“TruAlt Bioenergy Limited

Q2 and H1 FY27 Earnings Conference Call”

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MANAGEMENT: **MR. VIJAYKUMAR MURUGESH NIRANI – MANAGING DIRECTOR – TRUALT BIOENERGY LIMITED**
MR. ANAND KISHORE – CHIEF FINANCIAL OFFICER – TRUALT BIOENERGY LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call of TruAlt Bioenergy 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 this conference 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 call over to Mr. Vijay Nirani, Managing Director. Thank you, and over to you, sir.

Vijay Nirani: A very good morning to everyone. Thank you for joining this conference call. I'm happy to report the Q2 numbers for the financial year '27. There has been a growth in our revenue numbers. The results have been posted. And as expected, the prices of raw materials have gone up. And due to the prices of raw material going up, there was a shrinkage in the margins for the company for this quarter. However, thanks to the IPO that we did and the working capital limits that we have availed. Going forward, we'll be able to stock up raw material at decent prices in order to make sure that we have a stable margin during operations.

During the quarter, we received in excess to our 24 crore liters of allocation from the public oil marketing companies, we received an additional volume of 10 crore liters, thanks to the Supreme Court judgment in the month of August. With that, our total supply or rather the allocation for the current for the last ethanol supply year went up from 24.5 crore liters to 34.5 crore liters. And in addition to the 34.5 crore liters, we also received an additional volume of 5 crore liters from the oil marketing companies, taking the total volume to almost 40 crore liters for the supply for the last ethanol supply year.

This leads us to an average utilization of almost about 65% up to 70% of our total installed capacity. Going forward, we expect that the capacity utilization increases and we lock in an average capacity utilization of at least about 75% to 80%. The next tender for the ethanol supply year 2026-2027, starting from November up until October of 2027 has already been announced and the tender is out now. As expected, in the current tender for the next year, there is a ban on use of sugarcane juice as well as B-heavy molasses for making ethanol.

That leaves a lot of pressure on grains for manufacturing of ethanol and also C-heavy molasses. And that also means that close to about out of about 500-odd ethanol plants in the country, close to 230-odd plants, which are mono feed using sugarcane derivatives as raw material will not be able to supply continuous ethanol not be able to participate in the tender for a long I mean, for continuous supply.

So, out of the total installed capacity of about 1,900 crore liters, there will be a shortage of about 300 crore liters coming in from the sugar-based ethanol plants. So, that leaves close to about 1,600 crore liters expected to be supplied for the current year. And of that 1,600 crore liters considering ENA as well as the private consumption that is for the chemical industries, we expect that the allocations for the current year will be in a better shape.

However, due to the El Nino impact, we will probably see a shrinkage in the bottom line because of the price of raw material and availability of raw material also. We will make all efforts to book raw material at the cheapest available prices and stock up for the whole year in order to increase our bottom line. That's on the ethanol front.

In the CBG, we have already commissioned our first CBG plant under the joint venture with Sumitomo Corporation. The 20 TPD plant is up and running or rather it's being ramped up to capacity. The other two plants will be put to use within this quarter. So, that takes the entire CBG business to four operating plants, that is one Leafiniti, which is of 12 TPD and three in TruAlt Sumi Gas Private Limited, which is a joint venture with Sumitomo Corporation.

By the end of the quarter, we will have an installed CBG production capacity of about 72 metric tons a day. And going forward, we also plan to start construction of additional 6 units along with GAIL. That said, the CBG business is going to be a big revenue driver or growth driver for TruAlt considering the GOBARdhan policy that was recently announced, there have been wonderful incentives and packages that are available for company that will end up creating a huge valuable opportunity for our growth plan in the CBG sector.

In the sustainable aviation fuel business, our front-end engineering is ongoing, and we were expecting that the policy for incentive and the road map would have been announced by now. But due to certain clarity required, we still do not see the road map coming in from the government of India. Once the road map is out, we plan to start making capex for the sustainable aviation fuel business. We have already received an incentive of about INR150 crores as a viability gap fund under the PM JI-VAN Yojana for the proposed plant.

Going forward, our fuel retail business, we have already set up about 7 outlets and another are nearing commissioning. But due to the concerns or rather the crude prices, the volatility in it, we are taking the further growth of outlets a little slow. That said, TruAlt Bioenergy in the ethanol business has completed all of its proposed capex. And all we got to do now is further increase our capacity utilization and better the margins so that there's good returns.

With that, I ask our CFO, Anand Kishore-ji, to take us through the financials.

Anand Kishore: Thank you, sir. Thank you for joining us for the Q2 and H1 FY27 results discussion of TruAlt Bioenergy Limited. I will take you through the key financials and operational highlights for the quarter and for H1 of FY27. Let me discuss the revenue performance. So our top line Q2 FY27, our revenue from operations stood at INR811 crores compared with INR115 crores in Q2 of previous year.

This represents a very strong year-on-year growth of approximately 606%. On a subsequential basis, revenue increased from INR627 crores in Q1 FY27 to INR811 crores in Q2, reflecting a continued improvement in operating activity. For H1 FY27 revenue from operation received at appoximately INR1,438 crores compared with INR419 crores in H1 of FY26 representing a growth of around 243%. The substantial improvement reflects higher operating volume and improved utilization of our manufacturing capacity.

On EBITDA performance, our EBITDA for Q2 FY27 was approximately INR114 crores translating into EBITDA margin of around 14.03%. In comparison, the company had reported a negative operating profitability in the corresponding quarter of the previous year. For H1 FY27 EBITDA stood at INR261 crores with an EBITDA margin of approximately 18.2%.

