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Reg: Analyst/Investors Concall Transcript

Dear Sir/Madam

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 August 14, 2025 to discuss unaudited financial results of the Company for the Quarter ended on June 30, 2025.

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 Q1 FY 2026 Earnings Conference Call”

August 14, 2025



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

MODERATOR: MS. PRIYA SEN – GO INDIA ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the BCL Industries Limited Q1 FY '26 earnings conference call hosted by Go India Advisors.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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, Manav. Good afternoon, everybody, and welcome to BCL Industries Limited earnings conference call to discuss the Q1 FY '26 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, therefore, be viewed in conjunction with the risks that the Company may face.

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: Thank you, Priya. Good day, everyone, and thank you for joining BCL Industries Limited's Q1 FY '26 Earnings Conference Call. I trust you have had the opportunity to review our 'Financial Results' and 'Investor Presentation' now available on the stock exchanges.

At the outset, I would like to clarify that all financial results reported are on a consolidated basis, which includes the performance of our Svaksha Distillery, where BCL holds a 75% stake.

Let me begin by first providing a strategic update on the Company's ongoing transformation and growth journey.

As part of our long-term vision to focus on a higher-margin and scalable business, we have made significant progress in the phased exit from our edible oil operations. During Q2, we successfully shut down the oil mill, solvent, rice mills, vanaspati, and packaged oil segments, all in line with our planned restructuring. A portion of our soft oil refining activities is being consolidated and shifted to our Sangat facility, which will cater to the institutional clients. And it will continue to operate alongside the biodiesel plant, which is currently in its trial phase and expected to be fully commissioned in early Q2 FY '26.

We are also focusing on orderly liquidation of remaining edible oil stocks, with this process expected to be completed by Q3 FY '26. This exit from the low-margin edible oil business is

enabling us to redeploy capital and management focus more efficiently towards higher growth opportunities in the distillery business.

In parallel, we are advancing steadily in our core distillery business. We are proud to be one of India's largest grain-based ethanol producers, currently operating with an installed capacity of 700 KLPD. Strengthening this leadership, our 150 KLPD expansion in Bhatinda is progressing well and on track for commissioning by year-end. Additionally, our wholly owned subsidiary, Goyal Distillery Private Limited, has all the regulatory clearances in place for setting up a 250 KLPD ethanol plant. Together, these projects will increase our total distillery capacity to approximately 1100 KLPD over the next two, three years, providing a strong platform for sustained growth.

Our CAPEX pipeline remains robust and on schedule. Beyond the distillery expansions, we are making steady progress on our paddy straw-based boiler, biodiesel plant, and maize oil extraction units, all set to be commissioned by mid-FY '26. The maize oil extraction facility was successfully commissioned in Q1, while work on a similar unit in Svaksha is progressing and is expected to be operational by Q3 FY '26. Additionally, the 75 KLPD plant is under trial and is expected to be commissioned in Q2 FY '26, further diversifying the product portfolio and reinforcing value chain integration. The Company continues to pursue strategic diversification of its revenue base, strengthening the product mix and enhancing sourcing flexibility and competitiveness in evolving market.

On the raw material front:

The Distillery sector experienced encouraging developments with the resumption of FCI rice procurement at Rs. 22.5 per kg. This has brought a much needed clarity and stability in the feedstock availability. BCL operates its units with the capability to process both rice and maize, optimizing operations to maintain efficiency and flexibility in raw material utilization. Demand for both ENA and ethanol remains strong, supported by our offtake agreement and a strong consumer base in the ENA sector.

The positive momentum comes against the backdrop of India's remarkable growth in ethanol sector. The country's annual ethanol production has now reached 1,800 crores. And notably, 42% of the ethanol now is being supplied from maize. This reflects the government's strategic push for feedstock diversification to achieve the E20 blending, enhancing energy security, reducing carbon emissions, and providing greater support to the farmers, thereby creating income and employment opportunities in the agriculture and biofuel sector. These favorable tailwinds are setting the stage for BCL's next phase of growth.

With its expanding capacity and focus on efficiency, the Company is well placed to grow revenue and improve margins. By staying disciplined on cost and execution, BCL aims to strengthen its market position and drive steady for long-term growth.

Let me now move on to the financial and operational highlights for quarter ended June 2025. BCL delivered a total revenue of Rs. 823 crores for Q1 FY '26, a robust 25% increase year-on-year. The Distillery segment, which was the main growth driver, where ethanol volumes rising 11% to 55,461 KL; and ENA volume rising to 7,960 KL, up by 37% from the corresponding quarter of last financial year.

EBITDA for the quarter stood at Rs. 56 crores with the distillery segment contributing to Rs. 53 crores, reflecting a steady margin trends and operational discipline. Consolidated PAT reached to Rs. 33 crores, up by 32%. Our IMIL segment also performed strongly with approximately 4.36 lakh cases sold in the first quarter, supported by a sustained demand and robust market share.

Looking ahead, we remain confident about sustaining this growth trajectory in FY '26. Our strategy to diversify the portfolio, improve raw material sourcing and optimizing costs would support both the top line expansion and margin improvement. As we evolve, our focus remains firmly on leveraging our grain procurement and processing expertise to create sustainable margins and long-term shareholder value.

With that, I now open the floor for questions.

Moderator: Thank you very much, sir. We will now begin the question and answer session. First question from the line of Dipesh Sancheti from Manya Finance. Please go ahead.

Dipesh Sancheti: Hello, Kushal ji. How are you? Just my first question is after exiting the edible oil, how will the revenues from ethanol, biodiesel, and maize oil extraction evolve over the next two to three years?

Kushal Mittal: See, with an addition of 150 KLPD of ethanol, it should give us anywhere from Rs. 400 crores to Rs. 450 crores of revenue on a yearly basis, whereas the oil extraction and the biodiesel sector in Bhatinda should give us around Rs. 250-odd crores in revenue. And this will further increase with the expansion coming in at Kharagpur, where we are first installing only the maize oil extraction unit. And then the 250 KLPD ethanol plant at Goyal Distillery will follow afterwards.

