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CORPORATE RELATIONSHIP DEPARTMENT BSE LIMITED FLOOR 25, FEROUZE JEEJEEBHOY TOWERS, DALAL STREET MUMBAI- 400001	THE MANAGER, NATIONAL STOCK EXCHANGE OF INDIA LTD., EXCHANGE PLAZA, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI – 400051
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Date: 19/08/2024

Reg: Analyst/Investors Concall held on 13/08/2024

Dear Sir/Madam

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby annex the transcript of the Analyst and Investors conference call held on 13th August 2024 to discuss un-audited financial results of the Company for the I Quarter ended on 30th June, 2024.

Submitted for the larger dissemination amongst the public at large.

Thanking You,

**Yours faithfully,
For BCL Industries Limited**

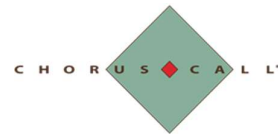
**Ajeet Kumar Thakur
Company Secretary & Compliance Officer**



“BCL Industries Limited
Q1 FY 25 Earnings Conference Call”
August 13, 2024



InCred Equities



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

**MODERATOR: MR. NITIN AWASTHI – INCRED EQUITIES
MS. PRIYA SEN – INVESTOR RELATION – GO INDIA
ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the BCL Industries Q1 FY'25 Earnings Conference Call hosted by InCred Equities. 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 the call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Awasthi from InCred Equities. Thank you, and over to you, sir.

Nitin Awasthi: Thank you Reo. We thank the management of BCL Industries for giving us this opportunity to host their call today. From the management, we have Mr. Kushal Mittal, along with their IR represented by Priya Sen of Go India Advisors. I now hand over the floor to Kushalji, for his opening remarks. Over to you, sir.

Kushal Mittal: Thank you, Mr. Nitin. I welcome everyone to the Quarter 1 FY '25 Earnings Conference Call for BCL Industries Limited. The financial results and investor presentation have been uploaded on the exchange and I trust everyone has had the opportunity to review them. To begin, I would like to mention that all figures referenced in my remarks and the investor presentation are on a consolidated basis including Svaksha Distillery where BCL holds a 75% stake.

With 4 decades of experience in grains procurement and processing, BCL operates one of India's largest grain-based distilleries. Last quarter, we successfully commissioned a new 100 KLPD ethanol-dedicated plant at Svaksha in Kharagpur, increasing our total distillery capacity to 700 KLPD. The new plant is operating efficiently and we expect it to meet its capacity utilization in the current quarter.

BCL predominantly uses maize for ethanol and ENA production and we are among the first in the country to adopt this approach. This quarter, the robust maize harvest from Bihar has led to improved margins in this segment. Building on our expertise in maize processing and oil extraction, BCL is expanding into the biodiesel segment. With the government's emphasis on biofuels, including the Ethanol Blending Program and the target of 5% biodiesel blending by 2030, BCL is well positioned to capitalize on this opportunity.

We have made significant progress in establishing a 75 KLPD biodiesel plant at Bathinda. All necessary statutory clearances are in place, major orders have been finalized and the civil work is currently happening on site. This new plant will enable full backward and forward vertical integration, enhancing the value added of our maize-based ethanol production. We will be utilizing technical maize oil derived from our maize as the primary raw material, further enhancing our operational efficiency and production capabilities.

As India's biofuel demand are projected to triple, BCL itself for substantial growth. We are expanding in both ethanol and biodiesel markets and aim to increase our ethanol capacity to 850 KLPD over -- in the next year. In the country liquor segment, we are expanding our supplier of bottled country liquor to meet strong demand in Punjab. This quarter we sold approximately 3,93,596 boxes of IMIL.

Amidst the global -- amongst the volatile global edible oil market, industry players have faced considerable difficulties. However, us at BCL have adequately managed these challenges and maintained stable margins. To ensure sustainable margins and superior shareholder returns, we will undertake a phased exit from the edible oil business in the next financial year. We're also gradually selling off our remaining real estate inventory with the proceeds allocated for debt repayment.

As we ramp up utilization of our 100 KLPD distillery and leveraged strong demand in the IMIL segment, we expect to achieve top line of approximately INR1,750 crores from the distillery segment alone, while maintaining sustainable margins. Additionally, we plan to integrate advanced technology capable of processing various feedstocks and fuel sources to produce both ethanol and ENA based on demand while also enhancing operational efficiencies.

Now let me provide an update on our financial and operational performance for quarter 1 FY '25. The company has demonstrated robust results across all areas. For this quarter total revenue reached INR 660 crores marking a 47.3% increase year-on-year. EBITDA was at INR 57 crores resulting in an EBITDA margin of 8.48%, up by 36% year-on-year. PAT stood at INR 25 crores versus INR 20 crores in the FY '24 with PAT margin of 3.79%.

