TruAlt Bioenergy

29 July 2026

Operator: Ladies and gentlemen, good day and welcome to TruAlt Bioenergy Ltd. Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in 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 touch-tone phone. Please note that this conference is being recorded. Today on the call with us we have Mr. Vijay Kumar Murugesh Nirani, Managing Director and Mr. Anand Kishor, Chief Financial Officer. I now hand the conference over to Mr. Vijay Kumar Murugesh Nirani, Managing Director. Thank you and over to you, sir.

Management: A very warm welcome to all the shareholders for the first earnings call for the financial year 2026-27. I must report that we have had a fairly good quarter, thanks to the company's decision to convert 3 out of 5 units into dual-feed plants and for completing the capex in a timely manner as of Q3 of the last financial year. During this quarter, we were successful in operating 3 out of our 5 plants to the maximum of their capacity and were able to produce close to 8.5 crore liters of ethanol. We achieved sales of close to 8.5 crore liters. That gave us a revenue of approximately 630-640 crores. Thanks to the price of maize and rice during the beginning of the season and with the support of the working capital build-up, we could successfully secure enough raw material that could give us an increase in the bottom line.

We also had ample stock of ethanol during the March quarter which is now being sold, thanks to the orders that we had in hand. With the current capacity, we were able to only operate at about 60% of capacity utilization. This is fairly better than the last 2 years, but we still have a lot more opportunity to increase the capacity utilization by at least another 20-25%. The company aims to reach that capacity utilization in the coming quarters. To increase the capacity, as we are all aware, there is a court case regarding an additional 15 crore liters of ethanol. That matter still stands open and we are trying to get that implemented. With that, our capacity utilization could go as high as 90-95% for the balance of the 2 quarters. That said, Q2 of this financial year should also see healthy numbers because we have close to about 11-12 crore liters of sales planned. That should give us a fairly good growth in performance in the quarter to come as well. With regards to the compressed biogas business vertical, we have had a similar achievement in terms of operations as well as financials, where we could clock a revenue of close to 11 crores and a PAT of about 4-4.5 crores, giving us almost 40-45% PAT margin. The same is expected to continue in the quarters to come.

Taking this learning, we had begun construction in 3 out of our 4 planned locations under a JV with Sumitomo, under a subsidiary company called TruAlt Sumitomo Gas Private Limited. I am happy to report that 3 out of the 4 plants will be near commencing and would be put to use hopefully by Q3 of this financial year. Q4 will start seeing some revenues from these 3 out of the 4 plants. In our second JV company, which is with GAIL, we have identified 6 locations. We are in advanced action to procure the land and to begin construction hopefully from the month of August onwards. That should give us another 6 plants, providing a total of about 72 tons per day of additional capacity hopefully from Q4 of this year, with revenues to be seen from Q1 of the next financial year onwards. In terms of the sustainable aviation fuel (SAF) business, we are in advanced stages of the FEED, which is the front-end engineering works. We will now be calling for EPC contracts and EPC quotations, after which we will award orders to the EPC contractor. Following the procurement of land from the Andhra Pradesh government, we will begin construction work on the ground.

Also, we are very happy to report that we successfully achieved about 150 crores worth of viability gap funding from the Government of India under the PM JI-VAN Yojana. This will give us ample support in terms of economic viability and encumbered risks to a certain extent. With regards to our fuel retail business, we are seeing a lot of growth and opportunity in flex-fuel vehicle adoption. Many two-wheeler companies, including Honda, TVS, and others like Yamaha, have all launched their flex-fuel two-wheeler bikes. Car companies like Maruti and Toyota have also commercially launched their flex-fuel vehicles. The Government of India was also proactive in declaring a price for E85 and higher blends like E22, E25, and E27. This gives us great confidence for increasing our capacity utilization in the days to come and for the adoption of scientifically proven ethanol-blended fuels for consumers.

For our fuel retail network, we have already established 7 outlets and another 4 are expected to be commercial hopefully by the end of this quarter. Because of the Middle Eastern crisis and the variants in crude prices, we still see a lot of dynamics in fuel prices. The delta is volatile. Though we have identified about 76 additional locations, we have not begun construction or the fancy works in the additional 75 fuel retail outlets owing to the Middle Eastern crisis. As soon as there is some benefit, a stalemate, or the war seems to recede, we will take up the construction of these 75-76 additional outlets in a fast-paced manner. With that, I say that TruAlt is now a completely developed company with its ethanol vertical fully in place to yield maximum output. We hope to achieve at least about 5 to 5.5 crore liters of ethanol production capacity on a monthly basis. Given the increase in working capital limits, thanks to the IPO that we conducted and the limits we secured from the IPO proceeds, the company is in a good position to build up enough raw material at a decent price to yield fairly good margins in the days to come. With that, I ask our CFO, Mr. Anand Kishor, to take you through the financial performance.