Dipesh Sancheti: What synergies are expected from combining soft oil refining at Sangat with the biodiesel unit?

Kushal Mittal: See, we did not have to install very many more additional machineries in installing a soft oil refining unit at our Sangat unit. And over there, since all the power plant is in-house, the production cost will be significantly lower. We had seen in the past, I would say, especially six months that the biodiesel policy from the Government of India was not very favorable. There were certain changes that were made in an instant. So keeping that in mind and ensuring that regardless of the biodiesel policy our unit stays running. We had a good consumer base for our soft oil refining business also, there's good institutional demand. So we decided to keep that portfolio of the business going. Processing costs, overhead cost, manpower cost over there are

significantly lower. So to ensure that the revenue streams continue, we decided that we should continue with the soft oil refining business.

Dipesh Sancheti: How is BCL managing the transitional risk, especially from the cash flows and working capital due to edible oil stock liquidation?

Kushal Mittal: See, for cash flows, we have already surrendered our working capital with the bank. And we are liquidating the stock on a monthly basis, and we are trying to do it as soon as possible. It is taking a longer time than we thought it would, since we had about Rs. 100 crores of stocks on the books with us. So, we are hoping to do that in the coming quarters.

Dipesh Sancheti: So by next quarter, most of the stock will be liquidated?

Kushal Mittal: Yes, we are trying.

Dipesh Sancheti: Okay. And with edible oil stock liquidation expected by Q3, does the Company anticipate any material losses or marginal impact? And how is it managing the risk? Because there might be some price fluctuations or something?

Kushal Mittal: Yes, there could be some losses on dead stock, and also when liquidating the stock there could be some stress sale. We are trying to manage it as best as possible to our abilities.

Dipesh Sancheti: Can you quantify any number right now? Is it possible for you?

Kushal Mittal: No, it will not be possible for me at this stage, we are currently in the process.

Dipesh Sancheti: No problem. I wanted to understand what is the maize price in the quarter which has gone, and the last 45 days of this quarter?

Kushal Mittal: See, it's tough to say because there are always some forward contracts that we do. So on an average, I think the maize price last quarter would have been around Rs. 24, Rs. 25. And this quarter, it's around Rs. 23 to Rs. 24.5.

Dipesh Sancheti: Rs. 23.5. So I mean, I remember from the last con calls that for every Rs. 1 drop in maize price, our margins increased to almost Rs. 4 to Rs. 5 a liter.

Kushal Mittal: No. I think I have always mentioned around Rs. 2.5 to Rs. 2.6.

Dipesh Sancheti: Sorry, yes. So now since that has dropped, can we see that Q2 will be much better than the Q1 results also because in terms of margin?

Kushal Mittal: See, Q2, I think will be better than Q1 when our margins are concerned, also because of the maize oil extraction plant now being started. But we have seen some correction in the DDGS

prices in the past couple of months, now they are starting to increase again. So I think margins will improve in Q2. By how much it's tough to say as of today.

Dipesh Sancheti: And just wanted to understand how has been the government outlook, because their policy on the biodiesel has been very fluctuating. But the policy on ethanol has been the same? Or are you seeing a push from the government, the same kind of push from the government which used to be?

Kushal Mittal: No, we have seen immense encouragement from the government in the past few years where ethanol is concerned. And I think it was rightfully done so, you will see the farmers' income has significantly increased, crop diversification is happening. So all those objectives of the government are slowly being achieved. And the government has always been supportive of the sector, and we hope for the same moving forward as well.

Dipesh Sancheti: So assuming that biodiesel, there's no clarity of policy, still the kind of the maize oil extraction plant which we are planning at our Goyal Distillery, will that have enough buyers?

Kushal Mittal: Yes, there are many industrial uses of this oil, and it can go into animal feed industry, so we are not very concerned about the buyer.

Dipesh Sancheti: And just last question on the property and the land which we have. Since now edible oil, most of it will be cleared, when do we expect that we will be realizing the potential huge land bank which we have, and how will we get the revenues and reduce the debt?

Kushal Mittal: See, first, we are very focused on liquidating our stock. Currently, the factory is not only just full with the edible oil stock, but it's also stocking up a lot of maize for our Distillery. We had run out of space as we had done a lot of buying during the harvest season. So first, our focus is in lifting up all of the stock and cleaning the land, and then we will focus on the next step.

Dipesh Sancheti: Okay. Because you recently shifted your corporate office also.

Moderator: Sorry to interrupt you, Mr. Dipesh. May I please request you to follow up?

Dipesh Sancheti: Sure. I will fall back in line. All the very best, sir.

Moderator: Thank you. We have our next question from the line of Bala Murali Krishna from Oman Investment Advisors. Please go ahead.

Bala Murali Krishna: Hi, good afternoon, Kushal ji. I think this quarter we will have some uptick in the volumes of Distillery. So is there any particular reason, going forward, we can maintain the same volumes?

Kushal Mittal: No. Volumes, our plant were running on full capacity. So that's the primary reason.