Distillery segment has shown a remarkable performance. Ethanol volumes doubled reaching 50,000 KL compared to previous year, while ENA volumes were at 5,830 KL, reflecting 40.38% decrease. Revenue from ethanol was at INR 357 crores, showing an impressive 154% increase year-on-year and revenue from ENA was at INR 40 crores. EBITDA from the distillery segment was INR 50 crores, representing a 35.1% increase in quarter 1 FY '24.

We are steadfast in our commitment to maintaining the highest-level standards of governance and transparency, aiming to deliver exceptional returns and create significant value for our stakeholders. Thank you.

- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from Bala Murali Krishna from Oman Investment Advisors. Please go ahead.
- Bala Murali Krishna:** Hi, good evening Mr. Kushal, could you please throw some light on the raw material prices in the quarter 1 and quarter 2 what is the position now?
- Kushal Mittal:** See, on an average for quarter 1, I would say the raw material prices were around -- for me is I'd say, they were around INR 23 per kg. And that has increased by INR 2 currently.
- Bala Murali Krishna:** That's it INR 25 in this quarter. And regarding this biodiesel plant. So when we can expect that by March end or by this year end -- calendar year end?
- Kushal Mittal:** We are trying our best to try and commission the plant by April of next calendar year. But since it's a brand new plant for us, it might go up by 1 or 2 months.

Bala Murali Krishna: Okay, sure, sir. So in ENA and ethanol volume I think around 55,000 kiloliters this quarter. So I think there is still some more room available for the production. you can go up to 60,000 kilolitres. Is it a right assumption?

Kushal Mittal: Yes, see, definitely, there is room for it to go up. Close to 60,000, but sometimes the shutdown is required for a week long, so it goes up and down. So yes there is definitely room for our capacity to go up.

Bala Murali Krishna: Okay. And lastly on the maize prices, so I think we will telling that there is a good harvest from the Bihar, still the prices are elevated from INR 25 from the next day of INR 20. So how we can see this one and going forward, I think if this continues in this Q2, our maize price is INR 25 there will be a further dip in margins in the Q2 also?

Kushal Mittal: See, maize is a crop that comes across the country at some point or another. There's always a harvest happening. And this current period where we're sitting on is an exception where for 2, 3 months there is no harvest. So there's always fluctuation in the market. And with the government focus now coming towards the maize for ethanol production, we have seen the prices of maize increase in the past and the demand for maize is strong in the market by the poultry industry, also the starch industry and by the ethanol industry.

So that has been the reason for the increase. And this is -- for the maize crop, this current period where we're sitting in is usually a stress period, where there is no harvest. But by September there should be harvest in MP and Rajasthan. So let's see how that plays out. And the crop for maize is increasing. The area for cultivation across India is increasing. That can be tracked by the seed sale of maize. So that is increasing. And we hope in the next 18 months to 2 years that the maize will be a big crop in the country.

Bala Murali Krishna: Okay. And just a follow-up on that. So I think the opposition has given some request to the government to open the FCI rice for ethanol production. Any update on that? And what is your thoughts also on that?

Kushal Mittal: I don't have an update for you on that. But at the same time I can tell you the ground report that the last year's harvest is yet to be picked up because FCI godowns have ran out of space, especially in Punjab and Haryana. There are no more racks going down South or to East of India from these 2 states. Last year harvest is still lying with millers who have suffered many losses.

The same has been raised in the parliament by multiple MPs. And with this year's crop – with this year's harvest on the horizon, so we're unsure how FCI will be able to manage such stock. Keeping that in mind, the industry had made a representation that some of this rice to be given to the distillers because even FCI has on surplus stock and the industry can benefit from some raw materials, but I do not have any solid updates on it.

Bala Murali Krishna: Okay. Then 150 KLPD, I think we are waiting for the permission. So any update on that?

Kushal Mittal: Yes. We're in the final stages, I think very soon, we should have an update.