Management: Good morning, all, and thank you for joining us for the TruAlt Bioenergy Ltd. presentation for Q1 FY27. On behalf of the management, I sincerely appreciate your continued interest and confidence in the company. During the quarter, we witnessed a significant improvement in revenue, profitability, and overall financial performance supported by higher production volumes, improved plant utilization, and a continued contribution from our diversified bioenergy portfolio. I will take you through the financial highlights for the quarter, followed by an overview of operational performance and key strategic initiatives. During Q1 FY27, we booked a topline of 626.90 crore in the ethanol segment, which represents a growth of 106.3% against the previous quarter. EBITDA stood at 147.3 crore, a growth of 129% compared to the previous quarter. Profit before tax (PBT) stood at 78.4 crore, representing a growth rate of 1,253% on a yearly basis. PAT ended at 59.3 crore compared to 4.7 crore in the previous quarter, showing a jump of more than 1,000%.

Based on margin analysis, the EBITDA margin stood at 23.5%, the PBT margin at 12.5%, and the PAT margin was 9.5%. We were able to reduce the finance cost to revenue to 7% compared to 12.4% in the previous quarter. The employee cost to revenue was reduced to 1.9% compared to 3.7% in the previous quarter. On the cost structure front, raw material contributed 53.2% of the revenue. Inventory consists of 7.6%, and employees consist of 1.9%. Finance costs consist of 7% of the revenue. Depreciation consists of 4%, and other expenses consist of 14.4%. On the segmental front, ethanol contributed 615.7 crore in revenue and CBG contributed 11.2 crore. Segmental PBT for ethanol was 73.3 crore and for CBG it was 5.1 crore, with a total of approximately 79 crore in terms of profit before tax.

On the balance sheet highlights, segmental assets are 3,754 crore and segmental liabilities are 2,074 crore. The balance is in the form of equity with an asset coverage ratio of 1.81 times. Key ratios for the company included an EBITDA margin of 23.5%, a PAT margin of 9.5%, asset turnover of 0.67 times, and return on assets on an annualized basis of 6.3%. Finance cost coverage is 2.78 times. The debt-to-equity ratio on the solvency level was well in control at 0.59. The DSCR is at 1.36. The TOL by TNW was 1.28. The current ratio for liquidity is 1.82. Return on capital employed is 20.35%, operating profit margin is 14.42%, net profit margin is 9.45%, and return on equity is 14.42%. The major revenue drivers were higher ethanol production, improved plant utilization, dual-feed operations as our MD mentioned, better operating efficiencies, and the growing contribution from CBG quarter-on-quarter. Margin drivers included better operating leverage, an improved product mix with grain bases added, strong capacity utilization, and higher absorption of fixed costs due to the increase in the topline.

With this, we can say that we have delivered a strong first quarter with revenue crossing 625 crore and a profit after tax exceeding 12 crore on a yearly basis. The EBITDA margin improved to 23.5%, reflecting enhanced operating efficiencies and improved capacity utilization. The successful transition of our facilities to multi-feed operations positions us as well-capitalized with a diversified stock of facilities while enhancing profitability. We remain committed to disciplined capital allocation, sustained cash flows, and creating long-term value for our shareholders. Thank you.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use headsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Shubhi Gupta from Prineetra Asset Managers. Please go ahead.

Shubhi Gupta - Prineetra Asset Managers: Good morning. My question is that since you are shifting to a dual-feed model, how is that impacting our cost of goods sold (COGS), costing, and margins? Also, what is the target mix for the feed?

Management: Yes, if you look at the dual composition, the margin has improved primarily on the grain-based side. We split this into two factors. First, when we were using only sugar-based raw material, the profit margin was 6.7% lower compared to what we have earned from the maize-based feed. Additionally, there is extra revenue from DDGS, which is a byproduct of the grain process and does not require specific additional costing. This gives us a better edge. Putting sugar-based content into the segment, approximately 50% of the segment has also come from grain base where we have been able to improve the profit margin by 6.7% through better efficiencies compared to sugar base. Secondly, the yield here is high. If you look at the yield for sugar-based content, it is generally 317, whereas the yield on the grain base is 450.