- Bala Murali Krishna:** Fine. So when it comes to exiting edible oil business and adding the 75 KLPD of biodiesel plant and 150 KLPD in Bhatinda, so we are expecting around Rs. 700 crores from this additional capacity, so the margins will be around 10%. And we will lose the edible oil revenue at an average of Rs. 1,000 crores per annum, right?
- Kushal Mittal:** I did not understand the last part of the question.
- Bala Murali Krishna:** I am asking that, so we will lose the edible oil revenue of Rs. 1,000 crores, right?
- Kushal Mittal:** See, yes, of course, some portion of the edible oil revenue would be lost. But as I already mentioned, we are continuing with the soft oil refining for reasons mentioned earlier. And that could give us some revenue. It will be significantly lower than the Rs. 900-odd crores that we used to do from this business. But we are making up for that lost revenue by higher-margin businesses in terms of 150 KLPD distillery and also the oil extraction and biodiesel plant.
- Bala Murali Krishna:** Regarding this oil extraction and biodiesel plant, suppose if government policy is not favoring. If we are continuing with the only maize oil extraction only even at Bhatinda and Kharagpur, so what would be the revenue potential of the 75 KLPD maize oil extraction?
- Kushal Mittal:** No, see, oil extraction can be continued. It can be sold in the market as it is, the maize oil. So, we are not very worried about that. We have not started any work at the biodiesel facility in Kharagpur. Only in Bhatinda we have established one. So, unless and until there's a long-term policy for biodiesel from the government, we will not establish a biodiesel plant in Kharagpur.
- Bala Murali Krishna:** Yes, I understood. But regarding that only, if we are continuing with the maize oil extraction only, what is the revenue potential at Bhatinda from it?
- Kushal Mittal:** See, the revenue potential depends on the price. Currently, it's around Rs. 85. So see, the revenue increase will not be there as much, because the revenue we are gaining from the maize oil being extracted, some of that is being lost in that DDGS value going down. But it's a higher-margin business, so I think we should look at the margins and not just the revenue from the maize oil extraction business.
- Bala Murali Krishna:** Lastly, on Goyal Distillery. So what is the update on that? So when we can have that KLPD on stream? And what is the CAPEX plan for this?
- Kushal Mittal:** See, for now the Company is planning on commissioning the 150 KLPD unit at Bhatinda first, which we are hoping to do by December of this year, and next year to begin work at Goyal Distillery.
- Bala Murali Krishna:** Yes, I am telling that 75 KLPD in this quarter will come, and 150 KLPD Bhatinda will come in Q3. So that is the additional capacity we are planning for this year, right, sir?
- Kushal Mittal:** Sure.

- Bala Murali Krishna:** Sure, thank you. Lastly on the one part. So I think the realization of ethanol has dropped. So we would have used the FCI rice also for producing ethanol. So what is the breakup between maize and FCI rice, how much we would have used? How much percentage of ethanol was derived from FCI rice, could you just quantify that?
- Kushal Mittal:** See, FCI rice prices have increased by Rs. 2.5 per kg from what we previously used to work on. So, that is the reason for the decrease in realization. And I would say about 30% to 35% of our capacity was based out of FCI rice. The rest was either DFG or maize.
- Bala Murali Krishna:** So going forward also, we will maintain a similar ratio of raw material. And DFG, I think there is some changes in policy. So is it anything beneficial to us, Central Government has reduced the content to be maintained for FCI, so is there any benefit from that product?
- Kushal Mittal:** Yes. See, I think it's a policy that I think that will be a positive in terms of raw material availability. But let's see how it is executed, and whether that is pan-India or region-wise. So we are awaiting on that.
- Bala Murali Krishna:** That's it from my side. Thank you.
- Moderator:** Thank you. We have our next question from the line of Majid Ahmed from Pinpoint Capital. Please go ahead.
- Majid Ahmed:** Yes. Sir, my first question I have is, what has led to the realization dip, sir? Like would there be any kind of dip in terms of realization and margins?
- Kushal Mittal:** No, I do not think there was any dip in the margins. I am not sure what is being mentioned here. Our EBITDA margins for our distillery business has more or less been consistent with even our corresponding quarter and even our previous quarter. So, I do not know where the dip is.
- Majid Ahmed:** Because there was an 80 bps of decrease in margin contraction. I just wanted to know, is it because of an increase of other expenses or the gross margin has gone down?
- Kushal Mittal:** No, I mean, FCI price rises have increased by Rs. 2.5. And 0.5% here or 80 bps here and there, I do not think that's too significant. We have given consistent margins on the business in the past, and we are continuing to do so.
- Majid Ahmed:** Going forward, it will increase I suppose.
- Kushal Mittal:** So if you were to look at our EBITDA margin this quarter for BCL only, it was at 10.07%, whereas for previous quarter it was at 10.5%. So that's a 43 basis point decrease. And if you were to compare that to the corresponding quarter, that is a decrease of 36 basis points. So I mean, 36 basis points or 45 basis points here and there, I do not think that's too big of a deal.

- Majid Ahmed:** Got it, sir. Secondly, sir, going forward do you see the realization in the distillery business, ethanol would it remain the same? Or do you expect any increase going forward as well?
- Kushal Mittal:** See, we expect it to increase, yes, with our maize oil extraction business kicking in properly, and also hopefully the biodiesel business performing from, I think, hopefully next year onwards from November when the new tender is expected. So that should definitely help the margins of our business. See, earlier, we used to extract this maize oil in two other facilities, so there was a lot of freight involved, a lot of steam and power cost and all of that was involved. Now our overheads, our power costs and everything have been significantly decreased with this facility starting in our Sangat unit, and later this year hopefully in our Kharagpur unit as well. So that should also bring in a big positive for our margins.
- Majid Ahmed:** So going forward, for ethanol, you are looking to maintain between 9.5% to 10% EBITDA, or even more due to operational efficiency?
- Kushal Mittal:** See, we are hoping margins to improve certainly. But with the incoming of FCI rice, the market has stabilized. And I think it's a big positive that the market has stabilized around this EBITDA margins. So, I honestly do not see a significant increase in the EBITDA margins from the distillery business. I think there could be a stabilization period as opposed to what we saw earlier when there were huge fluctuations.
- Majid Ahmed:** Got it, sir. Sir, regarding Grain Processing business, are we looking any sort of margin improvement to any operational efficiency or anything?
- Kushal Mittal:** What is the grain processing business, by that you mean?
- Majid Ahmed:** Sorry sir, regarding this real estate business?
- Kushal Mittal:** So regarding real estate, what do you mean to ask?
- Majid Ahmed:** Sir, like would the revenue be remaining the same or would it increase real estate?
- Kushal Mittal:** We do not have that much inventory left in real estate. So, revenues would be quite minimal moving forward.
- Majid Ahmed:** Finally, sir, like do you see any competitive pressure or any sort of oversupply kind of issue in the market?
- Kushal Mittal:** See, where ethanol is concerned, yes, there has been a huge expansion that has taken place in the past couple of years. Unprecedented competition has come, there's no denying on that. But a lot of these units that have come are of smaller capacity and they do not have the flexibility. Most, I would say, 95% of the units now do not have the flexibility between ENA and ethanol. So that also is a big differentiator.

