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TO

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**BSE LIMITED .**  
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**REG: Transcript of Earnings Conference Call for Unaudited Financial Results for  
Quarter/Nine Months ended 31<sup>st</sup> December, 2019.**

**DEAR SIR,**

This is further to our intimation regarding Conference Call for Analyst/Investor with respect to the Unaudited Financial Results of the Company for the Quarter ended 31<sup>st</sup> December, 2019.

The transcript of the conference call held on 11<sup>th</sup> February, 2020 with investors/analysts to discuss the Quarter / Nine Months ended 31<sup>st</sup> December, 2019 financial performance of the Company is enclosed herewith .

**Thanking You,**  
**Yours faithfully,**

**For BCL Industries Limited**  
(Formerly known as BCL Industries & Infrastructures Ltd.)

**Gurinder Makkar**  
**Company Secretary**





“BCL Industries Limited Q3 FY20 Earnings Conference Call”

**February 11, 2020**



**MANAGEMENT: MR. RAJINDER MITTAL – MANAGING DIRECTOR, BCL INDUSTRIES LIMITED**  
**MR. PANKAJ JHUNJHUNWALA – DIRECTOR, SVAKSHA DISTILLERY, SUBSIDIARY OF BCL INDUSTRIES LIMITED**  
**MR. KUSHAL MITTAL – BCL INDUSTRIES LIMITED**

**MODERATOR: MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen good day and welcome to the BCL Industries Limited Q3 FY'20 Earning Conference Call hosted by PhillipCapital (India) Private Limited. 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 conference, please signal an operator by pressing '\*' then '0' on your touchtone telephone. I would now like to hand the conference over to Mr. Vikram Suryavanshi from PhillipCapital India Private Limited. Thank you and over to you, sir.

**Vikram Suryavanshi:** Thank you, Janice. Good afternoon and very warm welcome to everyone. Thank you for being on the call of BCL Industries Limited. We are happy to have the management of BCL with us here today for the question-and-answer session with the investment community.

Management is represented by Mr. Rajinder Mittal -- Managing Director, Mr. Pankaj Jhunjhunwala – Director, Svaksha Distillery which is a subsidiary of BCL and Mr. Kushal Mittal.

Before we start with the Q&A session, we will have some opening remarks from the management. Over to you, sir.

**Rajinder Mittal:** Good evening and thank you for introducing, Vikram. We would like to welcome everyone to the earning concall for the nine months period and third quarter of the financial year '19-20.

For those who are participating for the first time, let me give you a brief background about the company: BCL Industries Limited is a diversified business house in manufacturing and development with business interests spread across range of industry verticals, namely Edible Oil, Vanaspati, Distillery and Real Estate. The company started off in 1976 with the solvent extraction plant of 40 TPD, extracting oil from rice bran. Going forward, the company has grown to be one of the largest edible oil manufacturers in North India having a capacity of 120 TPD per day. Furthermore, we have forayed into the business of distillation by setting up own grain based distillery of Extra Neutral Alcohol of 100 KLPD along with the bottling plant in Bhatinda, Punjab, and later double-digit capacity of 200 KLPS as the business grew. In order to grow the distillation business, the company is now starting a new state-of-the-art distillery of 200 KLPD with 8 MW cogeneration plant in Kharagpur, West Bengal.

Now, let me give you the "Key Financial Highlights for the Quarter." The consolidated revenue for the third quarter was around Rs.268 crores which increased by approximately 9%. EBITDA for the quarter was Rs.15.9 crores and EBITDA margin was 5.93%. Net profit was Rs.8.5 crores and PAT margins for the company were reported at 3.13%.

On the year database, the consolidated revenue for the nine months period for the financial year 2020 was approximately at Rs.700 crores, with an increase of 7% on year-to-year basis. EBITDA stood at Rs.49.5 crores, EBITDA margin was 7.70%, net profit was Rs.22.4 crores, PAT margin of 3.2%.