While the H1 margin remains healthy, the moderation in Q2 EBITDA margin compared with the first quarter is due to increase in the raw material prices during the quarter of maize went up by 25% to 30%. Our focus remains on improving product mix, raw material efficiency, capacity utilization and operating leverage.

Let me come to the profitability front. The profit before tax for Q2 FY27 stood at approximately INR47 crores compared with a loss before tax of INR49 crores in the Q2 FY26. This is a significant turnaround in profitability. Profit after tax for Q2 FY27 was approximately INR35 crores compared with a loss of approximately INR38 crores in the corresponding period last year.

For H1 FY27, PAT stood at approximately INR94 crores compared with a loss approximately INR33 crores in H1 FY26. The turnaround in profitability demonstrate the operating leverage available in our business as capacity utilization improves. On the cost structure front, we continue to focus strongly on the raw material efficiency and cost optimization. Finance costs for H1 FY27 was approximately INR87 crores compared with the INR76 crores in H1 of FY26.

The increase is primarily on function of funding structure with the scale of operations. Depreciation and amortization for H1 stood at approximately INR49 crores. As our assets become increasingly productive, our focus is on ensuring that incremental revenues translate into a stronger cash condition and return on capital.

One of the important areas for us is a cash generation. During H1 FY27, the company generated approximately INR192 crores of cash flow from operating activities. This is a positive indicator of underlying operating expense of the business. At the same time, we invested approximately INR180 crores in the capex, including property, plant, equipment and CWIP. The investment is aligned with out our strategy of extending and expanding our operating platform.

Coming to the balance sheet. As of 30 September '26, our total equity stood at INR1,687 crores compared with INR1,578 crores during March '26. Our debt-to-equity ratio is approximately 0.55x which continues to provide a reasonable capital sector for the scale of our operations. Importantly, we also see a meaningful reduction in certain working capital items. Inventory reduced to a maximum of approximately will be INR528 crores, in March '26 to INR206 crore in September '26.

Trade receivable also reduced from approximately INR406 crores to INR367 crores. These movements are positive from a working capital perspective agreement and important focus is also management.

During the first half, we continue to balance growth investment with financial discipline. We generated a strong operating cash flows, while continuing to invest in our capability and

operating infrastructure. Our objective is to progressively improve cash conversion, reduce working capital intensity and optimize our borrowing profile.

Looking ahead, we remain cautiously optimistic about the second half of FY27. The fundamentals of the bioenergy and ethanol sector remain attractive, supported by India energy transition priorities with a lending initiatives and increasing emphasis on domestic renewable fuels.

Our immediate priorities are improved capital utilization, optimize feedstock and product mix, improved EBITDA margin, strengthen operating cash flows, reduced working capital requirements and maintain disciplined capital allocation. We believe that our significant turnaround achieved in H1 FY27 provides a strong foundation for the past growth.

To conclude, Q2 FY27 has been a quarter of its strong revenue growth, a clear turnaround in the profitability and healthy operating cash generations. We are concerned that the next phase is not only about growing revenue, but also converting the growth into sustainable EBITDA with stronger cash flows and improved return on capital. The management remains focused on profitable growth and strengthening the balance sheet while continue to build TruAlt into a stronger and more diversified bioenergy platform.

With that, I would like to thank all our shareholders, lenders, business partners and employees for their continued confidence and support. I will now hand over the call for the question-and-answer session. Thank you.

Moderator: The first question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D. Patil: Good morning to the team. I have two questions. My first question to Mr. Nirani. Following the massive to 243% revenue surge in H1, I just want to understand what forward volume guidance can you share for the next 2 quarters? As we build out the Srikakulam SAF plant using the INR150 crores PM JI-VAN grant, what major execution risk could delay commercial production? And what is our forward strategy to secure long-term feedstock? Just want to understand your plan of action on this. That's my first question. I'll ask my second question after this.

Vijay Nirani: Yes. Sure. Thank you for that, sir. With regards to the expected volume that we plan to supply for the current quarter, we—like I said, we had an offer for almost allocation for about 24.5 crores liters from the OMCs. And in addition to that, we got about 15 crores liters added for the last ethanol supply year. So, in the current quarter of that last year's allocation, ethanol supply year runs from November to October.

And half of this quarter, that is October and November, we'll be supplying and there was an extension already received. So, 2 months of this current quarter, we will be supplying from the last ethanol supply year only.

So, we already have about 8.5 crores liters of orders still left to be supplied for the month of October and for the month of November. And we have the required raw material as well as the, I mean, the allocation to supply that.

In addition to that, for the new ethanol supply year, we expect an allocation of at least about 40 crores to 42 crore liters, that's the expectation. Of course, we'll have to see when we apply for the bids. And once the allocations are done, we will get to know the real, I mean, the absolute picture. But for the current quarter, I can tell you that we have in hand about 8.5 crore liters to supply, and there will be further addition that we will get.

Sucrit Patil: My second question, Mr. Kishore, is along the similar lines, with quarter two revenue hitting a record INR811 crores, which is very good. What is our forward capex and debt guidance for the next quarters? As we simultaneously scale our multi-location CBG project with GAIL and Sumitomo, what risk do you foresee to our working capital cycle? And what forward financial controls are in place to protect our cash flow? Just want to understand your point of view on this.

Anand Kishore: Yes. Thank you, sir. So, your first question was on line of the capex to be planned for the upcoming quarter. There will be no capex involved from the 1G ethanol point of front. The capacity will remain same. The major capex will flow towards the CBG. This CBG plant, we are expecting to commence in the next quarter close to three, four add-on plants. For this capex that will start incurring at least for four to five plants, which will have a project cost of around INR 65 crores per plant.

