help dry out the maize very quickly. And so the benefits of that are, you know, there are very few buyers in the market for the maize. Yes, the quality is inferior to properly dried out maize, but the price more than makes up for it. And we can blend it with good quality maize, so that doesn't impact our process whatsoever. So, we definitely do take advantage of that.

**Shravan Niranjana:** All right, sir. Thank you so much.

**Kushal Mittal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rajesh Aggrawal from Proprietary Advisors. Please go ahead.

**Rajesh Aggrawal:** Yes. Thank you for the opportunity and congratulations on the Golden Jubilee Year.

**Kushal Mittal:** Thank you.

**Rajesh Aggrawal:** Yes, I hope some physical involvement with the shareholders will be there in some form or the other during the course of the year. Now my question is at what price, since FCI rice price is fixed, Rs. 22.50, now at what price the margins are same with maize? Because maize is a fluctuating price. You know, last quarter it was 27.50. Right now it is 25. So, at what price the rice and the maize, they result in similar margins?

**Kushal Mittal:** See, for that, one major factor is the price of DDGS. Just the price of DDGS is also highly fluctuated and currently what we are experiencing is that, you know, the acceptability of maize DDGS has increased significantly in the country and we are getting a good price for maize DDGS. So, considering the current prices of DDGS of both rice and maize, if they are to remain the same, then once maize is around Rs. 24, I think profitability will be the same in both the sectors. But the price of DDGS tends to fluctuate a lot. So, it all depends on that.

**Rajesh Aggrawal:** This Goyal Distillery Plant, I think it is approved for interest subvention scheme?



- Kushal Mittal:** The Goyal Distillery will not be under interest subvention. Although it was approved for interest subvention, the deadline for commissioning has passed. So, that will not fall under interest subvention.
- Rajesh Aggrawal:** Okay. No issue. And can I take it like this, that last quarter average maize price was Rs. 27.55 and now it is Rs. 25?
- Kushal Mittal:** No, not Rs. 25 because there has been a steady decline. So, currently it is around Rs. 25.5. I think it would be safe to say for now the average is around Rs. 25.7, Rs. 25.8. Let's see, we have another 45 days.
- Rajesh Aggrawal:** We have. But last quarter it was 27.50.
- Kushal Mittal:** Around that, yes.
- Rajesh Aggrawal:** Yes. And when can we expect our, this 75 KLPD biodiesel plant to be commissioned at Bathinda?
- Kushal Mittal:** I think it will take another three months from today at least. We are trying to do it in less than that, yes.
- Rajesh Aggrawal:** Okay. Maybe around May. May will be just safe month to say.
- Kushal Mittal:** Yes.
- Rajesh Aggrawal:** Second thing, any idea what is the current biodiesel price at which it is being supplied?
- Kushal Mittal:** I think it's around Rs. 104 rupees a liter.
- Rajesh Aggrawal:** Rs. 104 liter?
- Kushal Mittal:** Yes.
- Rajesh Aggrawal:** Okay. And our corn oil, what percentage of the raw material it will constitute?
- Kushal Mittal:** For a complete 75 KLPD plant, around 50%.
- Rajesh Aggrawal:** 50%, that's very good, that's very good. And the rest of the raw material we will be able to procure from the market.
- Kushal Mittal:** Yes. See, we are setting up an oil extraction unit in our Kharagpur distillery as well. So, we have taken permission for biodiesel, but we are waiting to set that up. But oil extraction unit, we have started the work. So, even the oil that we are extracting there, we can easily transport it and bring

it to Bathinda. And there are other various raw materials available also. Acid oil is available. Some quantity of used cooking oil is available. Fatty acid is available. So, we will be using that.

- Rajesh Aggrawal:** Wonderful. Wonderful. I must appreciate. It's a very good forward-looking planning.
- Kushal Mittal:** Thank you.
- Rajesh Aggrawal:** Thank you. Thank you, Kushal.
- Kushal Mittal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Shashank Agarwal, who is an individual investor. Please go ahead.
- Shashank Agarwal:** Good evening, sir.
- Kushal Mittal:** Good evening.
- Shashank Agarwal:** Sir, I have a couple of questions. Sir, the biodiesel plant you have a capacity of 75 KLPD. Sir, why only 75 KLPD?
- Kushal Mittal:** See, raw material being an issue. Of course, we could have added a bigger plant, but raw material is an issue. As I just mentioned, 50% of raw material will be in-house and the rest we have confidence that we will be able to procure from the market. But we did not foresee that we will be able to procure too much raw materials in one place.
- Because India as of now does not have a used cooking oil supply chain. You know, major raw material for biodiesel globally is used cooking oil. But we don't have a formal supply chain in our country. What we see is, you know, whether that's the halwais or the caterers, they continue to reuse the same oil. So, there is no formal supply chain for that.
- And secondly, for biodiesel, the oil should be indigenous. India does not have enough indigenous oil in the country. So, for that we set up a 75 KLPD biodiesel plant.
- Shashank Agarwal:** One more question related with this. Sir, like some of the listed players like Kotyark, everything, sir, they are having a capacity, but they are not able to sell it because OMCs are not lifting that much.
- Kushal Mittal:** Of biodiesel?
- Shashank Agarwal:** Sir, will it be a problem for this Company also? Yes, for biodiesel.
- Kushal Mittal:** No, from my knowledge, the tender that was out, it was not...