Shubhi Gupta - Prineetra Asset Managers: Okay, sir. My second question is that CBG revenue grew, but the EBITDA margins have dipped a bit. What is driving this?

Management: There is nothing specifically driving a dip if you look at Q1 FY25; it is almost in the same line. A little bit of cost has been involved in employee expenses because we are expanding the CBG plant through our JV with GAIL. Additional employees are being hired at both the plant and corporate levels. This has caused a minor increase in employee expenses, which somewhat impacted the profitability margin, though not significantly. There was also a one-time cost for repairs and maintenance. It is almost in line with expectations.

Operator: Thank you. The next question is from the line of Shilpa from Lotus Wealth. Please go ahead.

Shilpa – Lotus Wealth: Hello, am I audible? Congratulations on the good set of numbers. My first question is that our gross block asset turnover on the current quarterly run rate is approximately 1. What do you anticipate it will be going forward?

Management: In a generic situation, we can manufacture close to 55 crore liters. With 55 crore liters at today's average price of 67 rupees, it should give us about 4,000 crores in revenue. So, asset turnover should be somewhere around 1.2 to 2 times. We have just achieved 1.1 times now because our capacity utilization is only at 60%.

Shilpa – Lotus Wealth: Okay, sir. And what are your capex plans for 2027, and what would be the estimated gross block at that time?

Management: In the ethanol space, we do not have any further capex plans. It is fully commissioned and now just needs to be utilized. In the CBG space, we are undergoing a capex of about 700 crores under two JV companies. With Sumitomo, we are building 4 CBG plants of 20 TPD at a cost of 330 crores. With GAIL, we are doing 6 CBG plants of 10 TPD each at a cost of 425 crores. These capex projects have already begun and are underway. By Q4 of this year, we will start seeing revenues from them.

Shilpa – Lotus Wealth: Okay sir, and is anything planned for 2027 and 2028?

Management: That would be for the aviation fuel. There is another capex of about 2,000 crores planned. We have already declared that, and the capex will begin as early as the next 2 or 3 months. We are waiting for the EPC contracts to be awarded right now. Hopefully, by the end of 2028, which is FY29, we will see revenues from the SAF business. That is a capex of about 2,000 crores.

Shilpa – Lotus Wealth: Okay, that's fine. Can you give a turnover estimate for the SAF?

Management: Not immediately. The planned asset turnover there would be 1 time for SAF.

Shilpa – Lotus Wealth: Okay sir, so from 2029 we get revenues from SAF as well, right? One last thing: the CBG capex of 700-750 crores you mentioned—is that completely ours, or does it include the GAIL and Sumitomo investment?

Management: That is the gross cost. We hold 51% in both JVs and 49% is with the partner. These are all funded on a 70:30 debt-to-equity ratio.

Operator: Thank you. The next question is from the line of Sanjay Manyal from Dam Capital. Please go ahead.

Sanjay Manyal – Dam Capital: Hi, sir. I have a few questions. Could you give a breakup of the ethanol volume we did this quarter? How much is from B-heavy, juice, maize, and broken rice?

Management: Total sugar-based volume consisted of 4.37 crore liters, which in value terms is around 277 crores. The grain-based volume was 3.92 crore liters, and in terms of value, it is 314 crore. Regarding your question on the feedstocks, B-molasses consisted of 3.35 crore liters and the balance is C-molasses at 0.06 crore liters and juice at 0.32 crore liters.

Sanjay Manyal – Dam Capital: This quarter was also almost a 50-50 blend of grain and sugar. Going forward into the next quarter, we hope it will be more grain-led.

Management: Right.

Sanjay Manyal – Dam Capital: I believe the 3.9 crore liters would be largely maize because maize prices have been benign. What is your outlook on maize prices? What are current prices, and what kind of EBITDA per liter are you making across different feedstocks, especially for maize-based ethanol?

Management: During October to January, and even until mid-February, we saw maize prices hover between 17 and 18 rupees, up to 21-22 rupees. We booked significant quantities during that period. At that price bracket, we are making almost 15 to 16 rupees per liter. Realistically, however, the price of maize has hovered around 22 to 24 rupees, and as of today, it is at around 25.50. At 25.50, the margins come down drastically to almost 6 to 7 rupees a liter. That is the margin contribution we get. But since we have been holding ample stock from the early days, that is driving the margin growth we are seeing.