So that comes around to INR300 crores and of which we are expecting this debt to be raised to the extent of additional INR70 crores to INR80 crores as a primary transfer of the first disbursement on the term loan side of outstanding along with the JV partner with GAIL. That is the first question required. Can you please come back to the second question?

Sucrit Patil: Yes. The second question was as we simultaneously scale our multi-location CBG project, what risk do you foresee to the working capital cycle? And what forward financial controls are in place?

Anand Kishore: Yes, sir. So, because the entire expansion is on the CBG front, so working capital, there is hardly any requirement for CBG plant on your working capital. The working capital is not going to impact much because the major working capital with these plants will either run through the press mud or spent wash of the CBG plants. The press mud costs you hardly anything means that is where this CBG business crux margin lies in the EBITDA margin of around 60% to 70%.

So, in our existing plant also, we have hardly working capital of 10 TPD plant with INR2.5 crores to INR3 crores. Even if it works out to be 100 TPD plant by the end of the financial year, I assume there will be a maximum requirement of working capital, which can arise is INR25 crores to INR30 crores, against which you will be generating a better revenue against the working capital. So, the working capital will never be a challenge from that point of view.

As far as the risk mitigation is concerned, as I was touching, so the overall side, the risk mitigation will be taken care by these CBG plants only because compared to capex, the return in this business is very high, which we have proved in our last 7 to 8 previous quarters also.

And going forward, the same quantum will be maintained with the minimal working capital requirement, which we are doing there and also the debt amount of INR80 crores to INR100 crores what I was telling you, which will be again subdued by way of capital subsidy, which we will be receiving from under the GOBARdhan scheme.

So today, for our all the plants, we are eligible for the capital subsidy of close to INR2 crores per TPD. This will be directly reducing the term debt of the company. And we are right now eligible for 25% of these capital subsidies based on our consent to operate license. So, all these risks will be entirely subdued by way of a capital subvention and the profit to be generated from this business. Thank you.

Sucrit Patil: Thank you and best wishes.

Anand Kishore: Thank you.

Moderator: Thank you. Next question is from the line of Disha from Sapphire Capital.

Disha: Hello, am I audible, sir?

Moderator: You are audible.

Vijay Nirani: Yes, ma'am.

Disha: Yes, thank you so much for this opportunity. Couple of questions, firstly what's the ethanol volume this quarter?

Vijay Nirani: So, for this quarter, like I said, yes, go on sir.

Anand Kishore: So, for this quarter, you want to say for H1 FY27, we have sold the total volume of ethanol, what we have sold in Q1, is 8.29 crores and Q2, we have sold 10.78 crores. So, for the entire H1, we have sold 19.07 crores liters of ethanol. And again, for this we have, what sir was telling, we already have pending orders to this close to 8.5 crore liters other than the fresh allocation, which we are expecting.

Disha: Right, right. Okay. Fair enough. Sir, also just wanted to know, so you mentioned that we're seeing a lot of raw material pressure, right? But going forward, because the government is banning the use of sugarcane juice, won't we be able to pass on this cost in terms of higher prices as well? Just wanted to understand how our contracts are shipped. So, is there any way for us to pass on this increase in raw material and protect our margins?

Vijay Nirani: So even though if you say the ban is done, so let me come to the ban point where sugar prices in the market is INR50, INR48, or INR52. Be it any sugar player, even though for them also, even though it is not would have been ban, they would have preferred to sell it outside the raw

sugar rather than diverting it to the industry because the profit margin will be, they will be getting a might be better than that, right?

So as far as for us to make a rationalize on the cost benefit and more margin is to use a better product mix and higher of the capacity utilization. So, we have a plan where we are trying to store these maizes and rice at the lowest profit price and accumulating at the various locations by storing at our godown point a concept and storing it at a proper place so that even though during this quarter, it goes at the peak of the price, we'll be able to maintain the maximum EBITDA margin at least to sustain at the present level what we are maintaining.

Disha: So, this margin that we done for ethanol this quarter is going to be the base. It should only increase up from here on.

Vijay Nirani: Definitely will increase from here on. Usually, Q2 is the most difficult period because that's when summer is over and there's not much of raw material agrarian products available. So, whatever the Q2, whenever each of the years will have the lowest margins. It should improve from Q3, Q4 onwards.

Disha: So, sir, on an average for this year, what sort of margin should we expect for the ethanol business?

Vijay Nirani: I'm not be able to give you an absolute number, but once the tenders are located, we might expect maybe a 1% or 2% drop in the EBITDA margins of the average that we've been doing so far.

Disha: Okay. Okay. And sir, on the CBG side, I just wanted to understand the other two plants that you're going to commission by the end of Q3, are they on track? And for this year, and for this quarter, I think we were last year, we had received some subsidy. So, what was the amount that quarter? And what was the subsidy amount that you were supposed to receive for this quarter?

Vijay Nirani: Anand sir, do you want to take that.

Anand Kishore: Subsidy on the CBG front, we are commencing three plants of TruAlt Sumi Gas Private Limited in JV with Sumitomo. Three plants constitute INR180 crores of term loan. So the subsidy eligible is INR2 crores for TPD, so 60 into two roughs also INR120 crores, right? So, after INR120 crores, we are right now eligible for INR20 crores to INR25 crores of subsidy out of this based on our consent to operate license.