- Shashank Agarwal:** So, the entire quantity volume of the tender is very small, like what I have studied the sector so far.
- Kushal Mittal:** No, but the capacity is also very small. There is still a gap between the tendered amount and the offered capacity. So, we don't foresee that being a major issue.
- Shashank Agarwal:** Sir, Kotyark has a capacity of 1,500 KLPD. It is still not able to sell it. It is only using 10%. So, there is a problem with the sector. That's what I am trying to tell you. That's what I am trying to.....
- Kushal Mittal:** From the people we have spoken to, we haven't heard of anything. I am not sure about the specific Company you are mentioning. Even we have spoken to two, three manufacturers. Yes, there is a major problem on the raw material front. But this is the first time I am hearing you saying that there is a problem from the procurement front, which I don't foresee. Yes, there is a problem industry-wide when it comes to raw material availability. But we have our own raw material to suffice for 50% capacity. So, we are not too worried on that front.
- Moderator:** Thank you. The next question is from the line of Bhavesh, who is an individual investor. Please go ahead.
- Bhavesh:** Good evening, sir. Congratulations on our Golden Jubilee Year. My first question is with respect to the show cause notice issued by SEBI. I forgot to ask you this on the previous call. So, can you throw some light on this? What exactly is this?
- Kushal Mittal:** Good evening. So, I think the show cause notice from SEBI, I think it was regarding an entity which they said should be considered as promoter, which was not declared as promoter entity and I think the case has been adjudicated and we will come up with the resolution soon.
- Bhavesh:** So, no penalty, nothing, right? Or we are going for in settlement?
- Kushal Mittal:** We have applied for settlement and let's see what. We are hoping to hear back soon.
- Bhavesh:** Perfect. Secondly, so now you are going to shut down the edible oil business and you are going to start the biodiesel plant in few months. So, can the biodiesel and your 150 KLPD compensate for the loss of business due to the shutting down or it will still...?
- Kushal Mittal:** Are you talking about just revenue?
- Bhavesh:** Yes, I am talking about the revenue.
- Kushal Mittal:** See, just these two capacities will not make up for the revenue loss from the edible oil sector. But let me clarify. I don't know why we should just look at the revenue. With the closing down of the edible oil business, we are freeing up our working capital, reducing our overheads. So

many costs involved in running this edible oil unit, which has such low margin and such high volatility in the market.

So, I think all the ratios of the Company, the working of the Company will see a major, major improvement once this edible oil business is shut. So, I don't think we should just look at the revenue. I think the revenue loss will be compensated by a mile by the increase in efficiency and the overall profitability of the Company.

**Moderator:** Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants, please limit your question to two per participant. If you have a follow-up question, I would request you to rejoin the queue. The next follow-up question is on the line of Deepesh Sancheti from Maanya Finance. Please go ahead.

**Deepesh Sancheti:** Hi, Kushalji. Congratulations on BCL completing 50 years. And just the question was regarding the rice prices. Now, since you mentioned that BCL will also go in for some rice, the rice prices of ethanol is around 58.5. So, isn't it better to go for only ENA with rice?

**Kushal Mittal:** We are not allowed to manufacture ENA from FCI rice.

**Deepesh Sancheti:** Okay. So, fine. So, how much are we planning to use rice as a raw material?

**Kushal Mittal:** See, we have filled in the tender. I cannot comment on that until the tender results are out. We are waiting on the allocation and once the allocation is received, so we have filled in about 15 to 17% of our quantity to be from FCI rice and on an average throughout the year. So, let's see what the tender results are.