Coming on to the “Operational Highlights for the Third Quarter of the Financial Year '19-20:” The company's performance has been boosted due to ethanol policy and company has tendered approximately 3.7 crore liter of ethanol for the period starting from December 2019 to November 2020. The ethanol prices were initially revised upwards by nearly 50 paise per liter, resulting in contracting by the corn supplier from the food grain, which was the price to the OMC, looking into the fact that for various food grains has been revised on OMC basis. The OMC considered further upward region of 2.75 paise per liter. This has resulted in the hike in the quantity of ethanol to be supplied which will result in greater realization in the forthcoming quarters. Currently, we are in talk with the Punjab agriculture department to diversify procure maize from the local farmers with the with serious emphasis on crop diversification by the State of Punjab. BCL plant to run entirely on maize and set up a maize **(Inaudible) 5:00** plant from the internal cash accruals for greater value addition. The Distillery segment recorded a top line of approximately Rs.113 crores for the third quarter. The civil work of the new state-of-the-art of the distillery 200 KLPD plant in Kharagpur, West Bengal, 100% subsidiary is in full swing and expected to commence the production about nine months from the financial closure.

Now coming to the Edible Oil segment, due to sharp increase in the price of imported oil, BCL was able to procure more local oil resulting in a greater capacity utilization and increase in the revenue. Farmers also experience a greater remuneration for the field crop which will further boost crop diversification towards oil seeds. Due to the festive season, BCL experienced an increase in the demand and sale of the edible oil product. BCL has used its solvent extraction plant and production of rice bran. With the national actions on the crop diversification and the increase in the cultivation of corn and mutter, BCL is already experiencing greater utilization from local oil which is forecasted to increase even further in the quarters to come or years to come. The Edible Oil segment generated revenue of Rs.150 crores for the third quarter of financial year '20 which is an increase of about 16% on quarter-to-quarter basis.

Lastly, the Real Estate segment continues to a steady contributor with the cash flow for the company, recorded revenue of Rs.5.5 crores for the third quarter financial year '20. In an attempt to reduce the financial burden of the company, BCL will continue to utilize revenue from real estate sales to repay the debt, which shall be reflected in the annual results.

Thank you. I now open the floor for the questions.

**Moderator:**

Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Ayush Agrwal, an individual investor. Please go ahead.

**Ayush Agrwal:**

I would like to understand that why did we report segment profit drop in the distillery segment when our revenues increased, ENA prices were also up during the season?

**Rajinder Mittal:**

I did not understand your question. There is no drop in the profit of the distillery section as compared to the quarter-to-quarter because it is a seasonal industry, the prices of grain depends

on that particular season. So we have to compare the corresponding quarter. As the results is in front of me, there is an increase of you can say the profit from Rs.22.04 crores to Rs.25.10 crores, 88% increase in the profit..

**Ayush Agrwal:** In Distillery segment, margin for nine months FY'20 our margins are around 8%.

**Rajinder Mittal:** Our margins depend upon per liter we produce. It does not have the value consideration you can say. Our margins are almost based on per liter that we are able to produce. So, because the value has gone up, the margin percentage wise has come down, but otherwise per liter it has gone up.

**Ayush Agrwal:** How much ethanol we sell in the last quarter?

**Rajinder Mittal:** As I mentioned in my opening page, the supply period starts from 1<sup>st</sup> of December to 30th November This year, the price of ethanol was ...from the damaged food grains we are talking about in which segment we supply, it was increased by just 50 paise per liter, whereas the input cost has increased and the prices of ENA were also very high. So, the presentation from all distilleries in this segment was mailed to the government and government now has revised the rate. So that is why the supply was low in the first quarter. And now we have again tendered only increases because it would have tender for this barrier, we would not have that kind of a benefit of the increases. The company smartly only supplied small quantity in the first two months just to keep only momentum, keep only supply line working. So now we have handled about 3.5 crores liter on the enhanced price which is starting from February to December 2020.

**Ayush Agrwal:** Wanted to know the volume for the last quarter we sold ethanol?

**Rajinder Mittal:** We are utilizing our capacity to the fullest whatever 100% capacity, either on ENA, either on ethanol.