Sanjay Manyal – Dam Capital: Right. We have done approximately 8 crore liters during the quarter. Ideally, for the full year, should we expect this trend to go up in the second half? Should we take a number like 40-odd crore liters of ethanol for the full year?

Management: Our expectation would be slightly higher than that, but if you go by the orders in hand, we have 44 crore liters of orders.

Sanjay Manyal – Dam Capital: Okay. And that includes OMCs plus private and everything else put together?

Management: That is correct, sir.

Operator: Thank you. The next question is from the line of Tanmay Javeri from Fintreasure Capital. Please go ahead.

Tanmay Javeri – Fintreasure Capital: Hi, sir. Congratulations on a good set of numbers. It is encouraging to see the business gaining momentum after the transformation. Could you provide a bifurcation of the quarterly revenues among ethanol, ENA, and DDGS, and what was the average realization rate for ENA and ethanol this quarter?

Management: Out of a total turnover of 630 crore, revenue from B-molasses was 212 crore. C-molasses was 32 crore. Maize-based was 97.06 crore and rice-based was 169.66 crore. ENA was 37.02 crore and DDGS was 45.34 crore. These are the major drivers.

Tanmay Javeri – Fintreasure Capital: Okay, sir. DDGS is increasing because we have more of the grain business expansion, right?

Management: Yes, that is correct.

Tanmay Javeri – Fintreasure Capital: Earlier you guided that the 15 crore liters of spillover should be completed around September. Right now you mentioned a guidance of 44 crore liters for FY27. Does that include this 15 crore liters, and can you provide a timeline for that release?

Management: The 44 crore liters does not include the 15 crore liter spillover. We are currently fighting tooth and nail with the OMCs. We are hopeful that it will be released any time now. I am unable to give a specific timeline as of now, but we are making all efforts.

Tanmay Javeri – Fintreasure Capital: Okay. One last question on the SAF initiative. In the previous calls, you mentioned discussions with airlines and aircraft manufacturers for potential collaboration and equity stakes. Can you share any progress there?

Management: We are still in the working group stage with the aircraft manufacturer. We are currently in individual discussions with 7 companies in total. This includes an aircraft manufacturer, 2 airlines, and 3 international oil and gas players plus 1 domestic oil and gas company. The 7th company is Sumitomo, with whom we already have an MOU as they want to explore being a partner in the aviation fuel segment.

Tanmay Javeri – Fintreasure Capital: What kind of targets are you looking for regarding the new ethanol cycle starting in September or October?

Management: As of today, it is hard to give that number. We are taking last year as the base case. Although there was an unfair means of allocation, even on that conservative side, we are hopeful that we should be able to achieve 44 crore liters for the year to come. Anything above that is our expectation.

Operator: Thank you. The next question is from the line of Vineet Thakur from Plus 91 ANC. Please go ahead.

Vineet Thakur – Plus 91 ANC: Hi, sir. Thank you for the opportunity. Could you shed some light on the margins in the retail segment and why there was a drop from Q4 to Q1?

Management: To answer your question on the retail segment, from the last quarter to now, we have seen an increase in the holding cost. The interest cost has gone up, as have our other costs. These include sales and distribution costs where the cost of transportation was affected. Our employee costs have also increased as we have hired approximately 180 additional people for the 3 new CBG plants. That also contributed to a decrease in the margin. Finally, the raw material holding cost and finance costs have increased. So, transportation, finance, and human resources costs have gone up.

Vineet Thakur – Plus 91 ANC: What is the utilization percentage for the CBG plants?

Management: We are at about 78% capacity utilization.

Vineet Thakur – Plus 91 ANC: And what is the acceptable margin for CBG going forward? I heard there was a one-time cost.

Management: For CBG, what we have seen so far is an EBITDA greater than 60% and a PAT margin of close to 40-50%. This seems to be the long-term case, but that is subject to any changes in government policy. As of today, we do not see any change in the margin profile for CBG.

Vineet Thakur – Plus 91 ANC: I read that the blending program of CBG with CNG has started, and 1% of CBG is being blended into CNG. What would be the delta for our company if that percentage is increased, and what is the revenue potential?

