“Rajputana Biodiesel Limited

H1 FY '26 Earnings Conference Call”

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MANAGEMENT: **MR. SARTHAK SONI – MANAGING DIRECTOR – RAJPUTANA BIODIESEL LIMITED**

MODERATOR: **MR. PUNIT THAKKAR – SAMVAAD PARTNERS INVESTOR RELATIONS AGENCY**

Moderator: Ladies and gentlemen, good day and welcome to Rajputana Biodiesel Limited Q2 and H1-FY26 Earnings Conference Call hosted by Samvaad Partners Investor Relations Agency. 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 touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Punit Thakkar from Samvaad Partners Investor Relations Agency. Thank you and over to you, Mr. Thakkar.

Punit Thakkar: Good afternoon, dear investors. I am Punit from Samvaad Partners and I welcome you to the H1-FY26 earnings conference call of Rajputana Biodiesel Limited. Joining us from the management, we have Mr. Sarthak Soni, MD of Rajputana Biodiesel Limited and now I would like to hand over the call to him. Over to you, sir.

Sarthak Soni: Thank you so much, Punit sir. Thanks for my introduction. Hello everyone, respected investors and partners. Namaskar, Aadab, Satriyakaal and Jai Jinendra. I hope everyone is keeping healthy and doing very well. I would like to thank you all for taking out your valuable time for today's con call.

Moving forward, I am truly delighted to share that this has been one of the strongest periods in our company's journey. Our results not only reflect financial growth but also operational maturity, strategic clarity and the unwavering commitment of our entire team. Our targets strengthened our fundamentals, widened our customer base and executed with discipline.

Our performance this year stands as proof that when strategy, agility and governance come together, any environment becomes a platform for growth. We have delivered robust revenue and margin expansion. We have improved our operational efficiency through technology, optimization and cost discipline.

Financially, we remain prudent. We successfully utilized the capital raised in our IPO for immediate working capital needs and technical upgradation along with capacity enhancement. We have strengthened relationships with key institutional and industrial customers also.

Overall, we have enhanced our balance sheet and cash flows, ensuring long-term stability. But what I am most proud of is how we prepared not just for short-term gains but for sustained future-focused growth. As the biodiesel sector evolves in India, we are proactively adapting to diversifying our feedstock sources for better cost control.

We are increasing integration and control across our processing units. We are working closely with policymakers and industry bodies to support transparency and compliance. And not only that, we are also exploring adjacent energy and sustainability opportunities that complement our core strengths.

To all our investors and partners, I want to assure you our company is not only navigating through biodiesel sector but we are scaling and sailing smoothly towards our goals. We are building a business that is durable, compliant, efficient and positioned for long-term value creation. The outstanding results you see today are not an end point.

They are just a reflection of the trajectory we have set for ourselves. Its just a start, they are just a glimpse of our beginning. Moving forward, we are all aligned, our team, with the goal of becoming a one-stop solution for renewable energy across all three segments, which are solid, liquid and gas.

Before I conclude, I would like to share some key takeaways which everyone is likely waiting for. By November end of this year, we would be completing our previous biodiesel allocations of approximately INR100 crores.

Our H2 numbers will be heavier than H1 numbers. I am very delighted to share that the current OMC's biodiesel tender for the period of November to March 2026 is out and really glad to share with you that we have built the highest volume of biodiesel supply ever in our history. We are awaiting allocations for the same of this period.

We have successfully enhanced capacity at our Phulera and Meerut units by almost 3-4 times. If you have gone through our annual report, you would know that our expansion has been related to technical upgradation and capability. From April onwards, from coming April onwards, our bids in the OMC tender would be as per our enhanced capacity and we are aiming to produce 130 to 150 kilolitres per day from the coming financial year.

As mentioned in our annual report also, for those who have missed the annual report or not gone through it, we have received approvals for establishing two compressed biogas units in the state of Rajasthan. Also, we are on the final stages of acquiring a 262 acre land parcel for planting our own feedstock for producing compressed biogas. The feedstock will be napier grass.

This will directly help us improve our profitability and enhance our sustainable feedstock availability. By January end, we are looking to start the civil work of this compressed biogas project.

Last but not the least, we intend to start the civil work of our unit that will be tapping the European Union and the marine blending market of biodiesel in the GCC. By January end, we will be beginning the civil work for this project also. Currently, we are under review. We are reviewing the location. It has been mostly finalised and we are awaiting regulatory approvals for the export unit also.