So, for the quarter or even say their math of a timeline for the next quarter, first or second month by, sir, we are definitely expecting a INR25 crores to INR30 crores i.e., 25% of INR120 crores means, you can work out to close to INR30 crores of subsidy we are expecting by December or January.

Disha: Okay. And sir, the one plant this year we have commissioned with CBG, 20 TPD, how is the ramp-up of that going? What sort of utilization are we targeting for this year? And for the other two that will be commencing, what sort of utilization should we look at for this year?

Anand Kishore: These CBG Plants are expected to generate revenue from the month of January, so that will add one quarter of revenue. So, one quarter of revenue presently, if you see our existing plants, that comes around INR10 crores.

So, even it works out to INR10 crores one quarter, so it will add a minimum revenue of INR10 crores to INR15 crores, existing one plant and adding also another two plants for the past period will add another revenue of INR10 crores, because that is also picking up and ramp up is quick. So, we believe that INR20 crores of CBG segmental revenue will come from these two to three plants during the financial year, coming to the next 2 quarters.

Disha: Okay. And sir, for this INR15 crore, out of that INR10 crore, we already what is the update on the rest INR5 crores? When are we expecting that allocation to happen? Any sort of color on that?

Vijay Nirani: Like I said, we have received the location already. There's clarity on it. Out of the INR15 crores, 4.9…

Disha: Okay. So, this is a…

Vijay Nirani: Yes.

Disha: Okay. Fair enough. That'll be it from my side. Thank you.

Moderator: Thank you. Next question is from the line of Prathamesh Sawant from Abakkus Investment Managers. Please go ahead.

Prathamesh Sawant: Yes. Hi, Vijay, sir. Good afternoon. So, just two small questions from my end, sir. So, in the current quarter, do we have built up for any inventory for the Q3 orders that we have? So, is there any raw material inventory buildup in Q2?

Vijay Nirani: Yes, sir. Thank you for the question. We have a visibility already. So for that 8.5 crore liters, we already have the required raw material tied up. And because the raw material was purchased during quarter two and the order also was received only in the month of August, the cost of the raw material was at a higher side. So, the margin will be a little lower, but we already have the visibility on the raw material tied up.

Prathamesh Sawant: Okay. So the effective Q2 margin should be slightly upwards of 12%, what is it, because that has some element of the raw material prices also into this?

Vijay Nirani: You mean in Q3, sir?

Prathamesh Sawant: No. In Q2 margins…

Anand Kishore: Q2, the capex…

Prathamesh Sawant: We have some raw material…

Anand Kishore: We got your question, sir. Yes. So, Q2, we had the impact of definitely the increase in the price of raw material picked up by 25% in terms of maize. Although, what sir told, this was a muted season for the industry also, because there is a hardly a supply of the raw material during the quarter. Again, Q3 and Q4 in a seasonal basis where, again, the EBITDA margin will bounce back to the original level depending on how feedstock prices will react.

Prathamesh Sawant: Okay. And so volume-wise, we can go north of the current Q2 quarter because we already have like 8 crore liter commitments plus probably the next ethanol supply is 40 crore liters, also some element should become in the November or December end. So, can we see volume up price on the current quarter numbers as well over here?

Vijay Nirani: Yes, sir, we expect that. Since we already have 8.5 crore liters of orders, we expect at least about 6 crore to 7 crore liters of additional volume that's in the month of we will have November and December alone, right, for the current quarter. So, we expect a few more crore liters to get added, but that will depend based on the allocation that we receive. There will be a growth is the expectation.

Prathamesh Sawant: Okay. Fair enough. And lastly, sir, on the El Nino front. So, we have been hearing that the southern part of the country will be affected with the El Nino more. So where is our raw material procurement coming from? And do you see any risk built into this where the prices of raw materials stay elevated for the next entire financial year?

Vijay Nirani: Yes, sir. So there is a huge drop in the acreage of cultivation of major food crops that is maize, rice as well as sugarcane, which is why you've been seeing there's a big rally in the prices of all these commodities. The year next, there is an expected drop of about 35% in maize availability. And rice, there's an expected drop of about 10% to 12%. And sugarcane, there's a drop of about 10% to 12% again.

So that will squeeze the margins a little because the price of raw material will increase. Thanks to the support of all you shareholders, we could convert three of our plants into grain base, which can take multiple feedstock and also have the working capital limits now.

We will be sourcing raw material across the country, that's Bihar or Madhya Pradesh is a big place. Punjab is a big place for us to procure raw material. We've already started sourcing warehouses and stocking up the raw material required.

Prathamesh Sawant: Okay, sir. Fair enough. Thank you, sir.

Moderator: Thank you. Next question is from the line of Udit Sehgal from PinPoint X Capital. Please go ahead.

Udit Sehgal: Yes. Good afternoon, sir, and congratulations for a good result. Sir, firstly, I wanted to know there have been some notifications regarding the pledging of shares and the intent of the promoters to increase the stake. So, what exactly is the intent? And till what percentage are we planning to add?

Vijay Nirani: So, legally, we are allowed to go up to 75%, sir. The idea was to try and increase our holding as much as possible. But we are almost at about 71 point change percent now, and we have a margin of about another 3.5% to 4%. So, eventually we keep continuing to build the holding.

Udit Sehgal: So, the current pledges where the notification have come, they have been used for the past purchases or they are going to be used for the future purchases?

Vijay Nirani: For the future purchases.

Udit Sehgal: For the future purchases. Okay. Got it. Secondly, sir, on the CBG front, could you kind of educate us on what the changes have been from the previous policy, how the margins or the subsidy has gone up? Because we saw in the private market like companies like Gruner, they are getting a valuation of, say, $5 billion and they're building out around 1,000 TPD. So, what exactly are we planning to do? What are our plans for the midterm and long term since the government has given such a big push into CBG?