- Moderator:** Thank you. The next question is from the line of Deepesh Sancheti from Maanya Finance. Please go ahead.
- Deepesh Sancheti:** Vishal ji, congratulations on an excellent set of numbers. My question -- first question was actually on the impact of biodiesel. With the government today, we heard something on the television that Amit Shah ji and the government are planning ethanol blending in diesel. How do you see that? Will that affect our biodiesel demand? Or will it be an addition?
- Kushal Mittal:** I think that will only be an addition. It should not affect our biodiesel demand because that's also an industry they are looking to promote to help the oil cultivators in the country, but also at the same time, I've read what you were mentioning about possible ethanol blending in diesel, but I believe India will be the first country to do so. And even the nitty-gritty on it, I don't know if it's been decided yet.
- So I do not have a solid update on that. The talks are going on, I believe Praj has claimed that they have a technology which will help ethanol blending in diesel. But -- and I'll see how that plays out. Because at the same time, biodiesel also is an important sector, of the edible oil industry. And the -- if the government wants to promote crop diversification, which they are looking to do so, then biodiesel also will play an important role in the long run.
- Deepesh Sancheti:** Because I wanted to understand whether -- can it be possible that biodiesel, I mean there will be blending of biodiesel as well as blending of ethanol or it will be individual that biodiesel will be separate and...
- Kushal Mittal:** Very well. I think both would be there from what I can foresee. But since ethanol blending in diesel is a brand-new technology. And I think still trial -- it's in the trial phase. So I can't comment too much on it.
- Deepesh Sancheti:** Okay. Since our plant will be commissioned next year, we have all the orders in place as in the orders have been already driven by the OMCs?
- Kushal Mittal:** No. So the OMCs do not give any orders until we get the consent to operate from their respective Pollution Control Board and that is only given once the plant is fully established. So that's just normal procedure for us to get orders after our plant is established.
- Deepesh Sancheti:** Okay. Now one more question was about the maize prices. Currently, what are the maize prices? Has it gone to INR 27 or is still at INR 25?
- Kushal Mittal:** See, I'm giving an average rate of INR 25 -- if prices are fluctuating, so I don't want to comment on a specific number as that wouldn't be right, one number today could be something else tomorrow. So I don't want to -- I've given an average.
- Deepesh Sancheti:** Okay. And is there any plan of the government or the company to allow to lease GMA's input?
- Kushal Mittal:** See, they are talking about it, even just yesterday, I think 150 more seeds were introduced, hybrid seed. So GMA is a political issue in our country. So it's tough to comment again. I think

policy-makers would be better suited to answer that question. But the government is focusing more on hybrid seeds and high yielding and higher resisting crops, so we expect the maize yield to increase in the coming time.

And also Indian maize yield is far below the global average. Farmers in North India have achieved the -- even surpassed the global AGs in paddy and wheat, but it takes time, to harvest, the farmer learns, what is good, what is bad. So even with the current seeds and the current parity, there's a long way that the Indian farmer can do to increase their yields. And since the crop is growing, there will be better practices available for every farmer. So we expect yields to increase regardless in the long run.

Deepesh Sancheti: Okay. And now about the FCI, you mentioned that FCI doesn't have much of space to store the next crop. Do you think that, that will help or will the company actually go back to rice -- broken rice if FCI plans to give it at the right price?

Kushal Mittal: If FCI plans to give away some rice to distiller, that help cool down the maize market also. Because there will be an additional supplier of grain. So that will benefit everyone.

Deepesh Sancheti: Okay. Okay. And there was a news of also -- I mean, government trying -- since -- along with the news of ethanol being blended in diesel, there was also a news of the prices being increased for ethanol sector. Have you heard of it? Or are there any feelers in the government...

Kushal Mittal: I think that's mostly for sugar, that's mostly for -- the news is mostly about sugar and its derivative-based ethanol. I don't know if grain has been discussed in that.

Deepesh Sancheti: Okay. My next question was, what is your capex plan for FY '25 and how it is going to be funded, mostly internal accruals or are we planning...

Kushal Mittal: This year the 75 KLPD biodiesel plant, along with that, a new paddy straw-based power plant, we've forecasted that about INR 140 crores will be required, out of which INR 90 crores, the company expects to take in form of debt. The rest will be from internal accruals. But also, I would like to clarify here that while we are looking to close down our Edible Oil business, the company will have to reduce its working capital by another INR 90 crores to shut down this business. So the net effect would not be there by increasing that debt.

Deepesh Sancheti: Okay. And this -- in this quarter and going forward in this year, what is the percentage of ENA and ethanol, which is expected? Because this quarter, I think the ENA volume has -- and revenue are year-on-year and quarter-on-quarter have decreased?

Kushal Mittal: Only that's for quarter 1, it's always normal for ENA revenues to decrease and because every year, a new excise policy is launched across India. And it's like a reset button. So all bottlers, everyone have to take fresh permissions, the EDP prices changes, so everything changes in the quarter 1. So every quarter 1, you will see that ENA volumes have remained low. ENA revenues have remained low. And similarly, we expect this to increase in the coming quarters, exact figures will be tough for me to get at the moment.