**Ayush Agrwal:** And sir, what is the long-term debt as of 31<sup>st</sup> December?

**Rajinder Mittal:** Long-term for the plant and machinery is just Rs.26 crores, but there is a rent discounting of loan of about Rs.45 crores which is you can say three rental properties for the company which are facing rent about Rs.50 lakhs per month.

**Ayush Agrwal:** How do you see ENA prices going ahead?

**Rajinder Mittal:** This year we hope to have a much-much better year because the sugar production in the State of Maharashtra declined. The availability of this spirit of the lower side and there is a quite large quantity of the spirit being diverted for this ethanol manufacturing. So we hope to have a good season and with this increased prices of 2.75 per liter as compared to the last quarter, we hope to have much better results in the forthcoming quarter for the next financial year and the current quarter.

**Ayush Agrwal:** On the new CAPEX in Kharagpur, are we on the track to commence it in Q1 FY'21?

- Rajinder Mittal:** Everybody is well aware about the tough conditions being imposed by various Bankers regarding providing of some collateral and other conditions and mainly this factory is being sensitive depending upon the state policies. Banking really has become a quite tough job. We hope to commence the production in nine months from the date of financial closure. If financial closure has not happened, we have spent almost our share of CAPEX in the civil work and land. We are hopeful that we should be able to catch the deadline but we keep our fingers crossed because of the financial closure has not happened.
- Ayush Agrwal:** What kind of capacity utilization are we expecting in that branch starting two years?
- Rajinder Mittal:** In this industry here also we are having our 100% capacity utilization for the last three, four years.
- Moderator:** Thank you. The next question is from the line of Ankit Kulkarni, individual investor Please go ahead.
- Ankit Kulkarni:** Have we received work order from the OMC for ethanol supply?
- Rajinder Mittal:** This is for the first quarter starting from December to February, that supply order is already with us and the supplies are continuing, and we have already supplied about 50 lakhs liters about two months and ten days. So, the supplies is only the bidding of the station and the quantity. The rate is fixed for all the people and against their 250 crores liters requirement, everybody has bid and the last date was on 7th of this month, we hope to get the balanced quantity supply order within this week or maybe one or two days.
- Ankit Kulkarni:** And at what rate will be the new tender quantity be, at 50.75 if I am not wrong?
- Rajinder Mittal:** 50.75.
- Ankit Kulkarni:** That will be Rs.2.75 higher?
- Rajinder Mittal:** Yes, Rs.2.75 higher from the previous rate, and from the previous year if you take then Rs.3.25 per liter.
- Ankit Kulkarni:** What is the average rate of ENA as of today?
- Rajinder Mittal:** As of today the average rate of ENA is about Rs.50.50 per liter, it is the same as of ethanol.
- Ankit Kulkarni:** How much real estate inventories left in our books?
- Rajinder Mittal:** You see that real estate inventory is still about Rs.80 crores and we are monetizing it on very fast and we should be able to monetize in two to three years the entire stock and put the money back into the industry.