I think, yes, there is competitive pressure. Definitely, there is. But in our opinion, units that have scale, units that continue to innovate, units that keep a check on their cost and they will continue to do well. So that's why BCL, keeping in mind that this competition is coming, we had our paddy straw-based boiler installed and commissioned two years ago. So the order was given three years ago. We are doing another paddy straw-based boiler.

Keeping this competition in mind, I think we are the pioneers now in the country, I can confidently say when it comes to maize oil extraction. A lot of our peers are now looking to see how it's being done and copy us. Looking at this competition in line, we thought of biodiesel and setting up our refinery there. So BCL will continue to innovate, and try to remain ahead of its competition when it comes to procurement efficiency, and producing efficiency, and achieving scale on our units. So yes, I think this will work to our benefit moving forward as well.

Majid Ahmed: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Abhishek Khare, an individual investor. Please go ahead.

Abhishek Khare: Hello. Sir, couple of questions. The expansion that we are doing with the 150 KLPD expansion and the Goyal Distillery expansion, what do you expect would be our capacity utilization when these plants are fully operational?

Kushal Mittal: See, any expansion that we go for, we aim for 100% capacity utilization, and we will continue to aim for that moving forward as well. And I am quite confident of achieving 100% capacity utilization.

Abhishek Khare: So 150 KLPD would be live by 2027 Jan?

Kushal Mittal: No. We are targeting to finish it by year-end, so in December of this year.

Abhishek Khare: And Goyal Distillery?

Kushal Mittal: Goyal Distillery will have a start date of early next year. So I cannot give you a completion date as of today. I think once we have started work on site, I will give you more clarity on that. But approximately 18 months from the start date.

Abhishek Khare: Right. And sir, we are halfway into Q2. So when do you expect our biodiesel plant, the 75 KLPD biodiesel plant to start?

Kushal Mittal: See, the biodiesel plant, we have done the trials, and we are quite confident of a successful commissioning. The current issue is that there is no new tender from the OMCs to procure biodiesel. So before the tender, we have to first register ourselves to be a participant in these tenders. And the last time the registration was opened, the Company did not have a consent to

operate. So we were not able to register ourselves. Now we have all the necessary permissions in hand. So once the new tender has been released, we will participate in that.

Abhishek Khare:

Sir, one more question regarding the pricing of ethanol. I mean, as you have seen, the price of maize-based or grain-based ethanol has not changed. Government hasn't changed that. The news, if it is to be believed, currently, the petrol prices, which is not mixed with ethanol, right, it is at a lower price than actually the ethanol, right? So do you foresee a scenario wherein the government takes, or the oil companies are forced to take a stance, wherein they are actually not procuring ethanol as much because of the price arbitrage. Do you see where I am going with this, do you foresee a scenario?

Kushal Mittal:

See, no, I do not foresee such a scenario. One, because if that scenario is concerned, then ethanol blending should go up when prices have hit \$100 a barrel. See, this is not just a policy for the OMCs to be more profitable, the ethanol policy. The ethanol policy is serving a lot of purposes. One, you have to understand that India has now become a grain surplus country, and there is no use for this grain. We are producing much more rice than we have 36 million tonnes of surplus rice, the government doesn't know what to do with it. We are producing sugar, we are surplus in it.

So how do you best utilize this production and ensure that the farmer is being paid in a timely manner, at a good price for their crop. So you have to ensure that industrial demand is created for this crop. And I think that is one of the biggest reasons why ethanol policy was brought into the country, and it's starting to show. Maize prices that were at Rs. 11, Rs. 12 a kg are now easily at Rs. 24, Rs. 25 a kg. The farmer has earned. There's a lot of crop diversification that has happened towards maize, especially in areas where water trouble was already low. Maize is a crop that requires significantly lower water as opposed to paddy.

It is also a policy for India's energy independence. I will give you an example. During COVID, when the edible oil prices crashed significantly, countries like Malaysia and Indonesia, which were big exporters of these edible oils, instead of decreasing their biodiesel mandate, they increased it at a time like that, because they had to ensure that their farmers produce gets sold at a good price and their farmers are not stressed in a difficult time. Similarly, I believe in India, regardless of the petrol prices, the ethanol policy is a long-term policy, and not just made so that the OMCs earn more profit.

Abhishek Khare:

Right. And my reason for asking that question was because you are very closely working with the government, what sense are you getting and your answer kind of explains that part. One last question, if I may squeeze in, please. Regarding biodiesel, right, there is some teething problem like we had with ethanol, when the blending was just getting started or it was at a very nascent stage. Have you got a sense of what those teething problems are with biodiesel? And is there anything that we have planned or thought ahead to stay ahead of the game, and not have those problems for us to --

