

BCL Industries Limited

July 03, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 333.28 Crore	Regulator[^]
Long Term Rating	IVR A+ / Positive (Rating Reaffirmed Outlook revised to 'Positive' from 'Stable')	RBI
Short Term Rating	IVR A1+ (Rating Re-affirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The reaffirmation of the rating continues to draw strength from **BCL Group's (includes BCL Industries Limited and its subsidiaries¹)** established presence in the grain-based distillery business, diversified revenue profile, healthy scale of operations and its comfortable financial risk profile along with strong liquidity position. The rating also factors in the Group's experienced management, integrated business operations, and favourable demand outlook for ethanol under the Government of India's ethanol blending programme (EBP). The above strengths are, however, offset by susceptibility of Group's margins to changes in government policies relating to ethanol and food grains, exposure to volatility in grain prices, and the inherently working capital-intensive nature of operations.

Outlook: Positive

The **Positive Outlook** reflects the sustained improvement in the Group's operational and financial profile characterized by stable profitability, strengthening leverage metrics, and healthy cash flow generation. The Outlook also incorporates the agency's expectation that the Group will continue to sustain its operating performance and capital structure, while benefiting from favourable demand under the Government of India's ethanol blending programme (EBP) and improved utilisation of its expanded distillery capacities, thereby supporting further strengthening of its credit profile over the medium term.

¹ Svaksha Distillery Limited & Goyal Distillery Limited

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation For arriving at the rating, IVR has considered consolidated financials of BCL Industries Limited, and its subsidiaries mentioned in the Annexure 4
Parent/ Group Support	Not Applicable

Infomerics has revised its analytical approach from standalone to consolidated considering the increasing operational and financial integration among the group entities. For arriving the rating Infomerics Ratings has considered consolidated financials of BCL Industries Limited and its two subsidiaries, namely Svaksha Distillery Limited² & Goyal Distillery Limited, controlled by the same management.

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Improving scale of operations and profitability:**

The Group's consolidated total operating income stood at Rs. 2,791.65 crore in FY2026 (FY2025: Rs. 2,815.14 crore), reflecting stable performance despite exit from edible oil segment. EBITDA improved to Rs. 242 crores (FY2025: Rs. 204.61 crore), with margins improving to 8.67% (FY2025: 7.27%), driven by favourable business mix and higher contribution from distillery operations.

- **Strong capital structure and healthy debt protection metrics**

The Group's financial risk profile remains comfortable. The tangible net worth improved to Rs. 947.70 crore as on March 31, 2026, from Rs. 827.73 crore as on March 31, 2025. Consequently, the overall gearing improved to 0.52x as on March 31, 2026, from 0.65x as on March 31, 2025, reflecting a comfortable leverage position. Debt protection metrics also strengthened, with interest coverage improving to 7.32x in FY2026 from 6.61x in FY2025, while Total Debt/EBITDA improved to 2.03x from 2.62x over the same period. The DSCR remained healthy at around 2.70x, indicating adequate debt servicing capability. The agency notes that the Group currently does not

² BCL shall be increasing its stake to 100% from 75% currently by June 30th 2026

have any significant debt-funded capital expenditure plans and is focused on stabilisation and ramp-up of the recently commissioned 150 KLPD ethanol facility in Punjab. Going forward, any sizeable debt-funded capex resulting in moderation in the capital structure, coverage indicators, or cash flow protection metrics shall remain a key monitorable.

- **Integrated business model with established client relationships; Favourable industry outlook**

The group benefits from backward and forward integration across ethanol, ENA, DDGS, bottling, and refinery operations, ensuring operational efficiencies and diversified revenue streams. Established relationships with OMCs support revenue visibility and working capital comfort.

The ethanol blending programme continues to drive demand for ethanol, providing growth visibility and stable realizations for distillery players. Favourable government policies are expected to underpin growth in demand for Ethanol.

- **Diversified product portfolio**

The Group benefits from a diversified business profile, with operations spanning grain-based distillery products, ethanol manufacturing, edible oil trading, and real estate development. However, during FY26, the revenue mix witnessed a significant shift towards the distillery segment following the strategic exit from the edible oil business. The Group has already discontinued its oil mill, solvent extraction, and rice mill operations, while the refinery unit remains operational solely for liquidation of existing inventories. Consequently, the contribution from the edible oil business declined substantially during FY26, whereas the distillery segment emerged as the dominant revenue contributor, accounting for nearly 58% of consolidated operating income. The increased contribution from the distillery segment was supported by higher ethanol production, improved capacity utilization following the commissioning of additional distillery capacity and rising ENA sales. While the business mix has become more concentrated towards the distillery segment, the shift is viewed positively given the segment's relatively superior profitability, strong demand outlook, and the Group's integrated operations.

- **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.

Weaknesses

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

The company's profitability remains exposed to intense competition in the ethanol, ENA, and edible oil segments, which limits its pricing flexibility. Further, fluctuations in the prices and availability of key raw materials such as maize, broken rice, and other grains could have a bearing on operating margins, particularly in periods when increases in input costs cannot be fully passed on to customers in a timely manner. The company's margins are also susceptible to changes in government policies relating to ethanol procurement prices and feedstock regulations.

