

TruAlt Bioenergy Ltd

Company Overview:

TruAlt Bioenergy Ltd. (TBL) is one of India's largest biofuels producers and largest Ethanol producer based on installed capacity. As of FY25, the company houses 5 distillery units in Karnataka with an aggregate installed capacity of 2,000 kilo litres per day (KLPD). Additionally, TBL's subsidiary – 'Leafiniti', is one of the first producers of Compressed Biogas (CBG) under the SATAT scheme which was introduced by the government in 2018. As of Mar'25, Leafiniti operates a 10.2 tonnes per day (TPD) CBG plant, which also produces solid and liquid Fermented Organic Manure (FOM). TBL also operates 5 Biofuel Dispensing Stations in Karnataka.

Key Highlights:

1. Largest Ethanol production capacity in India: As of FY25, the company operated 4 molasses and sugar syrup-based distillery units with an aggregate operational capacity of 1,800 KLPD. During the same period, TBL established a greenfield unit in the Bagalkot district of Karnataka with an installed capacity of 200 KLPD, which took the company's total installed capacity for FY25 to 2,000 KLPD. Further, the company intends to convert 1,300 KLPD of its current mono feed capacity to dual feed by FY26, being capable of using grain as well as sugar syrup/sugarcane juice and molasses as raw materials. Additionally, TBL plans to integrate a 200 KLPD unit for 2G Ethanol production by utilizing excess bagasse of 8,00,000 MT as an additional feedstock.

2. Integrated procurement of raw materials: The company procures a bulk of its raw materials (sugar syrup, sugarcane juice, molasses) for ethanol production from entities forming part of its promoter group. As of FY25, the promoter group entity from whom TBL sources its raw materials from, has a sugarcane crushing capacity of 79,000 tonnes crushed per day (TCD). The agreements entered into by TBL with the said entity, does not impose minimum purchase obligations on TBL, although the promoter group entity is required to supply it goods and services upon request and on exclusive basis. This allows TBL to be flexible in its purchase decisions, as it may choose to procure raw materials from the open market in seasons when a better price is offered.

3. Focus on expanding capabilities: To strengthen its existing CBG capabilities, the company entered into agreements with GAIL, Sumitomo Corporation and a Japanese gas company for setting up multiple CBG units. Further, the company plans to move-up the value chain by utilizing Ethanol to produce Sustainable Aviation Fuel (SAF) and has entered into a process license agreement with UOP LLC for Ethanol to Jet process technology. TBL intends to set up a facility to produce 10 crore litres of SAF annually, making it among the world's largest producers upon commencement. TBL also intends to further increase the number of its biofuel dispensing stations, which shall allow it to be recognized as a private OMC in India, alongside established players such as Reliance Industries – BP, Shell and Nayara Energy.

View & Valuation: TBL is the largest Ethanol producer in India in terms of installed capacity (2,000 KLPD). Going ahead, TBL intends to convert 1,300 KLPD of existing capacity from mono feed to dual feed capacity allowing it to use grain as well as sugar syrup, sugarcane juice and molasses for producing ethanol. TBL will also focus on expanding its CBG capabilities and venturing into sustainable aviation fuel supply. The company has reported strong Revenue/EBITDA/PAT CAGR of ~58%/72%/103% respectively between FY22-25. At the upper price band of Rs 496, the company is valued at FY25 PE multiple of 29.0x based on post issue capital.

Issue Details	
Date of Opening	25 th September 2025
Date of Closing	29 th September 2025
Price Band (Rs)	472 – 496
Offer for sale (Rs cr)	89.3 @ upper price band
Fresh Issue (Rs cr)	750.0
Issue Size (Rs cr)	839.3 @ upper price band
No. of shares	1,69,20,967 @upper price band
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	4,084 – 4,253
BRLMs	DAM Capital Advisors Ltd, SBI Capital Markets Ltd
Registrar	Bigshare Services Pvt Ltd
Bid Lot	30 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from gross proceeds (Rs cr)
Funding capital expenditure towards setting-up multi-feed stock operations for utilizing grains as an additional raw material in ethanol plant at TBL unit 4 of 300 KLPD capacity	150.7
Funding working capital requirements	425.0
General corporate purpose*	174.3
Gross proceeds from the issue	750.0

*The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	6,22,98,650	88.2
Public & Others	83,32,974	11.8
Total	7,06,31,624	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	6,04,98,650	70.6
Public & Others	2,52,53,942	29.4
Total	8,57,52,591	100.0

Source: RHP, SSL Research

Note: SBI Capital Markets Ltd. is the BRLM to the issue and hence as per compliance led restrictions, SBI Securities Ltd. cannot assign any rating to the issue. IPO note can be used to understand the business model and decode the key operational and financial metrics.