Overall, I want to convey that we are different from others because we are not just wanting to grow vertically, but we are wanting to grow horizontally also. We want to expand ourselves into the biomass pellet sector, the compressed biogas sector and the biodiesel sector in the GCC region. By this, we will be known as a company as a one-stop solution in all three segments of solid, liquid and gas.

I hope I have conveyed my message to each one of you. Before I conclude, I extend my heartfelt gratitude to each one of you for your trust, patience and belief in our vision. Your support fuels our ambition and together we will contribute to build a stronger and more sustainable future in all three segments.

Thank you so much. Now, we are ready for the question and answer session, please.

Moderator: Thank you very much. First question is from the line of Darshan Chauhan, an independent investor. Please go ahead.

Darshan Chauhan: Congratulations on the strong H1 performance. I have like a couple of questions. So, do the H1 numbers like reflect revenue only from a tender cycle that is like April to July because I think that was for like INR 54 crores Or do they also include deliveries from like August to October cycle?

Sarthak Soni: Thank you so much, sir. Excellent question. So, April to July numbers reflect that. And the August, September, October -- July, August, September, October cycle which came, we received LOIs and POs very late. So, the July-August number is reflecting in our October performance. So, the September number reflects the April, May, June and July numbers only.

Darshan Chauhan: And how much active capacity was operational during this like April to July cycle? Because I think like expanded capacity whatever we had, we did not beat that much amount, right? So, I still think like we were not at like full capacity.

Sarthak Soni: Correct, sir. Excellent question again. So, our expansion got completed post-September at Phulera. And the commissioning and the trial part at Meerut is still going on. I believe that by December end and January starting, we will be able to commission our enhanced capacities. And in the coming cycle, you will be seeing that we are bidding around 130 to 150 kiloliters per day, combining both.

Darshan Chauhan: Okay, understood. So, basically, April to July cycle was around like 40 kLPD capacity only?

Sarthak Soni: Was at the old capacity only.

Darshan Chauhan: Sir. Okay, understood. And is there any additional capacity expansion feasible beyond like 170 kLPD in the existing plants?

Sarthak Soni: Sir, as of now, we have decided that currently we will try and push ourselves to produce at 100% capacity. Starting with 80% and reaching the 100%. Next year's target will be very clear to maximize our production capacity at Phulera and Meerut both.

Along with that, our focus will also be the commissioning of the CBG, the biomass pellets, and the export unit in GCC by the end of next year. So, that's the clear-cut target that we have defined. And we have very clearly mentioned that in our annual report as well.

Darshan Chauhan: Yes, understood. Thank you. One more question. Like, the April to July cycle had, I think, pricing around 82 per litre and August-October reduced even more to 80 per litre. And there is like ongoing case on Supreme Court as well, which I will not ask around. But, like, was there any improvement in the pricing for like the November cycle that tender was released? Because I think they also did one call around pricing itself.

Sarthak Soni: Look, sir, this is a government policy. As per National Biofuels Policy of 2018, there is an indicative target of blending 5% biodiesel into diesel. And seeing the target in line, it's a big, big, massive opportunity size in front of us. It has the potential of an industry of around INR 45,000 crores to INR 50,000 crores. And the government is very keen on supporting the biodiesel sector also.

Never they have demotivated us. The only thing is that sometimes in the review of policy, pricing becomes a point of discussion. And it is a subject which cannot be resolved overnight. So, we are having active discussions with the Ministry, very healthy discussions going on with the OMCs as well. And everyone is giving their best to resolve the pricing issue and get it to the levels where it can be viable for the manufacturers as well as the OMCs. And the 82 per litre you are pricing, no, sir, it was always 80. It has been 80 throughout.

Darshan Chauhan: Okay, understood. Because like, even if like 80 pricing, right, we are at 12% or 13% profit margin. And if like pricing is stable, like ethanol blending, suppose like feedstock cost plus like profit margin, then we should see probably healthy margin around 20% or even more?

Sarthak Soni: Yes, it will. No, sir, look, I will tell you one thing. This is the 8-9 years of hard work that we have put in the sector. Because of which we are getting this profitability at these prices today. I will tell you one thing. In biodiesel sector, it is a gestation period that takes every unit to establish itself. A lot of people are wiped in that process.

We have been lucky and we have a great team and we have been resilient enough and motivated enough to pass that time. And now we are one of the key players who know where every litre of biodiesel is going in our production process. What are the potential leakages? How to purify the glycerin? How to enhance value? How to maximise our yields? How to operationally optimise our whole process?