- Deepesh Sancheti:** Okay. And also the cash flow from operations have been a little declining. Can you throw some light on it? And what will be the comfortable level?
- Kushal Mittal:** See, the cash flow will be increasing now because most of our revenue has gone towards the ethanol business now. And if you combine both our units on an average basis, we have about INR 90 crores to INR 100 crores lying with the OMCs as the receivables, so when you -- it's also when you start a new capacity, you start sending them more materials. So I think that's the reason, and it should improve in the future.
- Deepesh Sancheti:** Okay. That's great. And this real estate, I mean, how much is the inventory left in terms of -- and will we see it getting extinguished in this year itself?
- Kushal Mittal:** Again, tough to say the inventory is not much. I'd say about INR6 crores more is left with us. And tough to say if it will all be liquidated in this financial year or not.
- Deepesh Sancheti:** Okay, because you also mentioned that we are sitting on a very prime land. Last quarter con call, you mentioned that the land on which the current edible oil is, it's a very prime land, so if we are getting that plan -- if we are getting that plant out also, will we see a significant revenue from the land?
- Kushal Mittal:** Yes. We foresee that this is a very -- this is right in the heart of the city now and the land is very valuable. We wish to sell the land to a potential buyer. But considering that it's a smaller city and we're experiencing a slowdown in real estate in our Tier 2 and Tier 3 cities. So I don't know how long it will take, but we expect this plant to give a good value in the future.
- Deepesh Sancheti:** Okay. So going ahead, since that will reduce our debt, do you plan any other expansion? I mean can we see another 200 KLPD coming in?
- Kushal Mittal:** It will be hard for me to comment on that right now. Currently, the business plan is 75 KLPD biodiesel at Bathinda, 150 further ethanol in Bathinda. Of course, the company will keep investing. And I think I'll have the detail once they're all finalized by the Board in the future.
- Deepesh Sancheti:** Yes. And we are looking for a bright future for you and for all of us. Congratulations again and all the best for the future.
- Moderator:** Thank you. The next question is from Bala Murali Krishna from Oman Investment Advisors. Please go ahead.
- Bala Murali Krishna:** Mr. Kushal, in Bathinda, EBIT margins are a little bit lower as compared to West Bengal. But in Bhatinda, why we have this dip. what could be the reason for this one?
- Kushal Mittal:** Yes, because the crop that was utilized for this quarter was primarily from Bihar. Freight from Bihar to Punjab is significantly higher than freight from Punjab to West Bengal. So that keeps changing when crop comes in, in Rajasthan, then freight to Punjab is less, depending on where we're procuring the raw material from, freight plays a difference.

- Bala Murali Krishna:** Okay. Understood. And lastly on this working capital, what you are saying INR90 crores savings will be there. So in this manner when we can expect that and what could be the savings in the finance cost...
- Kushal Mittal:** See, by the end of this financial year we should be completing that. And the finance cost for the company is around I think, 9.25. So it should remain the same.
- Bala Murali Krishna:** I mean if this after removing this INR90 crores from the working capital and finance cost will be...
- Kushal Mittal:** No finance cost, I meant interest rate.
- Bala Murali Krishna:** Interest rate. Total interest number I'm asking. So how much we can say?
- Kushal Mittal:** See, total increase from this quarter, what we have reported should go down because we account for our interest of subvention money when we receive it. There is usually a quarter or 2 quarter delay in getting that interest of subvention money from NABARD. So we haven't made a provision for that. And also, of course, our total finance costs will go down with the INR 90 crores decreasing.
- Again, it would be hard for me to give you an exact number because we'll also be raising INR90 crores on our biodiesel. So depending on when that is capitalized, that will be the difference. So tough, but we expect it to decrease from what interest costs have been this quarter. And also see, as I mentioned, with that ethanol capacity increasing significantly, we always have a good amount of receivables from the OMCs.
- So to fund that, we of course, that's from our working capital. So sometimes our working capital is utilized up to 70%. Sometimes it's utilized up to 35%. So that all also makes a difference.
- Moderator:** Thank you. The next question is from Rajesh Agrawal from Proprietary Advisors. Please go ahead.
- Rajesh Agrawal:** Two, three very quick questions. The intersegment revenue. So which division it pertains to at what stage it takes place?
- Kushal Mittal:** I'm sorry which one revenue?
- Rajesh Agrawal:** Intersegment revenue INR 28.33 crores. See our segment revenue is there, then we have less intersegment revenue. Definitely, at intermediary stage it must be passing through to for another manufacturing producing something. So which division it pertains to, see it is coming every quarter. Like this quarter, it is INR28.33 crores?
- Kushal Mittal:** See, I think this is because of raw materials from our edible oil unit is usually transferred to our distillery unit where we -- in our edible oil unit, we also have a rice mill, so that raw material is transferred there. Our edible oil unit also has dryer for maize. So when crop comes into Punjab,

we procure wet maize and then dry it at our edible oil unit and then transfer it to the distillery unit. So that's the reason.

Rajesh Agrawal: Okay. Now my second question is, we are almost on the verge of closing our oil and vanaspati division. And that land is in the heart of the city. Roughly, what is the area of the land?

Kushal Mittal: See, it's around, I'd say, 26 acres.

Rajesh Agrawal: 26 acres. Okay. The third question is, that is our 150 KLPD planned expansion one. I believe it is with environmental clearance and environmental clearance we are expecting shortly. So have we made the presentation and all that, everything is over?

Kushal Mittal: Yes, that is all done.