Vijay Nirani: Yes. So, CBG is going to be a big growth opportunity for the entire country. So, the new policy that's GOBARdhan 2.0, there is a huge amount of changes that has already come in. To name a few, one, the capital incentives or the subsidy that is available per metric ton, earlier, there was a cap of about INR10 crores per project, and the subsidy was somewhere about for a 10 TPD plant, it used to be at about INR8 crores to INR10 crores.

Now, the subsidy has increased from INR1 crores per ton to almost INR2 crores per ton, it's doubled. And there's a cap of about INR30 crores per plant, not per company, per plant. So, let's say, for a 10 TPD plant now, instead of having INR10 crores subsidy as earlier, now we'll have INR20 crores of capital subsidy.

Along with that, the price of gas is now assured for another 10 years. There is an assurance on offtakes. There is a take-or-pay clause already that's coming, which is favorable to the producers. So, 90% of whatever we produce, there is a condition that the OMCs will have to buy. And for the obligation on the supplier that is us, we will have at least 50% should be offered, which is a very good thing that has come in.

Along with that, the price of the gas has also increased from INR84 a kilo to now it has gone up to about INR104 a kilo. And also, if the purity is higher, we can get a price of as high as about INR116 to INR120 a kilo also. So overall, there is a huge push for the CBG sector, and we hope to take as much as benefits that we can.

Udit Sehgal: Okay. So do we plan to I think our initial build-out is for some plants with GAIL and Sumitomo. I think it totals up to almost 250 TPD, if I'm not wrong?

Vijay Nirani: Yes, sir. In entirety, it would be.

Udit Sehgal: Okay. So, any plans to go further on that? Like we see there's so much scope and I mean, from our calculations, I think in the next 3 years to 4 years, maybe the country may be requiring

almost 1 lakh of TPD. So, I mean, what would be our plans? What kind of market share could we get?

Vijay Nirani: Yes. So right now, we have visibility on these 250 metric tons. Beyond that, of course, we have expectation to keep building, but 250 metric tons is almost about 20, 24 plants, right? There is still a lot of work to do. And we have only now commissioned about 4 plants – still commissioning. And these plants will begin construction. So, over the next 2 years, we will see a lot of investments in the sector.

Udit Sehgal: Okay, sir. Got it. And sir, on the ethanol front, I'm a bit confused with the government policy. Say, they were not getting ethanol from or I mean, there's a shortage of sugar, so they didn't want the sugar to be diverted to ethanol. So logically, shouldn't have they given more incentives for the maize producers to give more volumes like...

Vijay Nirani: Should have definitely done that considering the prices that has increased, they should have increased the price of maize-based ethanol. But in fact, they've reduced the price by almost INR3 a liter. We don't see the logic in it, but it is what it is now.

Udit Sehgal: So, will they be able to still get the full application? I mean, wouldn't the maize ethanol producers be protested or whatever, I mean, looking at the scenario?

Vijay Nirani: We've already the industry has already raised concerns on the same subject, and we have reached out to the policymakers and the oil marketing companies. We hope that there is some kind of a revision in the prices to support. I'm not sure as of now what people are thinking, but we expect that there could be some correction.

Udit Sehgal: Okay, sir. Thank you so much and best of luck.

Vijay Nirani: Thank you, sir.

Moderator: Next question is from the line of Bhavya Gandhi from Bajaj Alternate Investments. Please go ahead.

Bhavya Gandhi: Yes, hi. Thanks for the opportunity. Sir, my first question is regarding the ethanol. What is the realization currently? And just wanted to understand because we went into unit feed grain-based raw material procurement so that we don't see this kind of RM fluctuation, right? That was the thought process.

But in the current quarter, we've seen INR18 rising to INR25. So at least if you can give a flavor on the RM, how will it pan over the years? If you can give a broader perspective, that will be helpful. That is the first question.

Vijay Nirani: So, the whole objective of coming dual feed is that to have the flexibility of different kinds of feedstock. And we know that in different years, there will be different availability on the raw material side. So, one, achieving flexibility, we've already seen that. And also, if you look at historic cycles, there has always been a drought-like situation once in every 5 years. And we

see the impact now for the El Nino. And the current year, there is a shortage in the availability of raw materials that I just explained earlier also.

But going forward, that should correct itself, and we will come back to normalcy. But in years like these, we expect better prices so that our margins can improve. That's the expectation from the government. But otherwise, from the company and from the management side, what we expect to do is stock of raw material at the available cheapest price so that further crunch in the raw material or rather the cost of production is streamlined to the best effect.

Bhavya Gandhi: Got that, sir. What could be the average realization for ethanol combined and for maize combined in your experience, what could be the average realization? And similarly on the raw material side, both the key raw materials, blended average realization. Just to understand what would be the EBITDA per kg or per liter fluctuation just to get that understanding?

Vijay Nirani: So, if I were to take a guess, of course, this is subject to the allocation. But if I were to take a guess, the average realization this year, let's say, maize-based ethanol is at around INR68-odd a liter. And also, there's a ban on sugarcane juice and B-heavy molasses. So, ethanol derived from damaged food grains is at about INR64 and from FCI rice is about INR60.

So, I expect an average blended rate of about INR64 to INR65 from the past year, which was at about INR67. So that's about a dip of INR3 a liter. However, the price of DDGS, which is a byproduct of grain-based ethanol has increased. And we are looking at an average price of about INR28 to INR30 in the past month, and we expect the prices to be to continue to be higher going forward.