**Deepesh Sancheti:** Okay. When are we expecting this tender results?

**Kushal Mittal:** I think in a day or two.

**Deepesh Sancheti:** Okay, in a day or two. That's early. Okay. Now, just to understand what are the maize prices for every Rs. 1 fluctuation, maize prices, how much is the margins differentiating?

**Kushal Mittal:** About Rs. 2.6 a liter.

**Deepesh Sancheti:** Rs. 2.6 a liter. Okay. And this 116 crore CAPEX which you mentioned, that was for mainly for the 150 KL, for the Bathinda plant, right?

**Kushal Mittal:** Yes.

**Deepesh Sancheti:** So, for the 150 KLPD, right?

**Kushal Mittal:** Yes.

- Deepesh Sancheti:** Okay. And this Goyal Distillery, it will be only ethanol or it will be a mix of ethanol and ENA?
- Kushal Mittal:** No, just ethanol.
- Deepesh Sancheti:** Just ethanol. Okay. Is there any PLI scheme from the government?
- Kushal Mittal:** No.
- Deepesh Sancheti:** Nothing. Great. Great. Thank you so much and all the very best.
- Kushal Mittal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Neeraj from NJ Investments. Please go ahead.
- Neeraj:** Hello. Thank you for the opportunity. Most of my questions have been answered. Just one question I have. Can you please share what was the DDGS price for the last quarter that has just gone by? And what is the current DDGS price for both rice and maize?
- Kushal Mittal:** See, for last quarter, DDGS was priced, I think, around about, I think, the average for maize DDGS I think would be around Rs. 12 to Rs. 13 and in the current quarter, currently, I think it's for maize is around Rs. 15 and for rice is around Rs. 16.
- Neeraj:** Okay, thank you. That's it from my end.
- Moderator:** Thank you. The next follow-up question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.
- Saket Kapoor:** Thank you, sir. Sir, Slide #30, you have mentioned about how the debt repayment schedule is going to be. So, sir, what would be our peak debt and peak debt should have happened 2025 because you have mapped the repayment cycle 2025 to 2032 in your presentation.
- Kushal Mittal:** See, that depends on our future expansion plans of which financial closure has not happened. Otherwise, with the current debt, I think we are already on the peak. Now, depending on how we choose to finance our future projects, I think by, yes, 25 max debt will come.
- Saket Kapoor:** Because sir, in that only you have mentioned term loans at 277 and working capital at 100. So, this is taking into account the Goyal Refinery also, adding expansion also or excluding that?
- Kushal Mittal:** Excluding.
- Saket Kapoor:** Okay, and there we will be requiring 60 crore I think that you mentioned.

- Kushal Mittal:** No, I didn't mention how much debt are we going to raise. We were yet to decide. I had mentioned that a total project cost of 250 KLPD ethanol and 20 tons bio-CNG plant would be around 370 crores.
- Saket Kapoor:** Okay. Sir this project which we have envisaged this is what we are replacing with the Vanaspati and Ghee business that we are exiting and this Goyal Refinery we have purchased on an NCLT route or how have this shaped up?
- Kushal Mittal:** No, it was a direct share transfer.
- Saket Kapoor:** Okay. What enterprise value have we paid for the purchase agreement for the share?
- Kushal Mittal:** We haven't disclosed that.
- Saket Kapoor:** Okay, but everything has been done. Cash has been withdrawn. We have completed everything.
- Kushal Mittal:** Yes, everything has been done.
- Saket Kapoor:** Okay. So, this is through the Company only direct. BCL has direct ownership of the shares of 100%.
- Kushal Mittal:** Yes. Yes. Goyal Distillery is the wholly owned subsidiary of BCL Industries.
- Saket Kapoor:** Okay. So, these debts numbers are there these are subsumed, they are include this transaction.
- Kushal Mittal:** Yes. It wasn't a significant, it wasn't a huge amount to change our, have a significant dent on our balance sheet.
- Saket Kapoor:** Because land of the value was there. Plant and machinery would be....
- Kushal Mittal:** Plant is the only this which has a value, everything else is insignificant.
- Saket Kapoor:** Lastly, sir, the oil and vanaspati segment can you please let me know since when are we doing this business and when we would exit in the market place definitely I can understand that the return ratio will change significantly and all, but why have we not hyped it up and sold it in some way or the other by the brand which we have created over a period of time? Or why is it that we are shutting it down?
- Kushal Mittal:** The brand was created, but with time it has become increasingly difficult to compete with giants like Fortune and others. So, we thought it was the best to shut it down. Secondly, the unit being in the heart of the city, we were not going to get environmental clearance for much longer. We would have had to shift the unit anyways, and we envisioned that shifting the unit would be too expensive, as shifting would mean that we would have to set up a brand, pretty much a new unit

because the existing current one has become much outdated. So, the CAPEX would be too high and there is no return on that. So, that's why we decided to exit.