Management: The target for the Government of India is to use a 5% CBG blend with CNG. That is a promotional target. Whether you use CBG or CNG, the chemical compound is the same; it isn't like ethanol and petrol. CBG is a standalone fuel. The Government of India wants more indigenous CBG production and consumption to cut down on imports. For our capacity, the blending target shouldn't hold any significant impact because off-takes are ensured by our JV partner, GAIL. We don't have concerns regarding the blending profile.

Vineet Thakur – Plus 91 ANC: Once the plants come online, we will be doing at least 60% utilization for the GAIL and Sumitomo plants in the first year, right?

Management: Yes, we have estimated it to be at least 60% for the first year of capacity use. That is the conservative approach we are holding.

Operator: Thank you. The next question is from the line of Satyam, an Individual Investor. Please go ahead.

Satyam – Individual Investor: Hello, good morning, sir. Regarding CBG, I was reading articles about bottlenecks in procuring raw material. Since we are expanding multifold, what kind of raw material will we need to procure and what is the availability?

Management: For every location we have identified, there is a cluster of sugar or ethanol complexes. We only identify locations to set up where we have at least 3 times the raw material required within a 30-km radius. The availability of either pressmud or spentwash, which gives us good yields of both fertilizers and CBG, is where we are estimating to have at least 3X of the required raw material.

Satyam – Individual Investor: There are also talks about international exports for ethanol. Is this something real?

Management: These are discussions that are actively happening. Specifically, Japan and India have a Joint Credit Mechanism (JCM) to reduce their carbon footprint. Countries like Japan and Singapore have targets to use ethanol in petrol blends. There is demand for India to supply these ethanols, and there is demand for exports to be opened because we currently have slightly larger volumes available.

Satyam – Individual Investor: Some companies have entered into long-term contracts with public sector OMCs. Can't we do a multi-year contract for ethanol?

Management: We are already under a long-term off-take engagement with the public sector OMCs. In spite of that, there is a tendering mechanism that happens annually, and under that mechanism, we get the allocation of quantities to supply for that year.

Operator: Thank you. Next question is from the line of Suyash Kela from Singularity AMC. Please go ahead.

Suyash Kela – Singularity AMC: Can you talk about the government assistance needed in the CBG business? You said raw material self-sufficiency is there because of our legacy in the sugar sector. But what other assistance is needed to get full revenue realization and scale to the 10-20 plants we might bring up?

Management: Many companies in the country are still on the learning curve. We have had multiple stakeholder meetings with the government and OMCs. One very important factor for the success of this sector is an assured off-take from either the OMCs or the government. Because these plants are located in rural areas, off-take is a challenge. Fortunately for us, our tie-up with partners ensures more than 80-90% of sales on a daily basis. If others can solve the sales problem, the sector will be a big success. Each feedstock has different unit economics. Pressmud, spentwash, maize, paddy straw, and Napier grass are all different. Currently, the government uses a single yardstick under the SATAT program, but we hear a new program called Sampoorna is coming. We expect that the Sampoorna program will involve corrections that benefit the industry margin profile.

Suyash Kela – Singularity AMC: That covers the CBG output. What about the byproducts like Fermented Organic Manure (FOM)? Talk about the scalability of that. Are there things in our control to improve realization from byproducts so we can sustain the 70% EBITDA margins without depending entirely on government policy?

Management: When we began, the price of solid FOM we were selling was around 500 rupees a ton and we were giving liquid FOM away for free. Today, the price of solid is between 2,500 and 2,800 rupees a ton. We have long-term off-take contracts with companies like Gracia Chemicals, NCF, IFFCO, and Jai Kisan. We are also in talks with Coromandel where there is interest in buying solid fertilizers at almost 6,000 rupees a ton. If that happens, we will achieve 2X the current revenue on the solid side without being dependent on MDA (Market Development Assistance) policy or subsidies. With the liquid side, there needs to be an improvement in the NPK values and mineral content. We need to bottle it so farmers can use it in a spraying mechanism rather than flooding. We need to do market development for liquid, but for solid, we achieve a larger benefit by selling to B2B customers. There are also discussions with the Ministry of Fertilizers to promote organic fertilizers. This is in early stages, and there might be a new subsidy policy for MDA, but we are trying to be independently viable without subsidies.

Operator: Thank you. The next question is from the line of Sriram Paniniapan from Itus PMS. Please go ahead.