So, the numbers you are seeing today is a long journey that we have come through. So, in coming times, if there is price enhancement, we as a company can see enhancement in profits. I cannot comment about others.

Darshan Chauhan: Understood. Thank you very much. And the last question from my end. Is there any internal revenue target for the next 3-5 years? And can you also give us some light on the growth expect of the company for the next 5 years?

Sarthak Soni: Sir, I will tell you one thing. I have clearly mentioned what applications we had and what number we will achieve by the end of November. You must have heard about it. In next 3-5 years, it's a clear-cut journey that we have to take care of.

We are planting a plant of 150 metric tons in GCC region which will produce biodiesel. And biodiesel will be blended in the fuel used in the ships. So, 150 metric tons will be the combined capacity of our Phulera and Meerut. And the rates are 20%-30% higher for that quality of material across the country. So, now you are -- we are Indians in mathematics. We are investors. So, we know what numbers we will achieve.

I also have some restrictions where I cannot just come around and quote numbers. But I have given you the size of the unit that we are going to establish there. Along with that, the CBG unit that we will establish will not have much revenue.

But trust me, the EBITDA margins are more than 55%-60% in the CBG sector. So, going forward, we want to become such a company in the solid, liquid and gas segments that we know the name of Rajputana or the name of gas. We know the name of solid biomass. We know the name of pellets. And we are in biodiesel.

So, we are vertically integrating in biodiesel where we are tapping the world's -- potentially the world's biggest market of marine fuel. GCC region is the center of the world where it connects the east and west. So, the ship traffic is the highest in that region. And as the ship traffic is the highest, it's an opportunity of more than 1,000 crore liters annually. Just 24% biodiesel in marine fuel blending.

So, we are entering a market segment where we are just a drop in the ocean. So, our expanding capacities and hitting revenue targets is unlimited in front of us. So, going forward, this is our plan. And CBG unit is 10 tons per day that we are starting with in the Ajmer region in Rajasthan.

Darshan Chauhan: Understood. Thank you so much. That's it from my end. Again, like all the best for the H1 number and for the future growth as well. Thank you.

Sarthak Soni: Thank you so much.

Moderator: Thank you very much. Next question is from the line of Rohit Patel, Individual Investor. Please go ahead.

Rohit Patel: I had a question. In biodiesel, they don't take names. The scam that was coming in his company, what was that? There were some issues in some companies. Can you talk about that?

Sarthak Soni: Sir, see, what was the name of the company? We don't focus on all these things that are happening in the market. You will have to keep in mind that we have our targets and goals very clear in front of us. Where do we have to go and tap the world's largest biodiesel market, which is marine fuel and the European market?

We are focused on that. Along with that, we are also entering the gas and solid biomass pellet sector individually.

These projects have already been conceived and we are well on track on starting the civil work with them. So, whatever is happening in the sector, I think in every sector something like this keeps happening. It's not biodiesel, it's food, it's steel, it's this, it's hospitality, it's defense. Everywhere, some things of this sort keep happening, sir. So, we don't focus ourselves on that. If you want a detailed update on that, I can get back to you, sir.

Moderator: Rohit Patel, can I request you to unmute your line, please? Rohit Patel, do you have any follow-up question? There is no response. Next question is from Udit Sharma from InVed Research. Please go ahead.

Udit Sharma: Hi, sir. Thank you for the opportunity. Am I audible?

Sarthak Soni: Yes, sir. Thank you so much.

Udit Sharma: First of all, congratulations for a good set of numbers.

Sarthak Soni: Thank you so much, sir.

Udit Sharma: Am I audible? I think my voice is missing. Am I audible?

Sarthak Soni: No, Udit ji, you are audible. You may have missed something in the middle. So, please repeat it. You can repeat yourself.

Udit Sharma: Okay. Thank you for giving me the opportunity. And congratulations for a strong set of numbers. Sarthak ji, please explain a little about India's biodiesel market. How it will pan out in the next few years and apart from that, please tell us about the margin profile of the GCC. How will the margin profile work there? In India, we know how the biodiesel industry works. So, how will the margin profile be better there or how the situation is there?

Sarthak Soni: Correct. Superb question, sir. Your question is divided in two parts. First, the Indian market and its further targets. And the GCC market and its, you can say, profitability or unit economics. Correct? If I understand correctly.

Udit Sharma: Correct.