- Kushal Mittal:** Biodiesel policy has been a little up and down, I think, in the recent past but I think over time, there will be a sustainable and long-term policy that will come in this sector as well, as the government is looking to promote biofuels in all variations, whether that's BioCNG, biodiesel and ethanol. So I think over time, a good policy will come. We are quite confident of that. In the meantime, as I already explained, we have ensured that a part of that facility can also be used for soft oil refining, which will be supplied to our institutional consumers, so that the established facility does not remain idle.
- Abhishek Khare:** So sir, if say, for example, my maize oil extraction plant runs at full capacity, I do not have a tender for biodiesel, right? Will I be able to recover the cost that I incur? And would I still stay positive in terms of margin, even if we only operate the maize oil extraction plant?
- Kushal Mittal:** Even if we only operate the maize oil extraction plant, I think it's still a profitable venture, because the value addition given from the maize oil extraction surpasses the value loss in DDGS price.
- Abhishek Khare:** Okay, sir. Thank you. That answers my questions. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Vikas Khundeja, an individual investor. Please go ahead.
- Vikas Khundeja:** My first question is that you said that around Rs. 100 crores stock left in edible oil. So in the last quarter you did almost Rs. 300 crores business, so in this Rs. 100 crores left after you have already maybe already done some business in this Q2 itself. So how much business you have already done for payment?
- Kushal Mittal:** I do not have the exact numbers of this quarter, and for quarter two. And I do not wish to share any exact numbers from quarter two at this given stage, please.
- Vikas Khundeja:** Right now, there is so much noise on the social media, especially regarding the E20 petrol. Many people complaining the reduced efficiency of the vehicles, and it may create some pressure on the government to reduce the blending. So, what if the government reduce the blending from E20 to E15 or may be E10, so can the Company handle the situation when the demand is reduced?
- Kushal Mittal:** No, I do not see such a thing happening. Honestly, I do not spend time thinking on what ifs and what, this way anything can happen, tomorrow can be a flood situation or something else. So, the ethanol policy is a long-term policy. And whenever something new is being done, it will always face positive responses and negative responses. So, yes, there is some negative feedback on the blending policy, but I do not think it's a policy that the government will back from. I give you an example, when Bardha Dam was first built, there was a backlash from the public that you have extracted electricity from the water, there's nothing left in the water.

Vikas Khundeja: That was old time, actually. All you need to just add that the ethanol is pricier than petrol. But the government is continuously increasing the MSP of the grain --

Moderator: Sorry to interrupt you. May I please request you to rejoin the queue? Thank you. We have our next question from the line of Saket Kapoor from Kapoor Co. Please go ahead.

Saket Kapoor: Namaskar, sir. Sir, can you provide me how was the realization for ENA been for the state and the average realization for the country for the last quarter?

Kushal Mittal: ENA prices have been stable around Rs. 66 to Rs. 67 a liter, I think, in most of the states across the nation.

Saket Kapoor: Post the June exit, sir, how are the prices trending generally do we have any seasonality effect for the ensuing quarter or?

Kushal Mittal: They have been mostly stable. They have been mostly stable.

Saket Kapoor: Prices have remained stable currently?

Kushal Mittal: Yes.

Saket Kapoor: And sir, currently for our ethanol price realization, what are we realizing in terms of the per liter value for ethanol as the contracted value?

Kushal Mittal: It's around Rs. 6 to Rs. 7 a liter.

Saket Kapoor: This is the margin you are mentioning?

Kushal Mittal: Yes.

Saket Kapoor: What is the realizable value, sir, at what price are we realizing ethanol sales?

Kushal Mittal: See, maize is being supplied at Rs. 71.86. DFG is around Rs. 64, and I think surplus food grain is around Rs. 58.50.

Saket Kapoor: Right. And you were mentioning about the tendering from the OMCs currently. So, I think so they have come up with their program for a longer period of time. So for us, how much have we locked ourselves with the capacity, for how many years for the contracted value, and number of liters?

Kushal Mittal: No, this is yearly basis. So, we participate in the tender on a yearly basis. What you are referring to was an LTOA that was bought for some units. Since we have ENA plants as well, we did not participate in the LTOA. So we bid for our quantity on a yearly basis.

- Saket Kapoor:** So what are LTOAs, sir, I am not aware?
- Kushal Mittal:** LTOA was Long-Term Offtake Agreement which was done with some units. But even if a unit was of 200 KLPD capacity, the LTOA was only done for about 50% to 60% of their capacity.
- Saket Kapoor:** As of now, when is the renewal due? Sorry, sir, as of now, when is the new contract due?
- Kushal Mittal:** The fresh tender is expected in October of this year, which will be from November. So it goes from November 1 until October 31.
- Saket Kapoor:** Okay. Thank you, sir.
- Moderator:** Thank you. We have our next question from the line of Bhavesh, an individual investor. Please go ahead.
- Bhavesh:** Good afternoon, sir. Thank you for the opportunity. Firstly, I would like to thank you on updating us with the pictures of the biodiesel plant on your website of the Company. My first question is with respect to the acquisition of Pioneer Industries, what is the status? And do you plan to make a subsidiary?
- Kushal Mittal:** Good afternoon. Thank you for the question. See, Pioneer Industries is a Company where the promoters of BCL have held equity since 2005. This used to be earlier at 50% and we had sold 25% of our stake to our partner who increased their equity from 50% to 75% in, I think it was during 2020 of COVID. It was during COVID, I do not remember the exact date. That was to fund our unit at Svaksha Distillery because we required capital to set up Svaksha Distillery. So that's when we decided that the promoters will sell 25% of their stake in Pioneer.
- So, Pioneer, even if BCL acquires the entire shareholding from the promoters of BCL, will only be considered as an associate Company and not a subsidiary. Anything, I think below 50% is associate and above 50% is a subsidiary. So, even if we were to increase our stake to 25%, BCL stake, it will remain as an associate Company.
- Bhavesh:** But still the profits will reflect in the books, so do you plan to do that?
- Kushal Mittal:** Not as of yet. Maybe in the future, yes, but not in the short term.
- Bhavesh:** Because the Company does really well like Rs. 500 crores, Rs. 600 crores of revenue, it will only add on the value in our books, so no plans?
- Kushal Mittal:** Not in the short term. But of course, this move to bring the shareholding where it is was done in a long-term thinking.
- Bhavesh:** Okay. Understood. My second question, since you already have your own IMIL, so do you plan to enter into the IMFL business, like by launching one brand so that you have a good hold in the

business, because the market is not giving you premium because since you are dealing in the IMIL business. So once you enter the IMIL, I guess you will start receiving the premium valuations. So even if it is a one brand, it will add on the value to the BCL's business. So...