Sriram Paniniapan – Itus PMS: Do we have the required pipeline infrastructure for the CBG plants to prevent bottlenecks, and what does Sumitomo bring to the table as a partner in both CBG and SAF?

Management: Regarding pipelines, there is a scheme from the Government of India called direct pipe injection. Earlier, the scheme provided for 50% of the pipeline cost to be borne by the government and 50% by us. We hear the new policy might involve the government laying the entire pipeline. Currently, most of our plants are within 50 to 60 kilometers of the injection points. It is easier for GAIL to handle the off-takes given how close the IPs are. Currently, we use cascades to transport gas from our factory to the injection points. Eventually, it will take time for the government or GAIL to lay those pipelines. Regarding Sumitomo, one of their investment companies is in the CGD network business and is a licensee in the area where we are operating 9 CBG plants. They are interested in backward integration for gas availability, which is why they invested in our CBG business.

Sriram Paniniapan – Itus PMS: When will the loan related to the pledged shares be repaid?

Management: To clarify, this is not a loan against pledged shares in the traditional sense; the shares are provided as collateral for a loan. These are term loans which we availed for our ethanol plant when establishing the 200 KLPD capacity and for dual-feed integration. We are now in the process of getting those shares released. We have requested both lenders, including SBI, to release the pledge on an immediate basis. They have started acting on our proposal and are conducting the due diligence now. We expect the charge to be released this quarter.

Sriram Paniniapan – Itus PMS: Is the SAF blending target sustainable for airlines because it seems twice or thrice as costly as regular aviation fuel?

Management: If you look at international ATF prices today, they are hovering around 210 to 220 rupees a liter, whereas the subsidized domestic ATF price is around 125 to 130 rupees. Our expectation of the SAF price is about 1.8 times the domestic price, or roughly 180 to 200 rupees a liter. That is actually cheaper than international prices because of the Middle Eastern crisis. Eventually, as we scale up capacity, we expect the price of SAF to come down and be more viable. There is also a carbon benefit that airline carriers will gain, which will offset carbon taxes in certain European countries. It is a mandate they will literally have to use.

Operator: Thank you. The next question is from the line of Nikhil Gupta from Waiy Capital. Please go ahead.

Nikhil Gupta – Waiy Capital: I just want a clarification on the CBG business. I think you mentioned 51% is owned by us. Is it correct that revenue and profits will be divided in that fashion? Also, is the 700-odd crore capex our share or the total?

Management: The 760 crore is the overall gross capex to set up a total of about 132 tons per day of CBG. We are achieving about 4.5 crore of revenue per ton. If we add 132 tons, that will give you the revenue numbers in the coming days with similar margins. Our share of that is 51%.

Operator: Thank you. The next question is from the line of Siddharth Bhattacharya from Autumn Investment and Infrastructure Limited. Please go ahead.

Siddharth Bhattacharya – Autumn Investment and Infrastructure Limited: Regarding the feedstock for CBG, since the government is allowing any feedstock, are we technologically ready to set up plants purely on Napier grass, for example?

Management: Technology is available in the market. Many vendors provide their own technology. However, because many are still in R&D, rated yields are often not achieved. It took a lot of learning for us internally to get the best yields from spentwash and pressmud. Regarding Napier grass, although the technology exists and it can be grown on barren lands, I don't personally see the value because you would require close to 500 to 600 acres of land to run a 10-12 ton CBG plant. Tying up that much land to achieve 40-45 crores of revenue doesn't seem valuable.

Siddharth Bhattacharya – Autumn Investment and Infrastructure Limited: Which feedstock is the best? Are you going to shift or stick to what you are doing?

Management: Our fundamental approach is to do the easier things first. For us, the easiest options are pressmud and spentwash because they have high COD and BOD levels, and the methane content is high. It is easier to digest these raw materials and get higher gas yields. We also get alternate revenue from fertilizer sales.

Siddharth Bhattacharya – Autumn Investment and Infrastructure Limited: What is the revenue share from FOM within the CBG segment?

Management: In the CBG business, we achieve about 58-60% of revenue from gas sales and about 40% from FOM and LFOM combined. The asset turnover would be 0.8 to 1 time for the segment.

Siddharth Bhattacharya – Autumn Investment and Infrastructure Limited: What is the technical composition of the FOM? Is it high in nitrogen?