Sarthak Soni: So, in Indian market, as you know that as per the policy, there is an indicative target of blending 5%. Currently, the blending is even lesser than 0.5% across the country. So, the opportunity size is big. And as I mentioned to Darshan ji before, we very well know now that after 10 years, 8 years, 10 years, where and how to make margins in the biodiesel industry using various types of non-edible oils and how to drive ourselves during summer and winter periods.

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So, going forward, you can see that these margins will be stable at INR 80 a litre price for us. I cannot comment about others. Also, we have a glycerin purification section as well, which enhances our profitability also. So, in India, we are very well on track on replicating our numbers in terms of profitability, in terms of the percentage. As our volume grows in the coming times, I think our bottom line will really do very well in the coming times.

Now, coming to the GCC part, GCC region is the centre of the world. So, the opportunity size is so big that 150 metric tons per day of volume is only the volume required by one small shipping company. That's the scale we are talking about. There are more than 500,000 shipping companies working in that region. And this is only the marine shipping fuel blending market I am talking about.

If I talk about the European Union region, the demand is even higher as there is a 14% blending mandate across Europe for using biodiesel. So, in terms of unit economics, there is almost a 12%, 15% margin you make on your revenues. The revenues per kg cost of selling the biodiesel in Europe, everything sells in per kg is around INR 125 per kg. So, if you are producing 150 metric tons a day at INR125 per kg, then you can very well calculate 10%, 12% of your margin in that. I think I have answered your question.

Udit Sharma: Yes, I got the answer. Just one more thing, what is the situation of raw material availability in GCC region? How you look towards it? Because, like, when we supply the biodiesel, we have to secure the raw material as well to make the good margin to sustain the business.

Sarthak Soni: Excellent question. Sir, in the whole of GCC region, if you see more than 50,000 metric tons of UCOs available monthly, especially the Saudi region has 20,000-25,000 metric tons of UCO available. A lot of the GCC regions, UCO is not even being collected as on date. So, going and establishing ourselves there, we are not only limiting ourselves to just manufacturing biodiesel, but collecting the untapped opportunity of the UCO market -- UCO collection market also.

If you see a broader region, which is the MENA region, Middle East and North Africa, North Africa also has a huge opportunity in terms of UCO collection. So, in terms of our volume requirement and the raw material available there, even if 15-20 units like us come there, then there is still room for producing.

I am not even counting the imports of UCO which are free there. You can freely import UCO and manufacture biodiesel there also without any duties. So, without factoring in the imports, which the import market opens all over the world for you. So, even without that, there is ample of feedstock available. That feasibility study has already been done by us, sir, one year back. That's why we went ahead.

Udit Sharma: Okay. Thank you, Sarthak ji. Apart from that, you talked about CBG. So, how contract works in CBG? Like you told, that you are trying to procure the 262 acre land, if I heard correctly, and you will use the Napier grass. So, how you will supply CBG to the players, like, I mean, it's a long-term contract or how it works? Can you explain?

Sarthak Soni: Yes, Yes, sir.

Udit Sharma: Put a little bit light on it?

Sarthak Soni: Yes. So, we have taken two key decisions related to CBG. First of all, there is a blending mandate by the Government of India which has given a direction to all the CGDs. By CGDs, I mean city gas distributors like IGL, Torrent, Adani, etcetera, whoever are supplying CNG. To blend five, to mandatorily blend 5% of CBG in their CNG. Seeing this mandate, we identified this sector.

And as it was a part of our renewable energy, it fits absolutely fine in our portfolio. So, that's how we decided on to go on ahead with the project. There is a long-term 10-year buyback contract, a tri-party agreement which happens between the CBG manufacturer, GAIL, Gas Authority of India Ltd., and your local CGD.

In our case, the local CGD is IGL, in Ajmer. So, we are already in talks and I think by January, we should be having the long-term contracts. We are readying the papers for that. So, this is how the selling part works.

Next is our decision of planting our own Napier grass. I'll tell you one thing. There are big, big, big stalwarts entering the sector of CBG like Reliance and a lot of other big names. So, generally, we have seen that these big players have a lot of cash to bleed. So, they buy the raw material from the market in higher prices and leave smaller plants, smaller companies dry.

In order to mitigate that from day one, we have tested the soil of the land, identified the region, done all the feasibility and test reports, and then moved forward to acquire this 262-acre land, which I think by January end, we will be registering in our name. Certain disclosures will be coming out very soon once everything is formalized on the paper.

So, in January, we intend to start with the CBG construction, totally based on a feedstock of Napier grass. So, this gives us a great edge in terms of having more dependence on feedstock, which is available in the market. That's an additional benefit for us. Coming on to the pellets part.