Rajesh Agrawal: Okay. Thanks a lot.

Moderator: Thank you. The next question is from Deepak Parmar who is an individual investor. Please go ahead.

Deepak Parmar: First of all, congratulations on a good number. I have primarily three questions. First is today in the news channels, it was shown that the government is planning to allocate around 25 lakh tons of sugar towards ethanol against the 17 lakh tons last year. So would that -- and also they are looking at revising the prices of the ethanol from sugar. So will that any way impact our business in terms of the supply to the OMCs?

Kushal Mittal: No, I don't think it should impact our business because also for the next year, the government is aiming for a 20% blending mandate. See the last reported numbers that were at this year achieved at 16%, but now with the sugar supply going out and maize prices increasing, as in the current blending, the latest numbers we have is at 13%. So even if the sugar industry is to supply more, the blending percentage has increased.

And if the prices of the sugar-based ethanol increase, that should not impact our industry per se. I think they're linking that to the sugar cane price. So that should not have any impact on us.

Deepak Parmar: Okay. Another point now when we are thinking that we are exiting the oil and vanaspati business. So we will be primarily a distillery organization? Or is it something else also we are looking at to get into in the future?

Kushal Mittal: No. For now distillery and biodiesel, so agro processing for the ENA, ethanol and biodiesel.

Deepak Parmar: Okay. And one last question is, where do we see after 3 years in terms of revenue or whatever, what is the vision of the organization in 3 to 5 years? Where are we looking at in terms of top line from this segment?

Kushal Mittal: See, it would be tough for me to give you a number. I can tell you what are our expansion plans and from there on, it's always hard to predict exact numbers for the 2, 3 years. see for now 150 KLPD at Bathinda of ethanol and biodiesel at Bathinda. And based upon the success of biodiesel

at Bathinda, we hope to do the same at our other unit as well because that offers full forward and backward vertical integration for our process and will be a great value addition for the company with good margins. So for now, that is our plan.

Deepak Parmar: Okay. And one last question is, in your presentation, you have shown that your debts, you will retire by 2030, so is the plan will be there? Or if the profitability increases or the no other expansion is there, we can retire the debt earlier?

Kushal Mittal: See, of course, we would -- if profitability remains strong and not much capex is going on, then it will retire earlier. But the interest subvention that we have on our books, ideally would like to take that to maturity because that would make sense for us to do so because half of our interest burden is made by NABARD. But besides that, yes, the company envisions to be a debt-free company at the earliest.

Deepak Parmar: Yes. And one last question is, so for this biodiesel plant, I am assuming that it takes around 9 to 12 months of time from the approval stage. So in future, when we expand, the timeline will remain same or because we have done 1 proper installation in 9-12 months, later on, expansion might come quickly.

Kushal Mittal: See, even this expansion, it might take 12-13 months because it's our first project. But regardless of our experience, for a project of this scale, at least 9 months is a bare minimum requirement.

Moderator: Thank you. The next question is from Abhishek Kale, who's an Individual Investor. Please go ahead.

Abhishek Kale: Hello sir. Am I audible?

Kushal Mittal: Yes.

Abhishek Kale: Sir, can you please elaborate on the plans for your restructuring of the edible oil business?

Kushal Mittal: See, the edible oil business we are planning that this financial year will be a last year in operation. Hence, we've already stopped taking too many forward positions in the business and are doing business that is current on buying is not very forward as selling we're not doing forward contracts as much.

And it will be a phased exit. And post shutting down the business will be capping in the machinery that is present here. And then once that is done, then the land will be looked to be monetized. So it is a long procedure for all of the things to happen. So that is the plan. And to close this business, we'll have to decrease our working capital limit by INR 90 crores.

Abhishek Kale: Okay. Sir. Sir, one more question. In the presentation and earlier in the concall you said that we will be -- we are looking at about INR1,750 crores as a top line from our distillery business. And going by our current EBITDA margins for distillery business, it would be INR370 crores of EBITDA and in the presentation as well, it is mentioned that there will be a 20% reduction in

the top line from the vanaspati and vegetable oil business, right? So -- and the profit from there is like about 1.5% or 2% margin.

So INR20 crores from there, right? So full year if my numbers just, please validate if my numbers hold water, -- we are going to do a INR2,850 crores top line and a INR400 crores EBITDA at 14%? Am I right?

Kushal Mittal: Firstly revenue number what have you mentioned?

Abhishek Kale: Sir INR1,750 crores is coming from distillery and I have assumed wrong in the presentation you have written that 20% reduction will be there in vanaspati oil business?

Kushal Mittal: Vanaspati oil will -- next financial year we will be shutting down.

Abhishek Kale: Right. If you see the presentation...

Kushal Mittal: Page Number?

Abhishek Kale: This is Page Number 25 reducing production by 20% and compensating with enhanced EBITDA margin, so is this overall production 20% reduction is there?

