



Company Snapshot

NSE	BCLIND Ltd
Equity Shares (cr)	27.23
Mkt Cap (cr)	₹1,521.9
P/E	16.86x
52-Week Range	86/43

Shareholding Pattern

Promoters	59.47%
FIIIs	5.90%
DIIIs	
Public	34.60%

Financial Ratios

EBITDA Margin	9.07%
EBIT Margin	7.38%
Net Profit Margin	4.24%
Div Yield	0.45%
ROC	14.26%
ROE	14.46%

Financial Performance

	Mar-23	Mar-24
Revenue	₹1,818	₹2,129
Revenue Gr	-8.52%	17.10%
EBITDA	₹132	₹193
EBITDA Mrg	7.27%	9.07%
PAT	₹66	₹90
EPS	₹2.7	₹3.3

Valuations

	Mar-23	Mar-24
P/E	14.34x	16.95x
P/BV	7.19x	7.93x
EV/EBITDA	9.92x	7.12x
EV/EBIT	12.23x	8.75x

Research Analyst

Darshan A Y

About the Business

BCL Industries Limited is one of India's largest agro-processing manufacturing companies with diverse businesses and vertical integrations. Established in 1976, BCL Industries Limited is engaged in Edible Oils, Rice Milling, Grain-based Distillery and Real Estate.

Business Performance

BCL Industries reported significant revenue growth, driven primarily by the edible oils and distillery segments. Year-on-year revenue increase reflects strong market demand and strategic pricing.

The company maintained healthy gross and net profit margins despite fluctuating raw material costs. Efficient cost management and operational improvements supported margin stability.

BCL's production volumes for edible oils and distillery products have steadily increased. Capacity utilization rates are high, reflecting optimal use of manufacturing facilities.

BCL Industries holds a strong market share in both edible oils and distillery segments. The company's market share growth outpaces several key competitors.

Segment Performance

Edible oil and vanaspathi is one of the major selling product contributing 38% of the revenue, YOY Sales declined by 23.9%, With EBIT margin of 2.5%, and They want to Exit edible oil business during FY2024-25

Revenue from Distillery business increased by 68% YOY, with EBIT margin of 12%, Distillery Produce Ethanol alcohol and ENA, Revenue contribution of 42.6%

BCL Industries' foray into real estate includes premium projects and mid-segment housing solutions, with key developments like a 65-acre township.

Svaksha Distillery Ltd.(Subsidiary) has nominal growth of 170%, from 186cr revenue to 503cr, with EBIT margin of 12.5% which is 63cr

The distillery segment has seen robust growth, especially with the expansion to a production capacity of 600 KLPD.

The diversified business model has enabled the company to achieve steady revenue growth, with each segment contributing to the financial health.

Other Takeaways

State-controlled liquor policies create significant barriers for new entrants, favouring established industry

Increasing government policies and regulations emphasize the use of specific ENA standards in alcoholic

BCL sold 2,78,291 Boxes of IMIL in Q4FY24 and 12,33,228 Boxes of IMIL in FY24, Our Country liquor brands

Government policy measures, such as the exemption of ENA from GST in the alcohol industry, to play a crucial role in driving market growth.

We supply ENA to large bottlers like Pernod Ricard, Amrut, ABD, Mohan Meakin

India has seen remarkable progress in ethanol production, supplying approximately 4.1 billion litres for fuel blending in 2021-22

Guidance

Company plans to set up a biodiesel plant in Bathinda, with a capacity of 75 KLPD

The biodiesel plant will use technical maize oil derived from the company's DDGS product.

Company aims to gradually exit the edible oil business during FY 2024-25.

BCL is working towards raising its distillery capacity to 850 KLPD in the next two years

Expectation of margin improvement in the future with increased maize ethanol prices and new crop coming in Bihar

Expectation of steady increase in demand for ENA and ethanol, with no significant changes for elections

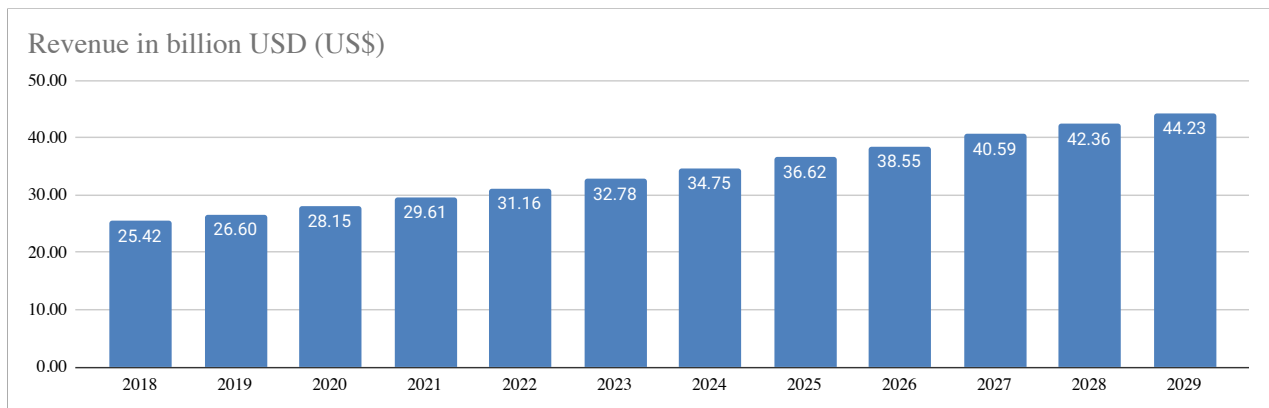
Expectation of demand for biodiesel to be met with the availability of raw materials