Udit Sharma: Okay. So, one more question here. So, like we are doing our own material. So, for raw material, we are not dependent on anybody. We'll plant our Napier grass and then we'll use that for CBG plant, right?

Sarthak Soni: Yes.

Udit Sharma: That is what we are doing?

Sarthak Soni: Correct.

Udit Sharma: Also, if I understand correctly, so here in CBG, the contract is like it's a long-term contract of 5-10 years, right?

Sarthak Soni: Yes.

Udit Sharma: That is how you get the contract. So, like, if your plant is producing the ample amount of CBG, so it's like you have directly supplied to one or two players with whom you will do the contract for 5-10 years?

Sarthak Soni: Correct. Our material is sold on day one. Our material is sold on day one for 10 years. You can say that.

Udit Sharma: Okay, okay.

Sarthak Soni: And there is a price revision every year. Currently, the price is 1,480 mm BTU plus the compression charges, which comes out to between INR80 to INR83 a kg. Including compression and transportation landed at the DCU point or the CNG pump of the CBG.

Udit Sharma: Okay. Got it. Got it. Thank you. Thank you. That's all from my side. Thank you.

Sarthak Soni: Thank you so much, sir.

Moderator: Thank you. Next follow-up question is from the line of Rohit Patel, Individual Investor. Please go ahead.

Rohit Patel: Sir, what made you, you know, had the thought process of getting into pellets, solid, this coal? And is it used in this thermal plants? Can you explain, sir?

Sarthak Soni: Yes, sir. Thank you so much. Great question again. I would like to tell you that the CBG plant, when we are manufacturing CBG, there are two byproducts that come out. Solid organic manure and the liquid organic fertilizer. So, the solid organic manure is dry and it has calorific value of around 1,500 to 2,000 calorific kcal. As we are planting our own napier grass, that is also one of the most suitable and best feedstock with high GCV for producing pellets.

Thirdly, we are sitting in Rajasthan. It is one of the highest states producing mustard, which we call sarso. Mustard producing states in whole of Asia. So, if you see the agro residue of mustard, the quantity and availability is so high that there is ample feedstock available even outside our napier and byproduct of CBG.

So all these factors combined, it was fitting very correctly in our portfolio of renewable energy of the solid segment. Hence, we decided to go ahead as there is another mandate of blending 5% pellets with coal in thermal power plants. This is also a mandate issued by the Government of India where they have to blend 5% biomass pellets with coal in the thermal power plants.

So NTPC and other government PSUs having the thermal power plants will be our biggest buyers in this. Along with that, there is a very well established private market also. For example, in our biodiesel unit at Meerut and Phulera, we ourselves are consuming around 100 to 200 tons a month of pellets. So, we will be consuming that in-house also and reducing our cost of producing steam as well.

So, all these factors combined, it looked like a horizon of 15 to 20 years with both these sectors along with biodiesel and GCC where we could expand vertically and horizontally and not just focus on growth but focus on sustainable growth and rich diversification.

I hope I have answered your question. One more question.

Rohit Patel: Yes, sorry. One counter question I have, follow up. Any kind of, because this is agriculture kind of stuff, right? So any kind of unorganized competition in solid, this whole pellet thing you think? Any competition to you?

Sarthak Soni: Sir, we are planning around 50 to 75 metric tons a day unit in pellets. So we are having our own by-product as solid organic manure, napier grass and mustard husk is our third go-to raw material. So, in terms of competition, there is a fixed price quoted by NTPC. For example, a couple of days back, there is a tender posted by NTPC for buying pellets at their Dadri plant. The requirement is so huge that we are not competitors, we are colleagues.

So in the whole renewable energy space, where prices are fixed by the government and we just have to bid the quantities, we eventually are not competitors competing for market share or pricing. The volume demand supply gap is so huge that we end up being colleagues. So I don't see any competition in terms of competing with any company or anyone else. Even if it is there, we have our own feedstock available.

Moderator: Sir, the line for the participant dropped. We move on to the next participant. Next question is from the line of Mohit Jangir from InVed Research. Please go ahead.

Mohit Jangir: Yes, first of all, congratulations for a good set of numbers. So, my first question would be on the biodiesel business. So, we have seen in the last few years how ethanol industry has scaled up. So, in the similar timeline, we haven't seen the biodiesel industry growing at that pace. So, what are the key challenges in this sector and why is it that the biodiesel sector is not growing at that pace even when the government has set a target of 5% lending by 2030?