Kushal Mittal: It is in overall.

Abhishek Kale: Sorry, I was not clear so my calculation got wrong. So sir what is the topline what we are seeing for the next year if INR1,750 crores is coming from distillery?

Kushal Mittal: They keep a first year of biodiesel just to be very safe with you since we will have two segments primarily. One will be a distillery segment next financial year and the next will be a biodiesel. We're very conservative in my figures. I can say you can take about INR125 crores of revenue from the biodiesel segment, although at 100% capacity utilization it should give us significantly more of revenue.

Abhishek Kale: Right. So this will be FY '25-26. Am I right in saying that?

Kushal Mittal: Right.

Abhishek Kale: So this full year, I mean, considering we are ramping down our edible oil business, we should be able to do roughly the same top line that we have done in the last year. Am I right in saying this?

Kushal Mittal: Yes. So last year, our BCL revenue was at INR1,700 crores and our Svaksha revenue for the prior year, I won't have that figure. But there will be some decrease in the overall revenue of the company because of the edible oil exit, but not very significant.

Abhishek Kale: But sir, will our EBITDA improved, because I mean, right now, we have a completely upsidated contribution from oil and vanaspati?

- Kushal Mittal:** Overall EBITDA margin for the entire company will improve significantly.
- Abhishek Kale:** Okay. And sir, what would be your estimates for EBITDA margin, if I may ask?
- Kushal Mittal:** See, I can't comment on it because the grain market is changing...
- Abhishek Kale:** Ballpark. I will not hold you for that.
- Kushal Mittal:** No, I don't want to make any comments because biodiesel will also come in and biodiesel will give a very good EBITDA margin as far as our calculation. And we don't want to quote anything as of now. I think once the biodiesel production comes into place, you'll see the effects of it.
- Abhishek Kale:** Right. But sir, this is what we are talking about '25, '26, right? Our 24, '25 if we go by the current numbers, right, whatever they are at present? I mean price would fluctuate and all those things would happen. So should we expect about INR400 crores of EBITDA?
- Kushal Mittal:** I mean EBITDA this year?
- Unknown Attendee:** Yes, '24, '25?
- Kushal Mittal:** No, we shouldn't. I think that is too high.
- Abhishek Kale:** Okay. So that is too tall of a number, okay, sir. And sir if I'm understanding correctly, the biodiesel production, right? After we have extracted oil from the corn kernel, and correct me if I'm using the right terms -- if I'm not using the right terms. Once we have extracted the oil, the residue, we will be sending it to our distilleries for ethanol extraction or it would go to poultry, how would that work?
- Kushal Mittal:** So, see there are a few ways of extracting oil from maize. One is extracted from the maize germ. Then there's also another way then in which you can extract it after distillation is done. And there's also another way where you can extract it from the DDGS, so we have a couple of ways to do it. And I don't want to comment on how we will be extracting our oil. But all I can say is that it shouldn't impact our ethanol production. It will not impact our ethanol production adversely and will only be a value addition in the biodiesel business.
- Moderator:** Thank you. The next question is from Vinit Jain from Wise Investment. Please go ahead.
- Vinit Jain:** Sir, Vinit Jain here. Sir, I wanted to understand the prevalent price of DDGS.
- Kushal Mittal:** See, DDGS, it all depends on the raw material for the maize-based DDGS on average would be between INR 13 to INR 14.
- Vinit Jain:** Okay. Like for rice and corn, how it is?
- Kushal Mittal:** Rice, I can't comment. I'm not in the market. But once you blend both rice and DDGS, it depends on what ratio you're working at, it might increase a little more if your blending in rice with maize.

- Vinit Jain:** Okay. And for corn, like what is the price?
- Kushal Mittal:** I guess INR 13 to INR 14.
- Vinit Jain:** Okay. So on corn only you said. Okay. And sir, the recent, FCI decided to restrain the supply of rice. So your comments on that?
- Kushal Mittal:** They have only done it for Delhi, I don't think it will have much impact as of now. Let's see what policy they come up with because a policy is required as they don't have enough space. So let's see what they plan and I think that's an answer for the policymakers of the country.
- Vinit Jain:** So any timeline like when we could expect -- you might also be waiting for that, I think?
- Kushal Mittal:** No, I'm not the right person to answer it. I don't know.
- Vinit Jain:** Okay. And what is the ENA price, sir, in like Punjab and West Bengal?
- Kushal Mittal:** ENA Prices have improved, I'd say, around an average currently around INR68,-INR69.
- Vinit Jain:** Okay. How much percentage would be the impact on our profitability?
- Kushal Mittal:** Not much because we were manufacturing more ethanol earlier now we'll manufacture more ENA. So not much.
- Vinit Jain:** Right. So that is all from my side. Thank you.
- Moderator:** Thank you. Next question is from Imran from Longbow India Capital. Please go ahead.
- Imran:** Kushal I was wondering, if I remove, let's say, INR18 crores, INR20 crores from the revenues of distillery segment, which is I think the realization -- sorry the revenue from the liquor that you sell. So I'd be sitting at about INR75 crores, INR77 crores of byproduct and other sales, right? So I was wondering how are you able to fetch such high byproduct and other realizations?
- Kushal Mittal:** When you mentioning liquor, do you mean bottled liquor or do you mean ENA?
- Imran:** No. I mean the cases that you sell, the boxes you sell?
- Kushal Mittal:** So bye products are DDGS, which is a significant bye product for our industry. CO2 is also another.
- Imran:** So if I divide that INR75 crores with the volumes of ENA and ethanol, so that figure is about INR13 plus per liter. It seems to be on a very higher side because for the industry, it's about INR10-INR11, so I was wondering how do you see this? Can you explain this, if it is possible?
- Kushal Mittal:** See, why not? Because for a liter of ethanol, I'll be making about 0.8 kg of DDGS. And if I were to multiply that by the current selling price, that is INR11.2 plus there is CO2.
- Imran:** So for you, it's INR13 plus, is it?