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

The organised alcohol industry remains highly regulated, with varying state-level taxation, distribution frameworks, and operational restrictions contributing to a complex operating environment. Frequent and often unpredictable changes in government policies relating to taxation, pricing, procurement, and distribution expose industry participants to regulatory risks, which could adversely impact operating performance and profitability.

- **Exposed to industry cyclical trends and agro-climatic risks:**

The group's operations remain vulnerable to cyclical trends in the distillery, ethanol, and edible oil industries, which are influenced by demand-supply dynamics, government policies, and commodity price movements. Further, the availability and pricing of key agricultural inputs such as maize and other grains are dependent on crop yields, acreage, and weather conditions. Adverse agro-climatic events, including deficient rainfall, floods, or pest infestations, may impact raw material availability and procurement costs, thereby affecting the group's operating performance and profitability.

Liquidity – Strong

The Group's liquidity profile remains strong, supported by healthy cash accrual and adequate liquidity buffers. The Group generated gross cash accruals of Rs. 184.45 crore in FY2026, which comfortably covered its debt repayment obligations of Rs. 48.10 crore during the year. Further, the average utilisation of fund-based working capital limits remained moderate at around 55.73% during the 12 months ended March 2026, indicating sufficient headroom to meet incremental working capital requirements. The liquidity profile is further strengthened by free and liquid cash and bank balances of Rs. 126 crores as on June 11, 2026 (March 31, 2026: Rs. 105 crore). Going forward, the Group is expected to generate healthy gross cash accruals in the range of Rs.

193.49–204.44 crore during FY2027–FY2029 against annual debt servicing obligations of approximately Rs. 55-60 crore, providing adequate cushion to meet its repayment commitments.

Rating Sensitivities

Upward Factors

- Sustained improvement in leverage, with Total Debt/EBITDA remaining below 1.75x, driven by higher profitability, healthy cash accrual generation, and/or a material reduction in debt levels.
- Strengthening of debt protection metrics, with DSCR improving to and remaining above 3.25x on a sustained basis

Downward Factors

- Sustained weakening in debt protection metrics, with Total Debt/EBITDA exceeding 2.50x on a sustained basis
- Any adverse regulatory changes impacting ethanol realisations, resulting in a significant decline in the Group's scale of operations, profitability, and cash flow generation on a sustained basis.

About the Company

BCL Industries Limited (BCL) is a Punjab-based integrated agro-processing company with diversified operations across grain-based distillery, edible oils, rice milling, and real estate. Incorporated in 1976, the company has gradually transformed itself from a traditional edible oil manufacturer into a significant player in the grain-based ethanol and alcohol industry, supported by continuous capacity expansions and increasing demand under the Government of India's ethanol blending programme.

The company operates integrated manufacturing facilities in Punjab, wherein it produces ethanol, extra neutral alcohol (ENA), Indian-made foreign liquor (IMFL), country liquor. Over the years, the distillery segment has emerged as the principal contributor to revenue and profitability, benefiting from stable demand from oil marketing companies (OMCs) for ethanol supplies and from the alcoholic beverages segment.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	2,815.14	2,791.65
EBITDA	204.61	242.00
PAT	102.87	126.40
Total Debt	536.24	490.16
Tangible Net Worth (TNW)	827.73	947.70
EBITDA Margin (%)	7.27	8.67
PAT Margin (%)	3.64	4.51
Overall Gearing (times)	0.65	0.52
Interest Coverage (times)	6.61	7.32

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	1,971.00	1,894.25
EBITDA	127.49	144.87
PAT	71.52	81.93
Total Debt	373.15	349.58
Tangible Net Worth (TNW)	769.54	844.07
EBITDA Margin (%)	6.47	7.65
PAT Margin (%)	3.61	4.31
Overall Gearing (times)	0.64	0.53
Interest Coverage (times)	10.68	12.81

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Sector](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of Companies](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years



S r. N o.	Instrum ents/ Facilitie s	Current Ratings (Year 2026-27)			Date(s) & Rating (s) assign ed in 2025- 26	Rating History for the past 3 years			
		Type (Long Term /Shor t Term)	Amoun t outsta nding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25			Date(s) & Rating(s) assigned in 2023-24
					Oct 28, 2025	Jan 02, 2025	Oct 10, 2024	Sep 26, 2024	Aug 08, 2023
1.	Fund based facilities	LT	333.28	IVR A+/Positive	IVR A+/Stable	IVR A+/RWDI	IVR A+/RWDI	IVR A+/Stable	IVR A+/Stable
2.	Non-fund-based facilities	ST^	100.00	IVR A1+	IVR A1+	IVR A1+/RWDI	IVR A1+/RWDI	IVR A1+	IVR A1+

^ Sublimit of cash credit are LC/BG limits of Rs. 50.00 Crore each.

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate / IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	-	-	-	March 2031	85.59	IVR A+/Positive	Unlisted	RBI	Simple
Term Loan	-	-	-	March 2034	67.69	IVR A+/Positive	Unlisted	RBI	Simple
Cash Credit	-	-	-	-	180.00	IVR A+/Positive	Unlisted	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_BCL_Ind03_Jul26_f2a0e9fc81.pdf

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

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of Company	Extent of Consolidation	Rational for consolidation
Svaksha Distillery Limited	Full	Subsidiary with controlling stake
Goyal Distillery Limited	Full	Wholly owned Subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator

		such as IRDAI, PFRDA
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Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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