- Ankit Kulkarni:** Is our entire realization going towards retiring the debt?
- Rajinder Mittal:** Yes, that is going towards retiring of the debt. You must have seen the results, the finance cost has come down and we are reducing the debt.
- Ankit Kulkarni:** What is the debt as of Q3?
- Rajinder Mittal:** As of Q3, long-term debt is Rs.26 crores on the distillery side and about Rs.45 crores on the lease renting discount.
- Ankit Kulkarni:** Short-term debt?
- Rajinder Mittal:** That is short as well as the long-term debt, but that is being served by the properties which are owned by the company on rental basis, there is a lease rent discounting model.
- Ankit Kulkarni:** And so, does this debt include the new CAPEX or is it going to add going forward?
- Rajinder Mittal:** Svaksha debt is not going to be taken into BCL Industries because that will be in the books of Svaksha, there will be no further debt in the books of BCL Industries.
- Ankit Kulkarni:** But in the consolidated books, it will be in BCL Industries if I am not wrong?
- Rajinder Mittal:** Yes, it will be reflected in the BCL Industries balance sheet.
- Ankit Kulkarni:** So, what will be the debt once Svaksha is completed
- Rajinder Mittal:** Rs.90 crores additional.
- Ankit Kulkarni:** The equity side has been done from our side?
- Rajinder Mittal:** Yes, that is complete.
- Ankit Kulkarni:** What revenue and margin guidance you can give from Svaksha distillery?
- Rajinder Mittal:** The margin would be much better as compared to the BCL plant because you see that the State of West Bengal is deficient as regards the supplier. I think I hand over to Pankaj. I think he will be able to better reply the benefits derived from the Svaksha Distillery as regards the revenue and other things.
- Pankaj Jhunjhunwala:** So from the new unit we are earning revenue of almost about Rs.450 crores to start with and EBITDA we are expecting is at about 15%. The primary reason being because in the State of West Bengal, if you are importing ENA, there is an excise duty being levied on it by the state government, but since we will be producing in the state of West Bengal itself, so we will be getting that additional benefit out there. So, if you see in the case of BCL, if the EBITDA is

about 9-10% in the case of Svaksha, it will be enhanced by another 5%. Loan component part also, let me add to it that Rs.90 crores is the debt with which we are looking at in Svaksha is still limited, but out of that only because BCL is the 51% holding company, only about Rs.45 crores odd will be reflected in BCL books of account, rest will remain in Svaksha itself.

**Ankit Kulkarni:** So, you have said Rs.450 crores in revenues?

**Pankaj Jhunjhunwala:** Yes, annually, out of which 51% will get into **(Inaudible) 19:27** balance sheet of BCL Industries.

**Ankit Kulkarni:** About the edible oil vertical, what guidance can you give going forward?

**Rajinder Mittal:** We are not putting edible oil unit in West Bengal. However, at BCL Industries, we are quite optimistic about the future because the government realize that we have to be much more self and standardized about the edible oil section. And with the increase in the duty, and the increase in the MSC, the price of edible oil seeds have gone up and the farmers have also enjoyed a better benefit in comparison with the food grain. So we hope to have more diversified. You can say crop diversification, farmer taking the crop cultivation of edible oil seeds. For the last two years, there is a gradual increase in the production of edible oilseed, and that is why you must have observed that if you take the past three, four years difference, there has been continuous improvement in the edible oil section of the company and that will continue.

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

**Abhishek Zeriwala:** My question is regarding edible oil segment. So BCL Industries importing approximately 40% of raw materials based on 2019 of annual report of us which is probably crude palm oil. So now there is hike in import tax on crude palm oil up to 44%. So due to which the spread of imported refined oil and crude palm oil had decreased. So, will it affect our business at all?

**Rajinder Mittal:** It will have a very-very positive impact on the working of the company because you see that we are situated far off from the port. So, this 40% import, as rightly mentioned by you, is a compulsion type to feed the market or to keep the things moving at the plant level. So, this increase in duty is because of you can say our association, the Solvent Extractor's Association of India, Soybean Processors Association of India and the various representation from the industry which has a composite integrated complex. Our complex start from the seed and then from the final packing of the edible oil. So as and when the duty goes up, it will be positively affected. As I mentioned in my speech also, with increasing in the duties, the local edible oil seed price have gone up, resulting in better utilization by the farmers on this particular produce of the edible oil seed in comparison to the food grain. And that is what the government wants, to reduce import and give the regulatory price to the farmer, and they go for more cultivation of edible oil seed, and this is happening for the last two years. So that is why they are benefiting.