Edible oil Industry

The total edible oil consumption was about ~22.5 million metric ton for oil year (Nov-Oct) 2021. The overall consumption grew at a CAGR of ~3% over 2013-2021

Pam oil accounts for about ~40% of the total domestic edible oil consumption FY2021, palm oil imports/demand is expected to grow by ~10-12%

About ~60% of the total edible oil consumption is imported; palm oil constitutes ~40% of the consumption, which is nearly fully imported from Indonesia/Malaysia



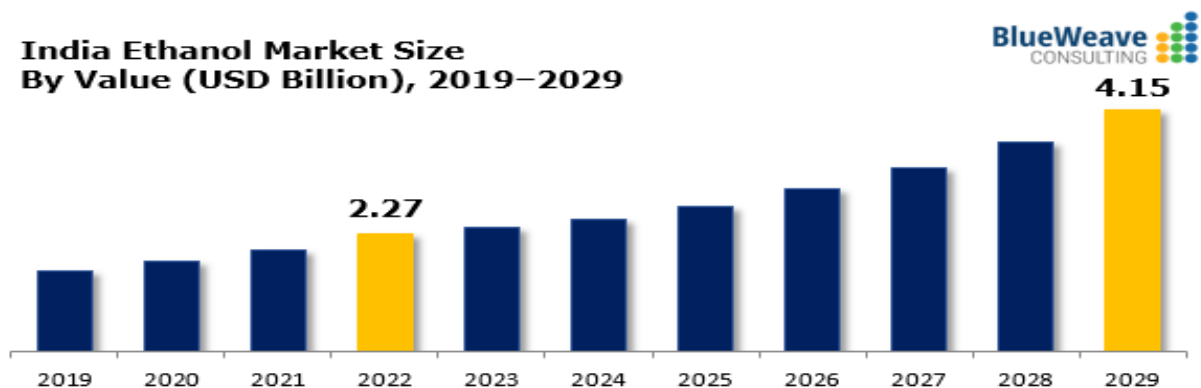
Ethanol alcohol

By 2025, at 20% blending level, ethanol demand will increase to 1016 crore litres. Therefore, the worth of the ethanol industry will jump by over 500% from around `9,000 crore to over `50,000 crore.

Financial assistance scheme introduced by DFPD during 2018-2022 to increase ethanol production capacity

Long term offtake agreement signed to establish 431 crore litres per annum of dedicated ethanol capacity.

**India Ethanol Market Size
By Value (USD Billion), 2019–2029**



Source: BlueWeave Consulting

Valuation and View

In Short term Margins will improve going forward as maize crop has arrived in Bihar and bumper crop are forecasted in Uttar Pradesh and Punjab as well

India has set a mandate for 5% biodiesel blending by 2030 yet currently stands at less than 1%. we see a significant supply gap that bcl is ready to address. in line with this our plan to set up a biodiesel plant in bathinda is on schedule we has obtained all necessary clearances to establish a 75KLPD biodiesel plant

View is that the company is only going to sell Ethanol alcohol and ENA and the the biodiesel and Closing the Edible oil business with is a good idea becuase they had only 2% to 3% EBIT margin taking huge capital and reducing the Return on Capial given these our expectation is that margin will go up due to

Indian Gov push towards biodisel whill help the company to achive greate Growth with better margins they already building there 75klpd bio disel plant in bathinda

Forecast : Revnue for next year 15%, operating margin of 8%, Next 5 years Growth Expected 15% with 10% operating margin with Sales to Capital ratio fo 2

Revenue Forecasting

Income Statment	Mar-22	Mar-23	Mar-24	Mar-25E	Mar-26E
Revenue	₹1,988	₹1,818	₹2,129 ₹	2,456 ₹	2,825
Revenue growth	39.27%	-8.52%	17.10%	15.37%	15.00%
EBITDA	₹146	₹132	₹193	₹223	₹256
EBITDA Margin	7.33%	7.27%	9.07%	9.07%	9.07%
EBIT	₹131	₹107	₹157 ₹	197 ₹	249
EBIT Margin	6.59%	5.90%	7.38%	8.00%	8.80%
Net Profit	₹85	₹66	₹90	₹104	₹120
Net Profit Margin	4.27%	3.65%	4.24%	4.24%	4.24%

Estimated Market Cap *	₹	2,167.92
Estimated value /share *	₹	79.60
Current Price	₹	55.88
Price as % of value		-42.45%

* Value is derived from DCF

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