So, what is the reason for the same and what are the key differentiators or key modes in our business so that other companies cannot scale in biodiesel? That is also one of my questions. Because in ethanol, we have seen that many sugar companies, many even other companies have entered into this sector and they have grown leaps and bounds. They have increased their capacity. So why is it not happening in biodiesel sector?

Sarthak Soni: Excellent question, sir. As I told in my conversation before, that biodiesel plant has a gestation period, a specific gestation period that everyone has to go through no matter you are doing it as a business for the first time or even if it has been three, four, five, 10 years of experience you have in other industries and coming into biodiesel, you will have to learn it the hard way because the process is technical and the whole scenario that you learn, where you can optimize your operation efficiency takes time. So a lot of companies are not able to be successful in this business because of this reason.

Secondly, biodiesel and ethanol comparison is not justified. I will tell you because biodiesel sale across the country is three to four times that of petrol. So, achieving the 20% target in ethanol is in terms of volume if you see, that's a big achievement and the push that the Government of India has given to this sector is great. Even if we do 500 crore liters, we will achieve the 5% blending target which is almost 10% of the ethanol target, you can say 10%-12%.

So, government has had more focus towards the ethanol sector. They have given more policy support, you can clearly say that if you compare ethanol and biodiesel. Ethanol has a mandate to blend in petrol whereas biodiesel has an indicative target, it's mentioned in the policy but currently the mandate is lacking. We are closely working with the ministry and the OMCs now to find a solution towards mandating the biodiesel blend and taking the program forward and achieving that 5% target.

As soon as you see that there is a mandate of blending biodiesel, I don't think you will see a challenge in the growth of biodiesel industry. It's just the regulatory authorities are taking time and reviewing the subject very seriously and they have assured that they will give us all the support that is needed to take it to the next level now.

Mohit Jangir: My second question is on your expansion plans. Since we can clearly see that there is a very big untapped opportunity in biodiesel sector in India itself but we are targeting markets such as GCC and Europe which are I think quite mature or which are already developed. So, what is the thesis behind expanding into these regions when you see opportunities are such big in India or are you moving away from the B2G business? Is that the reason?

Sarthak Soni: Great question sir. Our first step was to expand both the units and maximize all the land space that we have available in India at both our units. That's why we acquired another unit last year which was a loss making unit and we have turned that around in one year's time. So in India we have scaled our operations to almost three and four times. Now as promoters it is our prime responsibility to diversify our risk and portfolio also.

So moving forward once we achieve the 150 kiloliters per day direct production target in India we can plan for expansion as well. The opportunity is not going anywhere. The target is very clear and the government is in support. Tapping the GCC region helps us expand vertically in the same sector and gives us an opportunity to target an even bigger market than India.

So having two units supplying to the two best markets in the world I think two biggest consumers in the world I think that's the best case scenario that we as management could decide and shortlist. So that was the strategy behind entering the GCC region for producing biodiesel as well.

Mohit Jangir: Okay. And my final question on the last question was, are we moving away from the B2G business that is also one of the reasons and what would be the pricing arbitrage between the domestic operations and what we are targeting in the geographies?

Sarthak Soni: Sir, taking your second question first in India we are selling biodiesel -- I will talk in terms of kg only, approximately you can say we are selling at a price of INR93 a kg. For selling biodiesel across the world you need an ISCC certification. That certified ISCC certified biodiesel is selling around USD1,450 dollars per metric ton. So that is around INR125 a kg. So that's the unit economics of the both prices of biodiesel that we are selling in India as well as abroad.

Now your first question was are we trying to move away from the B2G, Business to Government business, correct? B2G, if I heard you correctly.

Mohit Jangir: Yes.

Sarthak Soni: So we currently also have a diversified customer portfolio. Our first priority is to complete our country's energy needs. If the government is supporting and they have made a policy we want to first cater to that. There are a lot of private players we have catered to in the past also. So it's not totally a B2G opportunity in India, it's a B2B opportunity also. Business to business we have, business to government.

We are just trying to diversify our portfolio and tap into a bigger potential market as compared to India. I'm not saying that India has no potential or potential is weak. Indian potential is strong, but we are tapping a stronger market as well to have a diversified presence in both places. It's always good as promoters and as an MD to think about making a business last for 20, 25, 30, 40 years.

So, if we don't make a diversified portfolio today, we can't create long-term value. So the reason for opting towards this decision was, not deviating from B2G in India, but to establish ourselves in B2G and B2B in a bigger potential market. That is why we expanded our current capacities three to four times already. If that was not the case and we had to move on, why would we have expanded our capacities at both places?