- Abhishek Zeriwala:** What is the capacity utilization of edible oil segment in Q3?
- Rajinder Mittal:** For the full year would be around 40%.
- Moderator:** Thank you. The next question is from the line of Ayush Agrwal, individual investor. Please go ahead.
- Ayush Agrwal:** From our last discussion, if I understood it correct, then you said that absolute amount in our distillery profit has been dropped right?
- Rajinder Mittal:** If we calculate on per liter. If we take the nine months profit this December, our profit was 22.04 crores as against 25.10 this current year, nine months I am talking about, there is increase of about Rs.3.6 crores which comes to about 13.88%.
- Ayush Agrwal:** But sir is the volume dropping because in March quarter of FY'19, we had a profit of around Rs.13 crores and now it has dropped to around Rs.7 crores. So, what is happening – has prices changing so much or is the volume dropping because we started our ethanol plant to have some kind of stability, but we have not seen that yet.
- Rajinder Mittal:** It depends on the demand because sometimes this is a product of seasonal, we go on producing but we are not able to sell sometimes. This crop depends. I do not know what was the stock position at the end of the quarter. Once you consolidate the sales on a yearly basis with demand and supply in October to December being a festival time, there is a lot of liquor financial is going on and you see that ethanol supply also changes from time-to-time. Depends upon the petrol demand of the corporation. But at the end of the financial year, all is consolidated. So that is why I am talking about the results on nine months basis. There has been improvement and further improvements will be there in this current account and so we should be able to have about 15%-16% more profit as compared to this current financial year.
- Ayush Agrwal:** What is our target for the next year in terms of per liter profit?
- Rajinder Mittal:** I cannot comment on right now. But we only see there has been an increase in the ethanol prices, there has been an improvement in the stability, the capacity utilization is certain almost 100%, and the financial you can say revenue on account of this realization is stagnant and it only depends upon the price of the grain in that particular month. In the season, grain prices come down and in the off season the grain prices goes up. So, these are the few things which you can say we cannot really tally the previous quarter and the current quarter. Every quarter has its own problems and all benefits and other things. So, the thing is that at the end of the financial year, when we take the average of all the things, it will come to around about Rs.5-6 per liter.
- Ayush Agrwal:** And as you said that once our Kharagpur plant starts, we will almost run at optimum capacity in six months. So, since we are serving 30% of our revenues to West Bengal right now, so I am assuming that there will be some headroom in our current capacity in Punjab. So, if you already have enquiries, then our capacity will be underutilized otherwise if we do not increase.

**Rajinder Mittal:** It is really an interesting question. The present requirement of ethanol is about 100x as compared to the production. Lastly also, I give you the figure, there was a huge gap between the required quantity and the supplies quantity. So, that kind of a situation will not arise in 10 to 15-years. We will increase the ethanol supply as and when we are able to start this ENA plant. So we will be diverting that kind of quantity for ethanol. Last year from all three sections, the total requirement was 329 crores liters and the quantity tender was 269 and contracted was 244 and supplied was 180. Against the requirement of 329, there were only supplies of 188, and this year, you will be surprised to know the total requirement of OMC is 529 crore liter, against that they have only achieved 150 crore liter, not even 30% of the total we can say the requirements. So there will be no question of underutilization at any point of time. We will be utilizing our capacity 100%, we will be diverting part, or moreover, you say that by the time that plant comes into the production, the demand and supply gap between this portable alcohol and the supply will also increase.

**Pankaj Jhunjunwala:** And to add to just what Mr. Mittal said, in the State of West Bengal itself, the current demand is about 900 KLPD whereas the supply is only 200 KLPD from the local unit. So, even after Svaksha operate, the deficit is still going to be there in the State of West Bengal itself.

**Ayush Agrwal:** Exactly, that was my question, when we divert our current capacity from Bhatinda plant to the Kharagpur plant, we have headroom of around 30% because that is what he mentioned in as presentation that 30% of our revenue come from West Bengal. So, that was my question and Mr. Mittal clarified it very rightly. And sir, my second question would be in our last contract of 3.2 crores which was floated last year, we had stake of around 23,300 KL till September '19, I am deducting that, we were left with around 8,634 of KL to be serviced under the last contract. So, were we able to fulfill that contract?

**Rajinder Mittal:** No-no, against this you can say LoI of 3.2 crores liter, for the obvious reasons at the oil marketing company level, not our level because this does not have the infrastructure to have the storage capacity to the blending capacity of the resources. So, we were able to supply 2.8 crores liter only last year against our contract of 3.2 crores liters. The 40 lakh liters was not supplied and that was converted into ENA because we have got leverage, because whatever is the demand, it is very flexible plan. You can manufacture 200 KLPD ENA and we can reduce the ENA up to 60 KL and there were 140 KLPD towards the ethanol. So that keeps on moving as per the demand.