Kushal Mittal: Next year, we are exploring the possibility of entering the IMFL market in April of 2026. And if not in April 2026, we are exploring then either mid of 2026 or next of April 2027, we will be entering the IMFL market. We just want to ensure that when we enter the IMFL market, we do it with thorough research done beforehand, with the right product and right product placement, and also to have reserved cash that can be spent in proper marketing and launching of the product. So we want to ensure that everything is in order, before we enter the IMFL market.

Bhavesh: Perfect. So you are going to launch one brand in 2026, that's for sure?

Kushal Mittal: We are working towards that, one or two brands.

Bhavesh: Perfect. And lastly, what is the current debt?

Kushal Mittal: I think the total debt including our subsidiary?

Bhavesh: Yes, yes. Everything, consolidated.

Kushal Mittal: Consolidated would be I think around Rs. 450 crores.

Bhavesh: It has reduced.

Kushal Mittal: Yes, we had to surrender Rs. 90 crores of working capital in BCL.

Bhavesh: I remember.

Kushal Mittal: So, I think it's around Rs. 450 crores, Rs. 470 crores.

Bhavesh: So this will come down to Rs. 350 crores in the next six to eight months?

Kushal Mittal: No, that has already been done.

Bhavesh: So it won't reduce further?

Kushal Mittal: Yes.

Bhavesh: Thank you. Looking forward for the IMFL business.

Kushal Mittal: Thank you.

Moderator: Thank you. We have a next question from the line of Sarath, an individual investor. Please go ahead.

- Sarath:** Good afternoon, Kushal ji. Sir, my question is on the margins, sir. See, when we were procuring maize in the range of Rs. 27 to Rs. 28, I am talking about the average. We procured in Q3, Rs. 27 to Rs. 28. At that time, our EBITDA was Rs. 43 crores. I am talking about the Distillery margins, Rs. 43 crores was our EBITDA. And now in Q1, you said your average is about Rs. 24 to Rs. 24.5. So there is a clear drop of Rs. 3 in maize price. But that's not reflecting in the EBITDA at all. So what am I asking actually, the EBITDA should have been in the range of Rs. 70 crores?
- Kushal Mittal:** So, there are two reasons for this. One being the FCI rice ethanol that's now being supplied. See, FCI rice prices earlier used to be at Rs. 22. Now they are Rs. 22.5. But we participate in the FCI rice policy despite the low margins that it gives, to ensure that the other raw material prices stabilize because that decreases our reliance on maize that we procure from the open market. And see, whenever I give an average, we always have some forward contracts here and there. So maybe we had some Rs. 27 contract that we were fulfilling still. So that is also one of the reasons that the rice drop is averaged out. And thirdly, since it was peak summer season, what we always see in the summer is that the DDGS demand significantly decreases, as poultry and cattle feed demand goes down. So there was a correction in the DDGS prices. And beginning August, we are seeing that DDGS prices have started to improve again. So that will also help.
- Sarath:** So what was the DDGS price in Q1? Was that in the Rs. 12-Rs. 13 range or it went to Rs. 10-Rs. 11 kind of a thing?
- Kushal Mittal:** I think in our maybe Bengal unit, it was around Rs. 12, and similarly at Bathinda as well.
- Sarath:** So you are saying it's not much of a drop. Because in the previous quarter also, and prior to that also in Q3 also, it was ranging in the Rs. 12 to Rs. 13 range?
- Kushal Mittal:** No. No, I think this has usually been around Rs. 14. So currently also, it's around Rs. 14 to Rs. 15.
- Sarath:** So still the numbers are not adding up, sir. How much of spirit would have come from maize in this quarter, 4 crores liters? You said some 30% of the production is from FCI and DFG rice. I am assuming that still 4 crores liters is coming from maize in Q1, a total of 6.3 crores liters of spirit was produced and sold. And out of that, 4 crores liters would have come from maize.
- Kushal Mittal:** Yes.
- Sarath:** So even if I take 4 crores liters, where is the margin increase, sir? Where is the EBITDA increase? Help me understand.
- Kushal Mittal:** I think I have given the answer to the best of my capability. I do not see what more I can say. DDGS prices decreased. We had to supply some ethanol under FCI rice, which reduces the margins. And of course, when prices go down for any grain, it takes a while for that to impact

your stock, because there's always some forward contracts that you have to adhere to. So I will stick to that answer.

Sarath: Kushal ji, please help me understand, because whenever we have asked for the prices, you were giving your average price, mandate price to the BCL. So in Q3 you gave your number at Rs. 27.50.

Kushal Mittal: See, when I give a price, I say what is the current market price. When I give an average of the last quarter, when I said Rs. 24, Rs. 24.5, that was the average market price that was prevailing during these months. I do not give the average exact of our procurement price.

Sarath: We were given the impression that it was there average price for BCL --

Moderator: Sorry to interrupt, Mr. Sarath, may I please request you to rejoin the queue.

Sarath: Yes, sir. It is only one question, sir. The discussion is happening around that only. Please help me finish, it's not going to take a minute.

Kushal Mittal: I think I have already answered the question to the best of my capability. I do not see what see I can say.

Sarath: Okay, sir. Thank you.

Moderator: Thank you. We have our next question from the line of Vikas Khundeja, an individual investor. Please go ahead.

Vikas Khundeja: My question is regarding your stock performance, because the Company is doing so much well. The EBITDA margin is well above the industry EBITDA margin. But still the Company fails to please investors, especially FIIs and FDIs, they are continually exiting the business Company. So how do you think about this?

