



Press Release

BCL Industries Limited

October 28, 2025

Ratings

Instrument Facility	Amount (Rs. Crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	168.15 (Enhanced From Rs. 115.72Cr)	IVR A+/Stable (IVR Single A Plus with Stable Outlook)	IVR A+/RWDI (IVR Single A Plus with Rating Watch Developing Implication)	Rating removed from watch and reaffirmed	Simple
Long term Bank Facilities – cash Credit	180.00* (Reduced from Rs. 200.00 Crore)	IVR A+/Stable (IVR Single A Plus with Stable Outlook)	IVR A+/RWDI (IVR Single A Plus with Rating Watch Developing Implication)	Rating removed from watch and reaffirmed	Simple
Short Term bank Facilities- (Non Fund Based limits)	50.00* (Reduced from Rs. 95.00 Crore)	IVR A1+ (IVR A One Plus)	IVR A1+/RWDI (IVR A One Plus)/ Rating Watch Developing Implication)	Rating removed from watch and reaffirmed	Simple
Total	348.15	Rupees Three Hundred Forty Eight Crores and Fifteen Lakhs Only.			

*Overall ceiling of Rs 180.00 crore include CC limit and NFB.

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Ratings has removed the rating assigned to the bank facilities of BCL Industries Limited (BCL) from '*Rating Watch with Developing Implications*' and Reaffirmed the Long/Short Term rating at IVR A+/Stable Outlook & IVR A1+. The rating watch was placed to monitor the potential impact of the company's ongoing large-scale capital expenditure program on its business and financial risk profile.



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The removal of the watch follows the agency's assessment of the progress and funding structure of the capex, along with the company's demonstrated ability to execute similar projects in the past. A significant portion of the planned capacity additions has already been commissioned or is at an advanced stage, funded through a mix of internal accruals and term borrowings in line with expectations. The reaffirmation of the rating reflects IVR view that BCL's business and financial profile remain consistent with the earlier assessment, supported by its established track record in the distillery and edible oil segments, diversified revenue profile, and steady operational performance.

The ratings continue to draw strength from BCL's experienced promoters, integrated business operations across distillery, edible oil, and real estate segments, and healthy demand outlook for ethanol driven by government blending initiatives. The liquidity position remains adequate, supported by steady cash accruals and available working capital limits. However, the ratings remain constrained by the capital-intensive nature of ongoing projects, which may temporarily moderate the company's debt coverage indicators and liquidity cushion. The company's ability to timely complete the projects within budgeted cost and achieve the envisaged returns will remain a key monitorable.

The outlook on the rating is Stable, reflecting IVR expectation that BCL will continue to maintain a satisfactory operational and financial risk profile while prudently managing its expansion-related debt.

IVR has principally relied on the standalone audited financial results of BCL up to FY25(A) (review period from April 01, 2024, to March 31, 2025) and three years projected financials till FY28, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:



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Upward Factors

- Substantial and sustained growth in operating income and improvement in profitability.
- Sustenance of capital structure and improvement in debt protection metrics.

Downward Factors

- Moderation in operating income and/or cash accrual or deterioration in operating margin, any stretch in the working capital cycle driven by pile-up of inventory or stretched receivables, or sizeable capital expenditure affecting the financial risk profile, particularly liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Management:**

BCL was started by Late Shri Dwarka Dass Mittal in 1976. His son Mr. Rajinder Mittal (Managing Director) took over the business after him and has been involved with the company for more than three decades. BCL is governed by a diverse Board of Directors who are assisted by a well-qualified and experienced leadership team in handling the business operations.

- **Diversified product portfolio:**

The company has diversified product portfolio in its both segments, which enables the company to spread its risk and reduces dependency on single/few products. The company is engaged in extraction & refining of edible oils, processing of rice, distillery production from grains, ethanol production and real estate development. The company derives ~47.00% of income from edible oil and rice segment, ~51.52% from distillery products and ~1.48% from real estate segment in FY25. However, the Revenue from the Edible oil unit fall to 19% in Q1FY26, since company executing a phased exit from the edible oil business, which is progressing as planned. Oil mills, solvent and rice mill units have been shut down as a part of this planned exit, while the refinery remains operational to liquidate the existing stock.



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- **Comfortable Operating Income and adequate Operating Margins:**

The total operating income of the company significantly improved by 21% in FY25(A) and stood at Rs. 1971.00 Crore against Rs. 1,625.83 Crore in FY24 driven primarily by its distillery business. The company achieved peak utilization of its distillery capacity, leading to higher ethanol production and sales, supported by strong demand under the ethanol blending program. At the same time, BCL Industries strategically exited its low-margin edible oil business, reallocating resources to more profitable operations, which improved overall revenue and profitability.