Management: The NPK value is below 6% subtotal, but it has many other organic nutrients. What we do here is add fly ash from our boilers. After burning biomass in the boilers, we get ash with rich potash content. We mix this ash with the FOM to get an NPK content higher than 9%, or sometimes 11%, which gives us higher revenue.

Siddharth Bhattacharya – Autumn Investment and Infrastructure Limited: So the potash content enables the higher prices?

Management: Not really; many people don't have a broad understanding of the product specs yet. We are educating them. For us, ash is a waste product, so mixing it creates a better product for farmers and increases the NPK value.

Operator: Thank you. The next question is from the line of Prathamesh Chavan from Abacus Asset Management. Please go ahead.

Prathamesh Chavan – Abacus Asset Management: I want to understand the 20% EBITDA margin in the ethanol segment. What percentage would you attribute to co-products versus core ethanol?

Management: Co-products, primarily DDGS, contribute 47.34 crore of the total 630 crore revenue. CO_2 is minor at 1.89 crore, and other content is 8.73 crore. We also have interest subvention for

P&I. Net-net, co-products contribute about 9-9.5%.

Prathamesh Chavan - Abacus Asset Management: With capacity utilization improving, what margins do you expect, excluding the 15 crore liters in dispute?

Management: The key is to buy raw material when it is at its cheapest. We are currently sitting on high volumes. If you look at our inventory levels in March and currently, we are holding a lot of grain which we procured in the range of 18,000 to 21,000 rupees a ton. Even with carrying costs, it is much better than the current prices of 25,000 rupees a ton. This will give us higher yields in the next quarter and hopefully Q3 as well.

Prathamesh Chavan - Abacus Asset Management: To scale the CBG business, what is the bigger challenge—supply chain or off-take?

Management: If you ask me about feedstocks like paddy straw or rice husk, both supply chain and off-take are challenges. However, with pressmud and spentwash, I don't see a big challenge unless everyone starts their own CBG plant, which is unlikely. A plant needs a scale of at least 10-plus tons to be viable, and many sugar companies won't have enough raw material in their vicinity. Whoever has the early mover advantage in the pressmud and spentwash space will benefit.

Operator: Thank you. The next question is from the line of Kawal Pokar from Choice International Limited. Please go ahead.

Kawal Pokar - Choice International Limited: What realization for SAF should be considered?

Management: For SAF, our expectation is an off-take price of about 180 to 190 rupees a liter. With that, we expect a margin profile of around 24% to 25%.

Operator: Thank you. The next question is from the line of Shubhkala from Bhavya Growth Advisers. Please go ahead.

Shubhkala - Bhavya Growth Advisers: My question is regarding the restatement in March 2023. What drove the 10.5 crore in other expenses under Ind AS?

Management: That 10 crore was a recognized Rule 43 GST reversal. It was supposed to be in the P&L in the March quarter. As per Ind AS guidelines, because it was rectified during the current quarter, the impact of 4 crore has been rectified in other equity. To be precise, this was an oversight from our tax consultants. We could have increased our PAT by 4 crore. Instead of 89 crores PAT last year, it could have been 93 crores. Because it wasn't classified in the past quarter, it was automatically transferred to reserves and surplus as part of other equity.

Operator: Thank you. The next question is from the line of Charchit Malu from Genovate Capital. Please go ahead.

Charchit Malu - Genovate Capital: Just for clarification, you mentioned you will clock close to a certain revenue from ethanol. We are saying we will do close to 3,000 crore revenue from ethanol in FY27?

Management: We have disclosed the volume and orders we have. Realization will be on average 67 to 68 rupees.

Charchit Malu – Genovate Capital: On the CBG front, since we are at 78% utilization, should we expect a similar run rate for Q2? And any update on the 15 crore liter policy implementation?

Management: Yes, we expect a similar run rate. Regarding the 15 crore liters, we are still trying to implement that. OMCs and policymakers are in a difficult position, and while we haven't secured their full attention yet, we are confident it will be implemented.

Operator: Thank you. The next question is from the line of Aniruddh Thakur from Plus 91 AMC. Please go ahead.

Aniruddh Thakur – Plus 91 AMC: When are we targeting full utilization for our ethanol plants?

Management: Full utilization would be an annual sale of about 55 crore liters. At current prices, that would give us revenue close to 4,000 crores. We are currently reaching about 40-44 crore liters. We are making efforts to be less dependent on government policies and create more points of sale to fully use our capacity.