And we also acquired this unit one year ago. So our goals and targets are very clear, that we have to run at almost 100% next year of our enhanced capacity, along with completing the CBG, pellets, and export unit by the end of next year. We are very clear on that.

Mohit Jangir: Understood, understood. So now I have some questions about your CBG business. Since you see headwinds in the biodiesel business itself and now you are venturing into CBG, is it a misallocation of capital, or what is the thesis behind this venture? As you have clearly said that you will be using your own feedstock, so it will entail a very big investment, I think. So how are we planning for that investment as well?

Sarthak Soni: We are planning to go for a preferential round in the times to come for raising money for the GCC unit and the CBG unit. We have our own capital as well, that we are willing to put into the preferential round also. That is the plan we have as of now. More we can discuss more in detail later on with you if you have any queries regarding that.

CBG is a low-revenue, high-margin business. This is the reason. And based on napier grass—if you compare apple to apple, if you compare any other manufacturer working on paddy straw or any other agro-waste like press mud -- our cost is almost 50% of what their landed cost of feedstock is. Hence, we are having EBITDA of more than 65%–70% in the CBG sector.

So we have carefully chosen all three businesses in a way where one gives us big volume and standard margins. Current Indian units, both of them, are already working, and CBG gives even more strength to our bottom line also. And all three products are mandated by the Government of India. There is also a mandate coming from 1st January 2028 where it becomes compulsory to blend 24% biodiesel into marine fuel.

So CBG, biodiesel, pellets, all of this has been carefully selected. And CBG on Napier is the best opportunity that I see for the next 25, 30 years in India, even better than biodiesel, because all the road logistics and taxi segments will convert themselves to CBG in the next five, 10, 15 years. So, going forward, being present in all three spaces will give us a different kind of mileage and strength.

Mohit Jangir: My final question would be on the CBG segment only So since companies like Reliance and Adani they are setting up thousands of CBG plants so how will we compete with them? Because I think, we might face some challenges on the feedstock side or on the pricing side. So how do we plan to compete with such biggies?

Sarthak Soni: Excellent question sir. With all due respect, these are big players and they are very well versed with the business that they do and that they are entering. It's a great thing to know that even they are entering this sector. So that means that stands the value of the sector. Number one.

Number two. That is why we chose to plant our own feedstock and procure that parcel—that size of land—that could suffice not 10 tons, even double the size of the plant at this place. We will be planting our own Napier, so our dependency on external feedstock sources is not there at all.

So all these plants that Reliance and everyone else are establishing, they cannot eat our feedstock, they cannot take away our feedstock. We will be having our own feedstock, and we will be having our own contract to sell gas. So technically, we are not competing with each other, again as I told you, because we have secured our feedstock from day one. The biggest challenge in this business is that people don’t have enough feedstock to produce.

They don’t focus on that area. When they start buying the feedstock, the farmers increase the price, are not able to supply, and they dishonour their contracts on the prices of agro-residue. So to counter all of that situation, we decided first -- It took almost 1.5 years to eye that parcel of land. 262 acres is very difficult to find, even if you take a torch and go around the city or near the city, or even in villages.

Having to acquire that size of land is very difficult. So that’s a big achievement that our team has accomplished. And moving forward, this will be a big game-changer in the CBG sector, as we will be planting our own feedstock and not depending on any other person. Hence, in this way, we will be colleagues with the big players, not their competitors

Mohit Jangir: Understood. Thank you. That’s all from my side.

Moderator: Next question is from the line of Aryan Bhatia from InVed Research please go ahead

Aryan Bhatia: Thanks for the opportunity and congratulations for the good set of numbers. Sir, I have one question.

Moderator: Aryan sorry to interrupt you. Can you please come in a better reception area and speak through your handset.

Sarthak Soni: Your voice was cracking.

Moderator: Your voice is still breaking a little bit. Yes, Aryan please go ahead

Aryan Bhatia: Sir, in your opening remarks you said we have bid for the highest volume ever in the history of the company. So I just wanted to know the quantity and the price you have bid for, and when it will be supplied to get the tender?

Sarthak Soni: Sir, we have bid for that, and as soon as we have the allocations we will be coming out with the number. I regret to inform you that I am not permitted by my Company Secretary to give unpublished sensitive information here. As soon as we have the allocation, you will know. But I have quoted that we have bid for the highest volume, and that needs to be supplied by March—as soon as we have the allocation."