Additionally, the company benefited from diversified revenue streams across distillery, real estate, and other segments, further strengthening its income base. Effective cost management and operational efficiencies also helped sustain margins despite rising input costs. Collectively, these factors contributed to the robust growth in BCL Industries' standalone total operating income in FY25. However, the Operating & profitability margins of the company in terms of EBITDA margin and PAT margin remained comfortable in FY25 and stood at 6.47% (PY: 7.85%) and 3.61% (PY: 4.49%), respectively.

In FY25, BCL Industries Limited experienced a decline in its operating margins, primarily due to increased input costs and a strategic shift in its business operations. While the company achieved significant revenue growth, particularly in its distillery segment, the edible oil and vanaspati division faced challenges that impacted overall profitability.

In the first quarter of the financial year 2025–26 (Q1 FY26), BCL Industries Limited reported a notable 31.48% increase in its standalone net profit, reaching ₹22.29 crore compared to ₹16.96 crore in the same period the previous year. The company's standalone revenue from operations also saw a 24.34% rise, amounting to ₹587.93 crore, up from ₹472.84 crore in Q1 FY25

- **Strong financial risk profile:**



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The financials risk profile remained strong over the years backed by adequate gross cash accrual to Rs.102.95 crore resulting in comfortable debt protection metrics. The interest coverage ratio stood at 10.68x as on March 31, 2025 (PY: 9.97x). Total debt to GCA stood at 3.62 years as on March 31, 2025 (PY: 3.31 years).

- **Comfortable Capital Structure:**

The capital structure of the company remained comfortable with its adjusted net worth of Rs.587.36 crore and overall gearing of 0.64x as on March 31, 2025 (Rs. 466.14 crore net worth, 0.72x gearing as on March 31, 2024). Total debt of the company comprises Rs 175.03 crore term loan along with current maturities of Rs.30.22 crore and working capital borrowing of Rs.76.85 crore as on March 31, 2025. Total indebtedness of the company marked by TOL/TNW remained comfortable to 0.90x in FY25 driven by steady accretion of profits to reserves. Infomerics believes capital structure and debt protection metrics will remain comfortable in the near term.

- **Moderate working capital requirement:**

BCL Industries has a moderate operating cycle of 69 days driven by inventory and efficient receivables of 71 days and 17 days respectively as on March 31, 2025. Further, payables days of 20 days in FY25. The inventory levels are high as the company maintains an inventory level to ensure steady and continuous production cycle. BCL fund-based working capital limits remained moderately utilized at ~55.74% during the past 12 months ended July 2025.

Key Rating Weaknesses

- **Aggressive debt-funded expansion in recent years, capital structure improving now with improved cash flows.**

BCL Industries Limited has embarked on an ambitious capital expenditure (CapEx) plan to expand its distillery and renewable energy capacities. The company is investing approximately ₹116.51 crore in a new 150 KLPD distillery in Bathinda, Punjab, to enhance ethanol production



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in line with India's blending targets. Additionally, BCL is setting up a 75 KLPD biodiesel plant and a paddy straw-based power plant, with a total investment of around ₹140 crore, partially funded through debt and internal accruals, while also allocating ₹90 crore to reduce working capital requirements following the closure of its edible oil business. Additionally, the wholly owned subsidiary, Goyal Distillery Private Limited, has all the regulatory clearances in place for setting up a 250 KLPD ethanol plant.

- **Susceptibility of profitability to intense competition and volatility in raw material prices:**

The company uses grain (mainly broken rice and maize) as key raw material to produce ENA or ethanol. As grain prices largely depend on the vagaries of nature, adverse changes in the same may impact the group's profitability. In FY25 and in 3MFY26, the PBILDT margin of the company was partially impacted due to high grain prices. As the ethanol and alcohol industries are highly regulated on pricing, the government fixes rates of ethanol and liquor produced year-on-year. Thus, companies have limitations on increasing prices for passing on the increased raw material cost to customers. However, the government has been continuously increasing ethanol prices in the past three years due to increasing raw material prices, thus mitigating this risk to some extent.