Bhavya Gandhi: So, what would be the RM basket total cost per kg or per at least if you can provide that because there are a lot of variables. So, in your experience, not to hold you for that, but at least an average. And going forward also, what could be your expectation?

Vijay Nirani: Right, sir. In the past, we were hovering at around 62% to 66%, somewhere between that was the RM contribution. But going forward, I may not be able to give you the right thing, but it will be sub 70% is what we expect.

Bhavya Gandhi: And that would be the peak levels, right? You don't expect it to go beyond that?

Vijay Nirani: We hope for that, sir. Again, it depends on the availability. But also considering the cost of carry and all of this should be somewhere around that number.

Bhavya Gandhi: Got it. Sir, my second question is regarding how do we intend to repay the pledge amount? What are the sources of funds that we have in personal capacity? Yes, please, if you can just explain that as well.

Vijay Nirani: That's it's relevant for the company right now. But for as management, we've got different sources of capital. So, it's irrelevant for now.

Bhavya Gandhi: Okay. That is not an issue, right? And what is the haircut price, if at all that you would have raised the money at?

Vijay Nirani: It's a personal loan that I've taken, but that shouldn't bother or shouldn't affect the company by any means.

Bhavya Gandhi: Fair enough, sir. And just on the CBG part, sir, just wanted to understand, currently, you're doing INR20 crores revenue per quarter, that is closer to INR80 crores revenue per annum for the 10 TPD, right? So, for 20 TPD at full utilization, can we expect like INR150 crores to INR160 crores at INR84, assuming that INR84 holds true?

Vijay Nirani: No correction there. We are doing an average of about INR40 crores, INR45 crores of turnover from a 10 TPD plant. That's almost about INR4 crores, INR4.5 crores of revenue per ton. We expect a similar price, I mean, revenue to continue because earlier, there used to be something called as a market development and assistance. That's a subsidy on the manure that we used to sell. That has been discontinued now.

And instead of that, the government is now giving the higher price for the gas. That's from INR84 to INR104 or INR115 depending on the purity. So that should average out your revenue cycles and the revenue per ton should continue to be at somewhere around INR4 crores to INR5 crores, let's say, INR4 crores, INR4.5 crores per ton.

Bhavya Gandhi: Fair enough. So that would be closer to INR80 crores of top line on full maturity, I mean, on full utilization?

Vijay Nirani: From...

Bhavya Gandhi: 20 TPD plant? Yes. And 60% is the realistic EBITDA?

Vijay Nirani: No, no, correction again, sir. We will have for a 20 TPD plant, we should get somewhere about INR80 crores. So, we have 3 plants being commissioned now.

Bhavya Gandhi: Right, 80 crores to 240 odd crores, right?

Vijay Nirani: Yes.

Bhavya Gandhi: So and the 60% is the realistic EBITDA one should work with that broadly?

Vijay Nirani: So that's the track record that we've had so far, but you can keep it somewhere around 50%, 55% is what we are expecting.

Bhavya Gandhi: Okay. Fair enough. And at INR104, what could be the EBITDA level, at least if you can provide on the INR104 realization?

Anand Kishore: It will be almost at the same level, sir, because as I told MDA is discontinued and the gas prices increase. So this will offset the benefit from the MDA and you can maintain the PAT margin and EBITDA margin almost at the same level, a little bit increase from the previous level when it is fully operational and the peak capacity, a little better than what I'm getting now.

Moderator: Thank you. Next question is from the line of Marmik Khandelwal from Aarth AIF. Please go ahead.

Marmik Khandelwal: How many days of maize inventory did we have as on March '26? And going forward, do we see our margins going down as till now we would have been able to manage the margins in H1 due to lower priced maize inventory procured until April?

Anand Kishore: Yes. So what is the question, sir, how many days?

Marmik Khandelwal: How many days of maize inventory did we have in as on March '26.

Anand Kishore: So as of March, if you see as on March, my inventory level was outstanding around INR528 crores. And today, if you see, it is around INR206 crores. That is the inventory level we have in the books as compared between March and September.

This inventory will be out of the book with commencement of season. We have already existing 8.5 crore liter of orders in hand right now. So this order and with the additional order coming up, the total order will be worked out.

This will be immediately converted to sales. And then again, there will be a further additional inventory filed up based on the ethanol allocation, which will be allocated during the year.

Marmik Khandelwal: Okay. And as on March '26, I believe we must have inventories of sugar and maize both. And going forward, we will only have inventory of maize, right?

Anand Kishore: Yes, we will have inventory of maize going forward.

Vijay Nirani: We'll have inventory of maize as well as rice. That means food rice.

Anand Kishore: Yes. Maize and rice because this sugar is not on so maize and rice should be the only inventory.

Marmik Khandelwal: Okay. And recently, I've heard that realization in maize-based feedstock has decreased to approximately INR68 from INR71, INR72. So is it right? Or is there something else in it?

Vijay Nirani: Sorry, I didn't hear that. Could you...

Marmik Khandelwal: What is the realization from maize-based feedstock this year?

Vijay Nirani: Not able to predict that. That's based subject to the allocation. But out of the 8.5 crores liters that's pending, we still have about 5 around 4.5 crores liters to be supplied for the current quarter. That is the past orders already. But only when we have the allocation for the next year, we would be able to share.

Moderator: Thank you. Next question is from the line of Satyam Chaudhary an individual investor. Please go ahead

Satyam Chaudhary: Am I audible sir?