Kushal Mittal: I do not know if I can comment on this. I think as management of the Company, we try our level best to give the best possible results, and continue to grow. I think we have done that in the past years, and we will continue to do so. So we are also working more so towards our corporate governance by opening up our corporate office in Chandigarh, and being more professional in our workings. So I think all I can do and all we can do as a management is to grow, grow sustainably, and try to give the best value for our shareholders. The rest I cannot really comment much upon.

Vikas Khundeja: So from the last quarter, you have CEO in your Company. So how they are helping in the business?

- Kushal Mittal:** See, Mr. Varun Gupta comes from a professional background, and it's a new industry for the CEO, and he will take a few months learning about our workings and of course, making the Company more efficient and more professional and more system-driven.
- Vikas Khundeja:** Do you expect any price hike in ethanol after the MSP hike?
- Kushal Mittal:** I do not know actually. I hope for it, but I do not know.
- Vikas Khundeja:** Okay. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Rushin Hirpara from Soop Investment. Please go ahead.
- Rushin Hirpara:** Yes sir, I joined the call a bit late, so I apologize if the question is repeated. The 20% blended target has been hit, so how are you reevaluating the Goyal Distillery acquisition?
- Kushal Mittal:** Yes. See, the 20% target has been hit, but I think the government is evaluating maybe increasing the blend or coming up with flex fuel. So demand, we think, will increase in the coming times as well. Moreover, petrol consumption is increasing on a yearly basis. But yes, for the fact that we have hit the 20% target, as I earlier mentioned as well that Goyal Distillery work will begin next year only. So we will look at all the variables and only then we will make a decision. But we are quite confident that the demand will increase in the coming times.
- Rushin Hirpara:** But sir, currently, the industry is in oversupply. So how would that affect in the short term?
- Kushal Mittal:** See, yes, I had given, I think, quite a comprehensive answer to this. There has been an increase, much, much increase in competition when it comes to the ethanol sector. There has been an exponential growth, especially in the last two years. But we at BCL have always tried to keep on innovating and doing better than our peers to help in the toughest of times. We had planned a paddy straw boiler three years ago; two years ago it was commissioned. No one was thinking on that line. Then maize oil extraction, I think I can confidently say we are the pioneers in this business, setting up a biodiesel unit. No one is working around that. So I think the future belongs to those who have scale, who can continue to innovate, and who are efficient in their procurement and production. So for them, future will be good. For a lot of the smaller units, I think there could be some difficulties.
- Rushin Hirpara:** Sir, just one last question. So would it be a possibility that you would try to increase your ENA and alcohol sales to compensate for the competition in ethanol?
- Kushal Mittal:** No, ENA sales are increasing organically. So I think in ENA is a sector that will continue to perform well.
- Rushin Hirpara:** So would you be increasing the revenue contribution of ENA alcohol? Or would it go as it is?

- Kushal Mittal:** No, ENA sales, I think will continue to improve. And I had mentioned earlier as well that we are exploring entry into IMFL. So that should also help. And our IMIL business is also doing well. So if we see significant growth from that to continue, then some ENA will be consumed for our own bottling and increased ENA. So I think we are quite confident with the ENA business.
- Rushin Hirpara:** Sir, for IMFL, would you be open to partnering with other established brands?
- Moderator:** Sorry to interrupt, may I please request you to rejoin the queue.
- Kushal Mittal:** So I will just answer that regardless. We are not actively looking for a bottling tie-up. We are more interested in launching our own product.
- Rushin Hirpara:** Thank you, sir. That answers all of my questions. Thank you.
- Moderator:** Thank you. The next question is from the line of Harish Poddar, an individual investor. Please go ahead.
- Harish Poddar:** Sir, I just want to continue on the answer of previous to previous question. You said that there was a significant price drop in the maize from around Rs. 28 to Rs. 24, 24.5, but we are not able to see the impact in the margin of that because of some forward contract. So do you expect that that will reflect into this quarter results, and going to next results?
- Kushal Mittal:** See, margins will improve, but there will not be an exponential improvement in the margin, because it is a commodity at the end of the day. DDGS prices are always fluctuating. There's a fuel price that is a major impact in our production cost. That depends on the availability and can go up and down.
- So just looking at the maize price and saying margins should increase by this much per liter. And if it's not being done so, then there's something wrong, I think, is an incorrect statement that was trying to be implied earlier; and DDGS is there. And as I also mentioned that FCI rice prices have increased from Rs. 20 to Rs. 22.5, whereas there has been no increase in the ethanol price from FCI rice. But we have to participate in the FCI rice policy, so that the raw material or the other raw material prices continue to stay stable and there's not an exponential jump on that front. So regardless of that, I think our Company has always strived to give the best possible margins and results, and we will continue to do that.
- Harish Poddar:** Got your point, sir. But my point was that major impact of the cost is the maize cost, that is reduced by Rs. three or Rs. 4 in last one or two quarters. So I do not think so all the benefit will be absorbed on the FCI that is a very limited utilization in your unit, and the oil and other cost materials.
- Kushal Mittal:** So FCI rice is 30% to 35% of our production, it is quite significant.