Aniruddh Thakur – Plus 91 AMC: What about private OMCs? Are you increasing allocation to them? Realizations are lower than government OMCs.

Management: There is now a mandate for private OMCs to blend 20% ethanol. They are cost-conscious. We will supply to them if we can achieve at least 10 to 12 rupees of margin contribution per liter. That is the challenge we have and we have plans for it.

Aniruddh Thakur – Plus 91 AMC: You had an inventory for private OMCs that hadn't been liquidated last quarter. Is there an update?

Management: Yes, we have started liquidating. Out of the 8 crore liters, we have sold almost 3 crore liters. There are another 5 crore liters to be sold, which we are targeting for Q3 or Q4 of this financial year. Realization for private OMCs is at about 60.50 rupees.

Operator: Thank you. The next question is from the line of Partha Saha from Arundel Investments. Please go ahead.

Partha Saha – Arundel Investments: Do you expect any increase in ethanol prices from the government? Also, what are the plans to de-lever the balance sheet given the 180 crore annual finance cost?

Management: I would wish for a price increase, but I don't expect one right now considering inflation levels and the war. That is my individual opinion. Any increase would be a bonus. Regarding de-leveraging, we have plans and should be able to provide a roadmap in the next few days. We are currently working on it.

Partha Saha – Arundel Investments: On the last call, you mentioned plans for advertisements for the company or sector. We haven't seen anything yet.

Management: We have empaneled a media strategist and are creating a roadmap. There have been delays due to the ethanol backlog situation in the country, but we will get there. We positive take the feedback regarding de-leveraging to improve shareholder confidence.

Operator: Thank you. The next question is from the line of Vaibhav Chandak from Kirguna Research. Please go ahead.

Vaibhav Chandak – Kirguna Research: You are targeting 60% capacity utilization for Q2 FY27. Do you have scheduled maintenance this quarter?

Management: We don't have plans to stop for maintenance. We have about 11 crore liters of supplies to be delivered during the next quarter. In Q1, we did 8.29 crore liters of sales. In Q2, we expect sales to be around 11 crore liters based on orders in hand.

Vaibhav Chandak – Kirguna Research: Last year off-take conditions were sloppy. Is it different this year?

Management: Last year we took the plant down for integration of the dual-feed systems and lost 2 quarters. Now that the capex is finished, we are solely concentrated on maximizing capacity utilization.

Operator: Thank you. The next question is from the line of Archit Malani from Ashika Stock Services Limited. Please go ahead.

Archit Malani – Ashika Stock Services Limited: Many sugar companies are setting up ethanol plants. Is that a concern for your business, and what is the current demand-supply scenario?

Management: We don't see much further investment in the ethanol space. Most planned capacities have come up. There might be 3 or 4 plants nearing commissioning, which could add 8-10 crore liters per annum. India has an installed capacity of about 1,800 crore liters. There is a demand of 1,200 crore liters for blending, 200 crore for alco-bev, and 300 crore for the chemical industry. Demand and supply are almost at par at 20% blending. If blending increases, we will need more capacity.

Archit Malani – Ashika Stock Services Limited: Do you have an upper hand over sugar companies?

Management: Yes. We have access to our group company which assures 100% of raw material at a stable price. Our plants run on biomass-based boilers, so our fuel cost is lower. Finally, 3 out of our 5 plants are dual-feed, so we can consume whatever raw material is cheapest and provides the highest margin.

Archit Malani – Ashika Stock Services Limited: Any progress on green hydrogen?

Management: We have a technology tie-up with the Indian Institute of Science for biomass oxygen gasification where we can extract green hydrogen cheaper than using electrolyzers. However, since there is no established market or supply chain for green hydrogen currently, we have not progressed further.

Operator: Thank you. Ladies and gentlemen, that was the last question of the day. I would now like to hand the conference over to Mr. Vijay Kumar Murugesh Nirani for closing comments.

Management: I once again thank all our shareholders for trusting in TruAlt Bioenergy Ltd. and participating in this journey with us. Thank you for your valuable questions and comments that help steer this company toward success. We take all your inputs positively and continue to work in the interests of the company to increase share value for all shareholders. Thank you for joining today.

Operator: Thank you. On behalf of TruAlt Bioenergy Ltd., that concludes this conference. Thank you for joining us and you may now disconnect your lines.