Moderator: You are audible, sir.

Satyam Chaudhary: Sir, my question is regarding if you can provide me with the gross margins, specifically for ethanol segment, average gross margins around the year, what we can expect?

Anand Kishore: So you are asking for the upcoming period?

Satyam Chaudhary: Yes, for the upcoming period.

Anand Kishore: Okay. So as we were telling this and what our MD was telling this will solely depend upon the kind of allocation, which we will be getting which what we're expecting is 45 crores liter based on the allocation. But presently, whatever the gross margin is on the business side is there it will be somewhat plus only. I cannot tell you the precise number at this juncture because I have only 8.5 crores liter of order to be supplied. Once this ESY is over, then we'll be in a better situation to reply to this question.

Satyam Chaudhary: Any range if you can provide not a particular number, any range you can provide?

Anand Kishore: Sir, we are not supposed to comment on these numbers, but if you see right now, my present gross margin is close to 30%. So you can do some plus/minus what can be. But at present my GPM is 30%.

Satyam Chaudhary: Okay. Other question is regarding like are we looking to expand ourselves into DDGS byproduct?

Anand Kishore: Sir, there is no need to expand there because we are already getting a substantial income from the DDGS at least, which is market it is priced at INR26, INR27 per kg. So that is already additional income generating as a byproduct when we are using the maize-based feedstock as for the production of ethanol. So that is a good amount of contribution as well as the bottom line because we are not incurring any additional cost or overhead expenses there that is the byproduct income.

Satyam Chaudhary: Okay. And sir, other question I have is like as we have 65% of dual feed capacity, the remaining capacity which we have is basically for sugar-based itself. So how are we looking to get capacity utilized to that 35%?

Anand Kishore: Yes. So balance 1,300 KLPD is already dual feeder. And if you see one of the plants, which is again a 400 KLPD plant, where again it concentrates on the C molasses are not banned only B molasses and syrup is banned. So we are dedicating one plant completely for the utilization of the C-based molasses also other than what we have the option to convert we have the option to use it at the other feed also. So based on our present capacity, we are expecting a sufficient allocation to optimize this plant as a maximum capacity utilization, which during the quarter was 62%. And during the H1 also, it was around 64%, 65% so capacity utilization will not be a challenge.

Satyam Chaudhary: Okay, sir. And last question, sir, is regarding like if you can tell me ENA realization like we are selling for ENA also. So, about realization for ENA particularly?

Vijay Nirani: There is a good increase in the price of ENA already. We are looking at prices for long contracts at about INR62 to INR63 a liter. Cost of producing ENA is almost cheaper by INR1.5 a liter to INR2 a liter. So it makes more sense to make ENA. Like Anand sir was mentioning, our other 2 units, at least of that, the 400 KLPD, we propose to run it on ENA for the whole year using the C-heavy molasses. So that's the expectation. Whatever if there's an increase in the price of ethanol based from C-heavy molasses, then we convert that into ethanol. Otherwise, we continue making it converting that into ENA.

Satyam Chaudhary: Okay. So on the ENA front, can we look at the sustainable demand in India in coming years?

Vijay Nirani: Yes, sir. So there is a gross consumption of almost about 218-odd crores liters of potable alcohol each year. And there is a compounded growth of almost about 3% year-on-year. Of course, the last 1 year, there was lesser growth, but the volumes will be available and us having long relationships with most of these potable alcohol manufacturers or the Indian made foreign liquor companies, we will continue to harvest these relationships and supply more volumes to them at decent prices.

Satyam Chaudhary: Okay, sir. Thank you sir. That was all from my side.

Moderator: Thank you. Next question is from the line of Jay Shukla an individual investor. Please go ahead

Jay Shukla: So sir, thank you for the opportunity. Sir, my first question was regarding by way of selling our Badami plant, which is Unit 5. We intend to recover approx INR170 crores from the slump sale. So my question was how do we plan to deploy these funds? Will it be used for debt repayment or other capex plans, which are already going on.

Vijay Nirani: So of that INR170 crores, Anand sir can elaborate. There is a current outstanding of about INR130-odd crores of debt there so that INR130 crores of debt will be repaid using INR171 crores of the capital that we would receive. And the difference of about INR40 crores, INR40-odd crores, we will be utilizing that working capital.

Anand Kishore: Right. So we have, out of INR171 crores expected reduction, INR125 crores close to term loan is outstanding. So INR46 crores additional, we will be utilizing direct on account of sale of the plant. Additionally, we'll be also able to save from this plant a good amount of expenses close to which we are incurring on an annual basis like interest on these term loan and your employee expenses.

So that will save close to INR22 crores from there also. That will be completely utilized for the rationalization and strategic initiatives for the company to grow.

Jay Shukla: Okay. Got it. And sir, what I understand, we also have an upcoming plant at Badami, which will be our CBG plant. So in that case, after selling the ethanol plant, how will, how do we plan to procure the feedstock for our Badami CBG unit?

Anand Kishore: Sir, this is not the only CBG, this is not the only plant which is located there because the CBG requires a press mud. And we have many other plant that is a sugar belt completely, if you see

the area is full of the sugar units. And there are a lot of many press mud available based on the raw material study conducted by, under the TEV study. So there will be sufficient 6 to 7x of raw material available in the locality as press mud for the manufacturing the CBG.

Vijay Nirani: Plus your existing plant also will be there to whom it will be sold, we may ask from them also to supply press mud because that is also one of the players.

Moderator: Thank you. Next question is from the line of Nitin Awasthi from InCred Capital. Please go ahead.