- Harish Poddar:** Okay, thank you. Got it. And my last question is that --
- Moderator:** Sorry to interrupt you Mr. Harish. May we please request you to rejoin the queue? The next question is from the line of Shiwbhagwan from KNCS and Co. Please go ahead.
- Shiwbhagwan Assawa:** Yes. I have one suggestion, Mr. Mittal. Why do not you bring your CFO in con call so that numbers can be categorically tell by him?
- Kushal Mittal:** Okay, sure.
- Shiwbhagwan Assawa:** Yes. It is better because CFO will be probably conversant with numbers, he should have all those things in fingertips. Now my question is, what is the rationale behind promoter selling Premier stake to BCL?
- Kushal Mittal:** Premier stake, I am not sure.
- Shiwbhagwan Assawa:** That you are private shareholding, you have sold to BCL last quarter.
- Kushal Mittal:** Pioneer?
- Shiwbhagwan Assawa:** Sorry, Pioneer. Not Premier; Pioneer. So, what is the rationale behind that?
- Kushal Mittal:** Pioneer is a great Company, and we want to consolidate. The promoters want to consolidate their assets also. And it's I think good synergy for both Pioneer and BCL. So BCL holding Pioneer's equity, and if that goes up to 25%, then Pioneer becomes BCL's associate Company. So that's also very much beneficial for BCL. And there could always be synergy between the two companies. So for that reason, we decided to go with this.
- Shiwbhagwan Assawa:** Let me give you my honest feedback on this transaction. Investors feeling is that since cash is available in BCL books, promoter had just passed their stake in Pioneer Industries in BCL and taken that cash.
- Kushal Mittal:** I think I have also gotten the feedback from some investors that the valuation done for Pioneer was quite low, and that it would be very much beneficial for BCL that such a transaction was done. So I think they are both sides to the same coin.
- Shiwbhagwan Assawa:** That's fair enough. But I still cannot see, unless you make Pioneer subsidiary of BCL, that should makes sense, you are selling all those stakes to BCL and making Pioneer as a subsidiary of BCL.
- Kushal Mittal:** As I earlier mentioned, Pioneer can only be considered as an associate Company even if all the shareholding is transferred from the promoter to BCL and not a subsidiary.

- Shiwbhagwan Assawa:** That's fair enough. And secondly, if you could have utilized this cash which you have received from BCL to increase, promoter stake in BCL could have given a positive response from investors. That you thought of or no?
- Moderator:** Sorry to interrupt you, sir, please request you to rejoin the queue.
- Shiwbhagwan Assawa:** I have already asked my question. I am waiting for answer.
- Kushal Mittal:** No, promoter has already bought stake in the past. And I would say even if you look at COVID, the promoters funded a lot of funds in the Company, and that has been done twice and thrice since then. So as I had earlier mentioned, promoter used to hold 50% stake in Pioneer. They had sold 25% of their stake during the time of COVID, so that they could ensure that Svaksha Distillery was set up, and they had infused funds in the Company even at that time.
- So, we as promoters did not take dividends for, I think, three years and have only put in money in the Company. And to make a statement and say that the promoters have taken cash from the Company, I think that is incorrect. We have received a lot of positive remarks on the acquisition of Pioneer shares by BCL. And I do not have any further comments, to be honest.
- Shiwbhagwan Assawa:** Thank you. Next time onwards I hope that CFO will also join the con call.
- Moderator:** Thank you. The next question is from the line of Rajesh Agarwal from Proprietary Advisors. Please go ahead.
- Rajesh Agarwal:** We have started this corn extraction, could you please tell me what is the percentage of oil which we get from the DDGS?
- Kushal Mittal:** I do not wish to disclose that, to be honest, because a lot of our competitors are trying to copy us, and I do not want to give such information in public.
- Rajesh Agarwal:** Kushal, this is not a confidential information. Oil extraction, I mean, this is a procedural matter. I mean it could be 1% this side, that side. I mean, anybody can get it from the supplier also. But since I am a shareholder, I am asking you. I mean, it's not something that your competitor will get to know how much oil you are extracting. Already so many competitors are doing it. Globus is doing it. So as a genuine shareholder, I am asking.
- Kushal Mittal:** Globus there is a different way of oil extraction they are doing. That is being done through a centrifuge or a decanter. We are extracting oil in a different way. We are extracting all the oil that is available in the maize. That's all I can say.
- Rajesh Agarwal:** Could you give me what is the present price of oil?
- Kushal Mittal:** Yes, around Rs. 90 to Rs. 95.

Rajesh Agarwal: Per kg.??

Kushal Mittal: Yes.

Rajesh Agarwal: Because you can always give me a rough figure. I am not asking you --

Moderator: Thank you. Sorry to interrupt you Mr. Rajesh. May we request you to rejoin the queue? Please go ahead. Next question is from the line of Bhavesh, an individual investor. Please go ahead.

Bhavesh: A quick follow-up. Sir, do you expect revenue to go up in Q2 since you said that Q2 will be better than Q1.

Kushal Mittal: No, I do not expect revenue increase.

Bhavesh: Revenue will remain the same, or?

Kushal Mittal: Maybe some reduction in the revenue when it comes to it. But overall margins, as I said, should improve.

Bhavesh: Should improve, okay. And secondly, how do you plan to fund the Goyal Distillery setup? So, is it the full debt or a combination of debt and equity?

Kushal Mittal: Of course, it will be a combination of both. But we have not finalized on a ratio as of yet.

Bhavesh: Okay. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Harish Poddar, an individual investor. Please go ahead.

Harish Poddar: Hello, sir. Thanks for giving me the second change. So I have one question. As there is an issue regarding the demand of ethanol, so do we have a plan to move the plant on ENA, more capacity towards the ENA, apart from your existing 400 capacity?

Kushal Mittal: No. Even currently, our entire 400 capacity is not being utilized fully to make ENA. About 100 KL approximately is utilized. So there is still room for growth, given our current infrastructure and the licenses to grow in the ENA business. So the ethanol businesses, the ethanol facilities that have been set up unfortunately cannot be converted into ENA businesses, because the licenses and everything, even the environmental clearances are all completely separate. So a shift there cannot be made.

Harish Poddar: Even in future, it's not possible to get the additional approvals on these plants. In the worst case, if there is a problem with ethanol, so we will be able to move on ENA.

Kushal Mittal: No, a shift is not possible. All permissions are different. And I think that's a positive sign, because all units that have been set up, most of them, they are ethanol-dedicated units. So they cannot shift towards ENA.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today. And due to time constraints, this would be the last question for today. And on behalf of BCL Industries Limited and Go India Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.