**Ayush Agrwal:** My last question would be that the share price is really falling down and what are you actually doing to create value for the shareholders here because we are actually waiting patiently for very long time.

**Rajinder Mittal:** I certainly agree with you, but I cannot comment upon the market. I can only comment about the working of the company. I do not understand the share market at all. My understanding is about the business only.

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

**Ankit Kulkarni:** Sir, my query is regarding the utilization rate of edible oil plant. So, what is the reason for 40% utilization, I mean, it has been underutilized for a long time now?

**Rajinder Mittal:** Our plan was based on the seed supply. So, we can only operate our plan when we receive the edible oil seeds and produce the final product. We were doing about 19, 20-years back. In 2000, India was just importing 3% of the total edible oil requirement which has gone up to 70%, thereby meaning that the edible oil seed production is stagnant for the last 14, 15-years, now only from the last three, four years it has started picking up because the landed cost of the imported oil was much cheaper as compared to the costing of the edible oil seed companies manufacturing edible oil from edible oil seed. So, the production did go up. Now, the government has taken the attention, taken the lead by increasing the import duty and giving remunerative price to the edible oil seed growers, with resultant in the increase in the capacity utilization and better revenue. That scenario has now changed, and we are hopeful that within two to three years, we should be again able to you can say at least utilize of about 80 to 90% of the capacity. 40%, we cannot utilize because we are located, the logistics does not allow us to import various kind of oil from the port, bring it to Bhatinda and then distribute throughout India. So, that is the reason for the low capacity utilization. We are waiting for the best period to come and we hope that things will improve.

**Ankit Kulkarni:** And do we need to transport the ethanol to OMC, or do they pay for us, I mean, do they take the responsibility of transportation?

**Rajinder Mittal:** No, transportation is our responsibility, but they pay for the transportation charge. The transportation charges which takes care of the entire transportation cost which is almost the same as we pay to the transporters.

**Ankit Kulkarni:** And the same transportation cost was there in the last year?

**Rajinder Mittal:** No, there is no change. These prices are distillery prices and the transport you can say the charges being paid on kilometer basis by the oil marketing companies, because we have got some advantage that we have got a fleet of tankers carrying ethanol from the station to Gujarat and bring the palm oil, so deriving some benefit on that account.

**Ankit Kulkarni:** How much are you saving on that?

**Rajinder Mittal:** This is a very competitive industry. Every penny matters. So that is why we are moving, and we are optimistic about the results.

**Ankit Kulkarni:** Sir, are we promoting our own brand of liquor or are we just giving it to the bottling plants?

- Rajinder Mittal:** No, we are not at present concentrating on our own brands only we are bottling; requirement is mandatory under the Punjab medium liquor quota whatever about five lakh cases annually we willingly supply. We are not at present concentrating on brand, but we do have plan to launch a new brand when we are able to complete the Svaksha extension because these kinds of operations, we cannot borrow and do the marketing. When we have sufficient cash with us, we are free from debt, we will move towards that.
- Ankit Kulkarni:** Are we looking for a share buyback or increase in dividend because if we see the value of share, it has really been dropping for a long time now. So, is there anything for the shareholders?
- Rajinder Mittal:** Everything is for the shareholders. In spite of the tough competition and the economic slowdown, our sales are going up, our profits are going up. I think in the long run shareholders will be benefited; they will realize the value of the company.
- Moderator:** Thank you. The next question is from the line of Suresh Agarwal, individual investor. Please go ahead.
- Suresh Agarwal:** Our real estate business is slowing down or marginally increased in this quarter?
- Rajinder Mittal:** Corresponding quarter December ending financial year '18-19, one parcel of the land, which was not part of the stock, that is why this was left for road widening. That compensation of about Rs.11.85 crores was accounted as the sale. There is no slowdown in the real estate. In fact, the growth has been there, and we are able to monetize. So that one time entry of Rs.11.85 crores was there. So that is why if we take out that entry and the turnover and the profit has gone up.
- Suresh Agarwal:** Regarding Kharagpur facility, you are saying that after financial closure it will take around nine months, and in the presentation you are saying that it will start operation from Q1?
- Rajinder Mittal:** There is a typo mistake. We regret that.
- Suresh Agarwal:** So what is the real situation? Whether the civil works has been completed, materials has been ordered?
- Rajinder Mittal:** Materials has been ordered, advance has been given and civil work is almost complete, and we are waiting only financial closure. As soon as that happens, we should be able to commence the commercial production within nine months from that. So maybe next financial year.
- Suresh Agarwal:** So what do we mean by this financial closure actually?
- Rajinder Mittal:** We have not been able to secure Rs.90 crores loan from the bank due to the slowdown and other things. Various reasons. The banks are not really interested in funding the alcohol industry. And we are searching everywhere. Banks are quite conservative. We are arranging fund from other sources and we hope to succeed in that. We are keeping our fingers crossed. From the financial