- Kushal Mittal:** Yes, it fluctuates depending on the DDGS price. But yes, it can be INR12.
- Imran:** All right. And -- yes. All right thank you for...
- Kushal Mittal:** That all depends on what -- if we've been utilizing maize or rice. DDGS itself is giving me INR11.5.
- Imran Khan:** Right. And Kushal, what percentage of your raw material is sourced from your -- this entity that you mentioned, which is the rice mill that you have in the business?
- Kushal Mittal:** See, rice mill is not significant amount, it's basically a byproduct of our own rice mill that we can do our distillery processing. And also in starting June, there were some crops that came in Punjab. And when crops comes in Punjab, it comes at a merchant level of 30% to 35%. So that needs to be dried and sent to our distillery, that's also another thing that goes from here.
- Imran:** And so what would be that percentage for your raw material needs?
- Kushal Mittal:** See, rice is not significant -- it's not a significant amount. For maize, during the harvest, to give you a ballpark figure. So this year we did about 18,000 metric tons of wet maize procurement that was dried and sent to our distillery.
- Imran:** So that would translate roughly to what -- sorry, percentage-wise I'm just curious to know this number?
- Kushal Mittal:** Percentage-wise, it's about 15 days of raw material.
- Moderator:** Thank you. The next question is from Rajesh Agrawal from Proprietary Advisors. Please go ahead.
- Rajesh Agrawal:** One small question, what is the selling price per case for country liquor average selling price?
- Kushal Mittal:** That depends on the EDP. I do not have the updated numbers currently. I think I can take note of this and my IR can reach out to you with the updated figure because I don't want to quote anything wrong.
- Moderator:** Thank you. Next question is from Sakshay who's an individual investor. Please go ahead.
- Sakshay:** Mr. Kushal, first of all, congratulations for the good numbers. I have -- first question as I would like to ask, as you mentioned earlier in this conference, the harvest from Bihar region is very good. So is there any plan for a plant in Bihar or any other states since you've also mentioned freight cost. It also plays a huge difference. So is the company planning any other plants beside from whatever we have right now?
- Kushal Mittal:** No, not as of now. If the company will plan something, then it will be further capacity enhancement at our current locations or value with addition in our existing process. See, I as a company, we have identified 2 very good locations in Kharagpur and Bathinda where ample raw material is available. And we believe these locations are very strategically located.

So we don't want to go to a third place. Instead, we want to ensure that these 2 units are what I'd like to call bulletproof and can survive any cycle. So that can be done through value addition like we're doing in biodiesel or for the capacity enhancement to bring our overhead costs down.

Sakshay: Very good. That's excellent to hear. But I've also heard that Bihar government is giving a good opportunity for the new industries who come in, so I would like to give a recommendation to the management to check in into that.

Moving on to my next question. Is there any further plan in the real estate area since the company has 26(48:05-10) acres of land, as you mentioned, in good area, in a prime area. So, can we see...

Kushal Mittal: No, currently, we are not interested in developing this land ourselves. We would like to monetize it if possible.

Sakshay: Okay. So is there any plan in real estate?

Kushal Mittal: Not currently, no.

Sakshay: So it will be also like an exit from the oil business?

Kushal Mittal: Yes.

Sakshay: And you've also mentioned about the power plant powered by the paddy. So...

Kushal Mittal: Paddy straw.

Sakshay: Yes. So how much power will be generating from that very plant?

Kushal Mittal: See, I don't look at power, I look at steam because we produce more steam than that is required for a power. So about our unit required about when working at 100% capacity utilization. It requires about 100 tons of steam. So about 60% of that is taken care by paddy straw currently. And we're looking to install another power plant for our biodiesel segment. And that too, we will look to install on based on paddy straw.