- **Highly regulated nature of the alcohol industry**

The organized alcohol industry is dominated by a few large players. The high taxation and heavy regulation also make the industry dynamics complex. Government levies duties such as excise duty, sales tax, license fee, state-level import and export duty, bottling fee, welfare levy, assessment fee, franchise fee, turnover tax, and surcharge, among others, which varies across states. There is a ban on all forms of direct and indirect advertising for liquor in the country, leading to market players resorting to surrogate advertising. Industry complexity further lies in different types of distribution models followed across states such as government-controlled agencies, private distribution system, and auction. Regulations at state levels are prone to frequent changes and are sudden and uncertain. The direction or timing of regulatory changes being difficult to predict, and the industry is vulnerable to such unanticipated changes



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Analytical Approach: Standalone

Applicable Criteria :

[Rating Methodology for Manufacturing Sector entities](#)
[Financial Ratios & Interpretation Non- Financial Sector](#)
[Criteria for assigning rating outlook](#)
[Policy on Default Recognition](#)
[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

BCL earned gross cash accruals of Rs.102.95 crore as against its repayment obligation of Rs. 30.22 crore as on March 31, 2025. The company fund-based working capital limits were utilised at ~55.74% during the past 12 months ended July 2025, indicating sufficient buffer to meet incremental requirements. The company has a current ratio of 2.26x as of March 31, 2025. Moreover, the company is expected to generate cash accruals in the range of Rs.115.13-151.43 crore as against its debt servicing obligation of ~Rs.33.03 to Rs.40.93 crore FY26-28 attributable to low long-term debt in its capital structure. The company has cash and cash equivalents amounting to Rs.19.26 crore as on March 31, 2025. All these factors reflect adequate liquidity position of the company.

About the Company

BCL Industries Limited (BCL) has a rich history dating back to 1976 when it was originally incorporated as Bhatinda Chemicals & Vanaspati Private Limited. The company transitioned to a public limited entity in 1985, adopting the name Bhatinda Chemicals Limited. In January 1993, BCL went public with an issue of 29 lakh shares priced at Rs. 10 each, plus a premium of Rs. 5. Over time, BCL evolved, and in 2008, it rebranded as BCL Industries and Infrastructure Limited, before finally becoming BCL Industries Limited in 2018. The company is listed on the Bombay Stock Exchange.



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BCL Industries is part of the Mittal Group, founded by Shri D.D. Mittal, and operates across several sectors, including distillation, and real estate. Its diversification strategy reflects its adaptability and commitment to leveraging market opportunities.

Financials (Standalone):

	(Rs. crore)	
For the year ended* As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1625.83	1971.00
EBITDA	127.66	127.49
PAT	73.44	71.52
Total Debt	336.05	373.15
Tangible Net worth*	643.21	769.54
EBITDA Margin (%)	7.85	6.47
PAT Margin (%)	4.49	3.61
Overall Gearing Ratio (x)	0.52	0.48
ISCR (x)	9.97	10.68

*as per Infomerics standards

Status of non-cooperation with previous CRA : Nil

Any other information: : Nil

Rating History for last three years:



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Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 Dated: January 02, 2025	Date(s) & Rating(s) assigned in 2023-24 Dated: Aug 08, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated : June 15, 2022
1	Term Loan	Long Term	168.15	IVR A+/Stable (IVR A Plus with Stable Outlook)	IVR A+/ RWDI (IVR A Plus with RWDI) (Dated: Oct 10, 2024) IVR A+/ RWDI (IVR A Plus with RWDI) (Dated: Sep 26, 2024) IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)
2	Cash Credit	Long Term	180.00*	IVR A+/Stable (IVR A Plus with Stable Outlook)	IVR A+/ RWDI (IVR A Plus with RWDI) (Dated: Oct 10, 2024) IVR A+/ RWDI (IVR A Plus with RWDI) (Dated: Sep 26, 2024) IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)
3	LC/BG	Short Term	50.00*	IVR A1+ (IVR A One Plus)	IVR A1+/ RWDI (IVR A One Plus)/ Rating Watch Developing Implication)	IVR A1+ (IVR A One Plus)	IVR A1+ (IVR A One Plus)



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Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
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					(Dated: Oct 10, 2024) IVR A1+ (IVR A One Plus)		
4	Fixed Deposit	Long Term	-	-	Withdrawn	IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)

*Overall ceiling of Rs 180.00 crore include CC limit and NFB.

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan			March 2031	98.15	IVR A+/Stable (IVR Single A Plus with Stable Outlook)
Long Term Bank Facilities – Term Loan			March 2034	70.00	IVR A+/Stable (IVR Single A Plus with Stable Outlook)
Long Term Bank Facilities – Cash Credit			-	180.00*	IVR A+/Stable (IVR Single A Plus with Stable Outlook)
Short Term Bank Facilities – Letter of credit/Bank Guarantee			-	50.00*	IVR A1+ (IVR A One Plus)

*Overall ceiling of Rs 180.00 crore include CC limit and NFB.



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Annexure 2: Facility wise lender details: [LEN-BCLIndustries-28Oct25.pdf](#)

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com