closure we will be able to do because other things have been completed. So, as soon as that happens, erection and commission it.

**Suresh Agarwal:** How much we have already injected from our side and from our partner side?

**Rajinder Mittal:** About Rs.37 crores is the total investment.

**Suresh Agarwal:** So what was the commitment from our side?

**Rajinder Mittal:** Rs.57 crores to be invested from our side. That includes Rs.15 crores as working capital margin also. So from our side CAPEX was almost been invested.

**Suresh Agarwal:** And from our partner side?

**Rajinder Mittal:** That was the same, both the sides.

**Suresh Agarwal:** They have already invested?

**Rajinder Mittal:** We both have already invested.

**Suresh Agarwal:** So only Rs.90 crores we need from the bank for the spending?

**Rajinder Mittal:** Yes, to take this forward.

**Moderator:** Thank you. The next question is from the line of Dhvani Shah, individual investor. Please go ahead.

**Dhwani Shah:** I just wanted to know the segment wise gross margin for Q3 FY20 for the distillery and edible oil business?

**Rajinder Mittal:** Edible Oil section, the profit before tax is Rs.7.42 crores, for the Distillery section profit before tax is Rs.14.52 crores, and for the Real Estate, it is Rs.6.86 crores.

**Dhwani Shah:** If you could just help me with the gross margin for Q3 FY'20 segment wise?

**Rajinder Mittal:** I do not have the calculation right in front of me for the percentage of the margin segment wise, but I can revert to you, you can just leave, we can swoon down your question.

**Dhwani Shah:** Okay, no issues. If you could just provide me with an outlook or in terms of your top line growth for FY'21?

**Rajinder Mittal:** I think we should be able to achieve about 10% growth in revenue and similarly in the profit.

**Moderator:** Thank you. The next question is from the line of Sanjay Laxman from LFC Securities. Please go ahead.

**Sanjay Laxman:** In September quarter on concall you said that Bank of Baroda have sanctioned Rs.90 crores loan. So now you are talking the loan has not been sanctioned. Why is it sir?

**Rajinder Mittal:** Bank of Baroda sanctioned the Rs.90 crores term loan in principle, that was mentioned in my previous concall. But during the final sanction, there were very-very strict conditions which we were not able to fulfill, like providing about 60% of the total realizable collateral, the collector value in that case about 60%, they were asking for Rs.54 crores of collateral and that is to realizable value. It means the value of the collateral is 25%. The collateral was about Rs.80 crores. How the promoters can arrange Rs.80 crores collateral to raise Rs.90 crores loans apart from the plant, land and machinery mortgage. So that was not just possible.

**Sanjay Laxman:** So now which bank you have approached for the loan?

**Rajinder Mittal:** Probably so many extra route, will let you know as and when that happens, but we are on the right track, I think we should be able to tackle this kind of a problem.