Sakshay: Okay. So there is no any numbers on how much megawatt are we looking at?

Kushal Mittal: See, we are currently consuming close to 12 megawatts of power. But power will surplus. See, if you understand, we'll be making more steam than that is required for 12-megawatt power plant.

Sakshay: Okay.

Kushal Mittal: I don't know if I'm making sense.

Sakshay: No, I can understand that. And so the next question is, we have recently seen vehicles running from flex fuel being launched in India. So is there anything you can comment about that, like

we are into ethanol business. And if vehicles are running 100% on flex fuel, so can we leverage something on that?

Kushal Mittal: See, so I think it's a very good initiative. It's the right step. But first, to make that practical, we have to achieve 20% blending throughout the nation and then ensure that pumps also have ethanol dedicated pumps because for the consumer, unless there is the convenience of having ethanol at most pumps across the country, they will not maybe shift towards flex fuel vehicles.

So I think it's the right step, but it will take time to happen across the nation. But with the current policy of increasing the farmers' income and bringing down the pollution, I think it will be possible in the future.

Moderator: Thank you. The next question is from Neeraj, who is an individual investor. Please go ahead.

Neeraj: Congratulations on the good set of numbers. My questions are more related to the current price of maize. So the current price, as you mentioned, fluctuates between INR25 to INR27, that is unsustainable for the grain-based ethanol industry, right? So do you see -- like do you hear any murmurs that the government is thinking of allowing import of maize till the maize prices get stable around INR23 or INR22, like the old times because I know farmers take around 18 months, right?

Kushal Mittal: No, I don't think that will happen. And personally, if you were to take my opinion, I don't think that it should happen also because see, we have -- the biggest reason for this -- one of the biggest reason for this policy is to increase the farmers' income. And I believe it is doing so. Whatever the farmer used to get, what, INR10 to INR11 for their harvest, about 18 months back, a year back. Now they're getting double that amount.

So when the farmers income increases, the nation progresses. And I'm of the opinion that allowing the import of maize is not the right solution. We're already sitting on a good bumper stock of rice, that can help the industry in times of trouble. But as an industrialist, as someone who's close to the ground, I would want everyone in my supply chain to make money and especially where the farmer is involved, I believe the farmer should be compensated well for their harvest and our industry will help do that.

Neeraj: Okay. That's good to hear. But the other option might be linking the grain-based ethanol price to the maize price which is equivalent in the market currently. Is that a possibility just like they're doing for sugarcane.

Kushal Mittal: Yes, that is a possibility. But with a very rapid increase in demand. Maize prices have been fluctuating very fast. Earlier, they were stable from what -- so that is a possibility and how the nitty-gritty will be planned is tough for me to comment on.

Neeraj: Okay. But for BCL would that be beneficial or do you prefer the status quo?

Kushal Mittal: For us, we will prefer that some rice is given to the industry so that the raw material availability issues that are prevalent will ease very easily.

Neeraj: Okay. Noted. And sir, if the current maize prices continue for a couple of quarters, there might be -- it might push the marginal players out of business, right? BCL will be able to manage because you have created a very efficient business, and we are happy that we are part of that. But the marginal players won't be able to survive this high engaged prices, right? So there might be some inorganic opportunities. So would you be interested in like acquiring some units which are unlikely to survive the high maize prices?

Kushal Mittal: Again, you're right, marginal players will suffer and perhaps they might go into stress, but depending on the opportunity, I can give a comment. Currently, we are more focused on making sure that both of our units, if any expansion is done, is done here, is done at a cheaper cost because a lot of the utilities can be common. Overheads and biodiesel will also be a great help.

So our focus is on improving our working at that current units currently. Opportunities are -- not even in the future, currently they are there for inorganic growth because of a lot of people who were not experienced in the industry decided to venture in the industry and now are not so happy. So there is opportunity even now.

Neeraj: Okay. Sure. Sir. And one question related to your P&L. So I see that your other expense numbers are always pretty substantial. So what do you include in the other expense numbers?

Kushal Mittal: The other expense. Again, for this answer, let me have a proper answer ready for you. I don't want to comment -- make the wrong comment and then maybe IR team will reach out to you.

Moderator: Thank you. The next question is from Divesh Tated from Finterest Capital. Please go ahead.

Divesh Tated: Sir, I have one question. So can you give me a ballpark figure of how much percentage of the actual production of ENA, ethanol the company is able to sell? And how much is the captive consumption?

Kushal Mittal: See, ethanol there's no captive consumption, we sell everything we make. At our Bengal unit both ENA and ethanol whatever we make is sold, there's no captive consumption. At the Bathinda about -- we are utilizing about 300 KL of our ENA for captives. The rest is all being sold in the market.

Moderator: Thank you very much. We'll take that as the last question. On behalf of InCred Equities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.