Aryan Bhatia: And can you specify the steady state EBITDA margin and can we expect in the H2?

Sarthak Soni: Sir your voice is breaking, I am sorry.

Moderator: Aryan do you have anyone else in the same call as you. There is a bit of echo in your line.

Aryan Bhatia: Hello my question is, can you specify the steady state EBITDA margin that can be expected in H2 for this financial year?

Sarthak Soni: Sir on the same lines.

Aryan Bhatia: Okay and any plans to get into the sustainable aviation fuel market, considering that we will be having a 1%-2% mandatory blend in the upcoming years.

Sarthak Soni: Excellent question, sir. The GCC plant unlocks the opportunity of establishing a SAF unit also, which is Sustainable Aviation Fuel. So, I would like to share with you that almost 50%–60% of a Sustainable Aviation Fuel unit is the biodiesel unit itself, and then the finishing and hydrogenation processes happen, where Sustainable Aviation Fuel is made.

So, in times to come, five, six years down the line—we would be planning to enter that sector. It is a very naive and primitive thought with us at the moment and we have not thought fully that even go into that sector, but we have been making provisions for that also.

Aryan Bhatia: Ok noted. And sir in the CBG segment can we expect more than 80% EBITDA margins? Because why am I asking that because one of the competitors without own feedstock they are doing 80% EBITDA margin in CBG. So you will be having your own feedstock. So can we expect around 80 plus EBITDA margin and 40 plus PAT margin in this segment?

Sarthak Soni: It's very easy to quote all these numbers, 30% EBITDA and 40% PAT. I don't know on what basis the competitor has said that, but surely 70%-75% EBITDA is there.

Aryan Bhatia: So my question is, your competitor is doing a 70% EBITDA margin already, but we will be having our own feedstock, so can we expect more than that?

Sarthak Soni: Yes. If the competitor is already doing that, we will be positioned better than them, as they are dependent on external feedstock, that's for sure, there is no doubt in that. Our cost of feedstock is almost half of what is available in the market, at the same gas percent yield.

Aryan Bhatia: Thank you, sir. That's all from me.

Moderator: Thank you very much. Next follow-up question is from line of Ankur Arora from InVed Research. Please go ahead.

Ankur Arora: Yes, hi sir. Thanks for the opportunity. Sir, I wanted to understand like as you are expanding to Europe. So, any risk, regulatory risk you are seeing over there?

Sarthak Soni: Sir, we are not expanding into Europe. We are expanding in the Middle East, which is the Gulf region, GCC. We will be tapping the European market opportunity from there also. So, there are two big, big markets that are available for us from the GCC. One is Europe, where there is a 14% biodiesel blending mandate. And the second one is the marine fuel, which is very low sulfur fuel oil. Marine fuel, the technical name is VLSFO, in which 24% biodiesel is mandated to be blended by 1st January, 2028.

So, these are the two potential markets that we will be tapping from GCC. Why GCC and why not from India? Because freight costs from India to Europe are exorbitant. There is not enough traffic at Mundra and Kandla, you don't find ships. So, your shipment doesn't go out properly and whenever you require.

Secondly, GCC is the center of the world. There is so much of traffic that logistics cost is the least compared to anywhere in the world if you are wanting to transport to Europe. And the marine market is existing, readily existing in the ports all across the GCC. So, to tell you that we are not expanding into Europe, we are tapping the Europe market by establishing a unit in the Middle East. You can say it like that.

Ankur Arora: Understood. That's it for me. Thank you.

Moderator: Thank you very much. As there are no further questions, I would like to hand over to Mr. Punit Thakkar from closing comments.

Punit Thakkar: Thank you, all the investors, for turning up for the maiden conference call of Rajputana Biodiesel Limited. And now I would like to hand over to Mr. Sarthak Soni for the concluding comments of this conference call. Over to you, sir.

Sarthak Soni: Thank you so much, Punit ji, and thank you, Mr. Moderator, for organising this call and having all the things happened very smoothly.

On my closing note, I extend my heartfelt gratitude to each one of you for your trust, patience, and belief in our vision. It is your support that fuels our ambition, and I assure you that we will continue to build a stronger and more sustainable India. Along with that, once again, we will be seeing you very soon, with great news and great updates all along our way, as we intend to become a one-stop solution in the solid, liquid, and gas segments. Thank you so much.

Moderator: Thank you very much. On behalf of Rajputana Biodiesel Limited and Samvaad Partners Investor Relations Agents, thank you, and you may now disconnect your lines. Thank you.