Nitin Awasthi: Two questions from my side. The first one, there have been many changes in the tender, which is out in the, from the overseas, one of which is the amount of capacity which you can bid for. There was a lot of hanky-panky happening by players and the bid amount by players used to be not correct.

And hence, the OMCs this time around have come up with a very particular calculation so that it is fair across the table. One, what is your thought process? How do you see this development? Number two, based on set calculation, what is the amount for which you can bid for?

Vijay Nirani: Right, sir. Thank you for that. So we have the basis for calculation. There are a few good things that they have done in the tender and a few things that we could not comprehend better. But the good thing that they have done is they have removed the barriers on states that is earlier, they used to have this concept called surplus state and deficit state. So the demand for the ethanol blending required for a particular state was to be met by the availability within that state.

So it was an unfair ground for states like Karnataka, Maharashtra or Bihar, where there is abundant food crops available. So they have done away with that. So now irrespective of states, we can supply to any places. And the basis for allocation they have considered is 81 working days in a month in a quarter. And for 81 and in a few quarters, it's 83 working days.

And that multiplied by your consent to operate capacity will become your eligible volume for to place your bids. So based on that, for us, TruAlt Bioenergy, we will we have an installed capacity of about 2,000 kiloliters a day. That into 81 x 2 and 83 days x 2 quarters. So that should give us somewhere about, I haven't done that number. Nitin, you could do that number, sir.

Nitin Awasthi: Okay. So okay. So 2,000 KL x 81 x 4?

Vijay Nirani: And 83 days for 2 quarters.

Nitin Awasthi: Okay. 83 days for 2 quarters, so 83 x 2 and 81 x 2, and that's your bid eligibility. Correct?

Vijay Nirani: That's correct. And we expect higher allocations for this ethanol supply year. Out of about 500 ethanol plants, about 230, 220 to 230-odd plants, which are mono-based will not be operating to capacity. So, for example, last year, syrup and B-heavy alone, there was a supply of almost about INR380-odd crores of ethanol. That's almost about 30%, 38% of the last year's supplies. This year, that has almost become zero. So, there's a ban on it.

So, allocation for dual feed-based plants is going to increase and a lot of plants which are mono-based will not be put to use. So that should give us better opportunity to operate also.

Nitin Awasthi: I did the calculation, sir, back of the hand calculation, that means you can bid for about 66 crore liters?

Vijay Nirani: Correct, sir.

Nitin Awasthi: Okay. Understood. Sir, second question which I had was about the pricing of market-driven ethanol products. Two prices during the call you have mentioned, one is your DDGS prices hovering at INR28 to INR30. One more price was your C-based ENA C-molasses-based ENA, which you said INR63. Two more prices I wish to understand from you, how is the market seeing this and what are the trends in them. One is the grain-based ENA and one is the industrial alcohol for chemical purpose.

Nitin Awasthi: Right, sir. So usually, the price of ENA, so there's not much of a difference between grain or molasses based. Of course, it depends on the premium of the plant and the consumption pattern for the portable alcohol manufacturers. But they are very cost conscious in the end, right? So, a lot of people, irrespective of whether it's sourced from maize or grain or the thing, the priority is on price.

But post that, for certain companies like Diageo and certain large companies also prefer have preference on the base of ENA. But the key driver would always be the price. So, for us, we expect a better price of ENA for the current year because prices of raw material, that's syrup and B-heavy will not be diverted because the sugar prices have gone up really high. So, it's about INR45, INR48 price of sugar right now.

So, it doesn't make any sense to divert B-heavy or sugarcane juice even for that for ENA. So, there's a huge chunk of capacity that won't be participating in the supply of alcohol. So that leaves us opportunity for the grain-based plants. So, considering the demand of 1,100 crore liters in the current tender for OMCs and about 280 crore liters of average potable alcohol consumption, we will have more there is a crunch in the capacity available. So, prices of ENA should improve.

Nitin Awasthi: Okay. So, I should rather see this as a floor price increase rather than differentiate between different routes. For industrial alcohol, similar pattern?

Vijay Nirani: For industrial alcohol, again, the price of international ethanol also, earlier, there used to be a lot of RS imports that used to happen. But now the price of RS has already reached about if my memory serves me right, it's at about INR58 to INR60 a liter. Earlier, that used to be at around INR47 to INR48 a liter landed into the country. So, considering the jump in price, of course, there are different reasons for it. We see that there's a lot more opportunity for the Indian ethanol manufacturers to cater to the industrial alcohol demand also.

Nitin Awasthi: Understood, sir. And similar figure, if you could provide the demand for this in India? Like you said for alcohol it's about 280 to 300 crore liters…

Vijay Nirani: For the chemical industry, it's about 250 crores to 300 crore liters is the demand right now. And we expect that at least about 40% to 50% of it, I'm saying with confidence would be catered by the Indian manufacturers.

Nitin Awasthi: Understood. So, is that understanding correct that these 3 things leading in together is pushing up the price of ENA?

Vijay Nirani: That's correct, sir.

Nitin Awasthi: Understood. Thank you, sir.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Vijay Nirani for his closing comments. Over to you, sir.

Vijay Nirani: Thank you so much, ma'am. I thank all our shareholders for the trust and the faith that you've placed in us and at TruAlt. We will continue to make all efforts to bring value to all of you. Of course, we are an agro-based industry. There will be challenges, but the support and the confidence that you have shown in us, we will continue to make all efforts to keep building value to all of you. I thank you all for joining in for the call today, and thank you for the support.

Moderator: Thank you very much. On behalf of TruAlt Bioenergy Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.