**Sanjay Laxman:** Two days back, you told that Bengal plant will be started in first quarter of next financial year.

**Rajinder Mittal:** No, I already regretted, that was a typo mistake. Maybe '21-22, we just wanted to mention.

**Sanjay Laxman:** So I think it will take almost one year from...?

**Rajinder Mittal:** The ground work is almost complete, the civil works, the land acquisition, other things are almost complete. Once the financial closure happens, we should be able to commence the production within nine months itself. The machines are almost ready. We have already given the advances. I think we are very close to the financial closure and we should be able to tackle the problem.

**Sanjay Laxman:** Financial closure means, bank will approve loan, that time you will approve in the financial closure or some other thing is there?

**Rajinder Mittal:** The financial closure means when the bank starts releasing the fund.

**Moderator:** Thank you. The next question is from Suresh Agarwal, individual investor. Please go ahead.

**Suresh Agarwal:** In the last budget presented by the Nirmala Sitharaman, whether the import duty on the finished product of the crude palm oil increased, which one increased?

**Rajinder Mittal:** There is no change in import duty, it is the same.

**Suresh Agarwal:** How much requirement actually we are importing this crude palm oil and how much from the local seeds?

**Rajinder Mittal:** You see that our plant is almost running at present about 50%-50% basis; 50% of the total requirement is being imported and 50% of the edible oil seed from the local oil. So, we hope to reduce the import dependency by another 10% to 15% in the next year, 10% to 15% in the coming year. And with three, four years, with this type of scenario continuing, the import duty is at its peak and the prices of international edible oils are also on the higher side, and the farmers are getting remunerative price and they are now attracted towards sowing of edible oil seeds, government is also supporting with the best quality of seeds, and there is a machine of this mustard seed that the production being taken to feed and ₹25 million from the present 8 mt by 2025. And the government wants to change on this account. And with the production of food grain, farmers are finding it difficult to market their food grain. We are hopeful that all these factors will lead to increase in the edible oil seed production in the country and will reduce our import dependency, the country as well as our company, and will be much more benefited by these kinds of policies.

**Suresh Agarwal:** If the crude palm oil which we are actually taking from Gujarat, all this palmera coming from our truck, which we are taking the ethanol to the Gujarat?

**Rajinder Mittal:** Not only the palm oil, because we also import soyabean oil, sunflower oil and palm oil. So, these are the total. The imported components is used in this plant is about 40,000 tons. So that is good enough for our transport to carry ethanol, because we are carrying ethanol of about 3.5 crores liters. So we still have to hire tankers from the market to import palm oil and supply to oil marketing companies. These trucks are not fully sufficient to take care of the entire supply line and the raw material line.

**Suresh Agarwal:** Sir, what is the present position of the land which we have acquired from the state electricity board, like, we were planning to **(Inaudible) 49:04?**

**Rajinder Mittal:** That has already happened, the project is approved, but it was approved last month only. So we hope to realize from the stock value from this current year.

**Suresh Agarwal:** How much value we can realize from that land?

**Rajinder Mittal:** I think that will be about Rs.15 crores.

**Suresh Agarwal:** Inventory of ...?

**Rajinder Mittal:** Our inventory does not include that, because that land was taken, this year we will be putting that into inventory. That was a disputed land, that was not the part of the inventory. But now we have got the projects, the project has been sanctioned, so we will be taking the inventory portion this year.

**Suresh Agarwal:** Then our total inventory will be?

**Rajinder Mittal:** That is why I am saying that, inventory will go up by the amount realized, so our realizable value remains almost the same, that is about Rs.80 crores.

**Moderator:** Well, that was the last question for today. I would now like to have the conference back to Mr. Vikram Suryavanshi for closing comments.

**Vikram Suryavanshi:** We thank the management of the BCL Industries Limited for giving us an opportunity to host the call and taking time out for interacting with the stakeholders. Thank you all for being on the call.

**Rajinder Mittal:** Thank you.

**Moderator:** Thank you. On behalf of PhillipCapital (India) Private Limited. We conclude today's conference. Thank you for joining. You may now disconnect your lines.