- Saket Kapoor:** Okay. And the land which is there, that is leased or owned by the Company?
- Kushal Mittal:** Mostly owned. Some part is leased.
- Saket Kapoor:** Okay. Then we will look to diverse that. So, that should be the thought process going there since it's at heart of...
- Kushal Mittal:** Yes.
- Saket Kapoor:** Okay. If you can throw some light on circle rate or evaluation aspect just to get...
- Kushal Mittal:** No, it will take minimum 2 years to complete this transaction if the buyer comes. I think we should wait and I would have more clarity in the future.
- Saket Kapoor:** Then you will take at an opportune time, but since it is the heart of the city, I would just like to understand as of today what would be circle rate of the place where we have our plant?
- Kushal Mittal:** Honestly, I don't know. We are not thinking about that.
- Saket Kapoor:** Fine, sir. Thank you, sir, for all your answers and all the best and congratulations for the 50th year, sir.
- Kushal Mittal:** Thank you. Thank you so much.
- Moderator:** Thank you. The next follow-up question is from the line of Shравan Niranjаn from Analyse India. Please go ahead. Ladies and gentlemen, we have lost the connection of the current participant. We will move on to the next participant. The next question is from the line of Rajesh Aggrawal. Please go ahead.
- Rajesh Aggrawal:** Yes. Anyway, congratulations for stock being categorized in Breweries and Distillery segment. I think many of the shareholders may not be knowing. Both the BSE and NSE have categorized it. Instead of edible oil, it is now under breweries and distilleries. See, my additional question is, right now we are going with the CAPEX on 75 KLPD which is in the last leg, no doubt, and 150 KLPD ethanol expansion. That is something around 130 and 150. I believe it is all coming out of internal accruals or any amount of debt is involved.
- Kushal Mittal:** For now it is coming out of internal accrual, but I think the Company will look to raise about, get about 60 to 70 crores in debt for these two projects.
- Rajesh Aggrawal:** Total, total, that will be the total, total, this thing.

- Kushal Mittal:** Yes.
- Rajesh Aggrawal:** Okay, thank you.
- Moderator:** Thank you. Ladies and gentlemen, you may press "\*" and "1" to ask a question. A reminder to all the participants that you may press "\*" and "1" to ask a question. The next follow-up question is from the line of Bhavesh, who is an individual investor. Please go ahead.
- Bhavesh:** Thank you, sir. Just a quick follow-up. So, since you are going to raise some debt in the next one to two years, would your interest payments go up?
- Kushal Mittal:** No, the interest payments will not go up because we are reducing our working capital by 90 crores. So, even if you are to raise the debt of 70 crores, our overall debt will go down only.
- Bhavesh:** So, that will be raised from banks and not from the investors because as I can see the promoter shareholding has gone down to 57.77%. So, are promoters planning to sell and put in the capital?
- Kushal Mittal:** When I am saying we are raising debt, then of course I am talking about the bank only.
- Bhavesh:** Okay. So, no further selling of shares?
- Kushal Mittal:** No.
- Bhavesh:** Perfect, perfect. That's it from us. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Manish Gupta, who is an individual investor. Please go ahead.
- Manish Gupta:** Kushal, Sir I wanted to know one thing we have got ENA project from Rajasthan Government. So, what was the pricing in that?
- Kushal Mittal:** I am sorry.
- Manish Gupta:** Last year we had got a project of ENA from the Rajasthan Government so what was the pricing in that?
- Kushal Mittal:** In that pricing is very good including all of transportation and duty and all that we got Rs. 77 a liter.
- Manish Gupta:** Is there any escalation regarding if the raw material will become less your pricing will also get reduced accordingly or is it fixed price?
- Kushal Mittal:** No, it is fixed.



- Manish Gupta:** Okay. That is great.
- Kushal Mittal:** It is fixed price but in this we have submit the bank guarantee and we get the payment after months so there is some finance cost also involved. But even besides that also, it is a good price.
- Manish Gupta:** Kaushal Ji the rate of damaged rice would also have been reduced. So, that should add to the margin for this project.
- Kushal Mittal:** Little improvement happened.
- Manish Gupta:** Okay, great. That's all from my side.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Kushal Mittal:** Thank you, everyone, for joining, and I wish you all a great evening. Thank you again.
- Moderator:** On behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.