Key Financials

Particulars (Rs cr)	Standalone	Consolidated		
	FY23 Reported	FY23 Proforma	FY24	FY25
Revenue from operations	762.4	1,160.4	1,223.4	1,907.7
EBITDA	105.0	154.8	188.1	309.1
PAT	35.5	49.0	31.8	146.6
EBITDA Margin (%)	13.8	13.3	15.4	16.2
PAT Margin (%)	4.7	4.2	2.6	7.7
RoE (%)	27.0	26.3	10.3	28.3
RoCE (%)	11.4	10.5	7.4	10.9
P/E (x)*	98.8	71.5	110.1	23.9

**Note: Pre-issue P/E based on upper price band*

Source: RHP, SSL Research

Risk Factors

- **Dependency on government policies:** The company sells a significant portion of its ethanol production to OMCs pursuant to the Ethanol Blending Program instituted by the Government of India, under a tender driven process. The EBP is regulated by the Government of India and the demand for ethanol is dependent on the requirements of the same. Consequently, any change or delays in implementation of such policy may adversely affect the demand for ethanol, resulting in an adverse impact on the company operations.
- **Supply contracts with Promoter group entity:** The company has entered into supply contracts with Nirani Sugars Ltd (engaged in the production of sugar syrup/juice/molasses), one of the promoter group members and group company. As of FY25, TBL procured 100%/79% of its Sugar syrup/Molasses requirements from Promoter group members. Thus, termination of such contracts, failure to renew such contracts on favourable terms, or non-performance of obligations under such contracts, may impact TBL financials.
- **Availability of raw materials:** TBL's ethanol production depends on the availability of raw material such as sugar syrup/juice and molasses, and any alternatives that it may require in future, such as grains and biomass. Any shortage of sugarcane, the underlying raw material, which is subject to seasonal vagaries, adverse weather conditions, crop disease and pest attacks, may impact the availability and quality of key raw materials, which may have an adverse impact on operations.

Growth Strategies

- Diversify sources of Ethanol production.
- Focus on increasing CBG capabilities.
- Commence production of 2G Ethanol.
- Venture Into Sustainable Aviation Fuel (SAF) supply.
- Establish Biofuel Dispensing Stations to cater to retail energy and flex-fuel requirements.
- Increase supply of products allied with production processes, such as FOM.

Installed Production Capacities & Utilizations

Unit	FY23		FY24		FY25	
	Installed Capacity	Utilization	Installed Capacity	Utilization	Installed Capacity	Utilization
Ethanol (KLPD)						
TBL Unit 1	700	54.0%	700	33.1%	700	36.3%
TBL Unit 2	500	79.3%	500	46.0%	500	49.9%
TBL Unit 3	200	100.7%	200	67.7%	400	66.5%
TBL Unit 4*	-	-	-	-	200	19.8%
TBL Unit 5**	-	-	-	-	200	-
Total	1,400	74.1%	1,400	42.6%	2,000	45.1%
Compressed Bio Gas (Kg per annum)						
CBG Unit	34,17,000	42.5%	34,17,000	32.3%	34,17,000	85.7%

*Production in Feb'25 and Mar'25 was on a trial basis.

**Yet to commence operations.

Source: RHP, SSL Research

Segmental Revenue Split & Key Customers

Particulars (Rs cr)	FY23	FY24	FY25	Key Customers
Ethanol	700.8	956.4	1,433.9	OMCs such as HPCL, Nayara Energy
CBG	-	5.4	22.9	Offtake agreements with 2 OMCs
FOM	-	0.3	0.9	Chemicals and Fertilizers producing PSU
ENA	52.7	246.0	283.7	John Distilleries, InBrew Beverages Pvt Ltd, Amrut Distilleries and Elite Vintage Winery India Pvt Ltd
CO₂	2.9	5.7	6.0	-

Source: RHP, SSL Research

Proposed Conversion of Mono Feed Capacity to Dual Feed

Unit	Installed Capacity (FY25)	Fungible Integration by addition of Grains Capacity
TBL Unit 1	700 KLPD	550 KLPD by Sep'25
TBL Unit 2	500 KLPD	450 KLPD by Oct'25
TBL Unit 3	400 KLPD	-
TBL Unit 4	200 KLPD	300 KLPD by Oct'25
TBL Unit 5*	200 KLPD	-
Total	2,000 KLPD	1,300 KLPD

Source: RHP, SSL Research

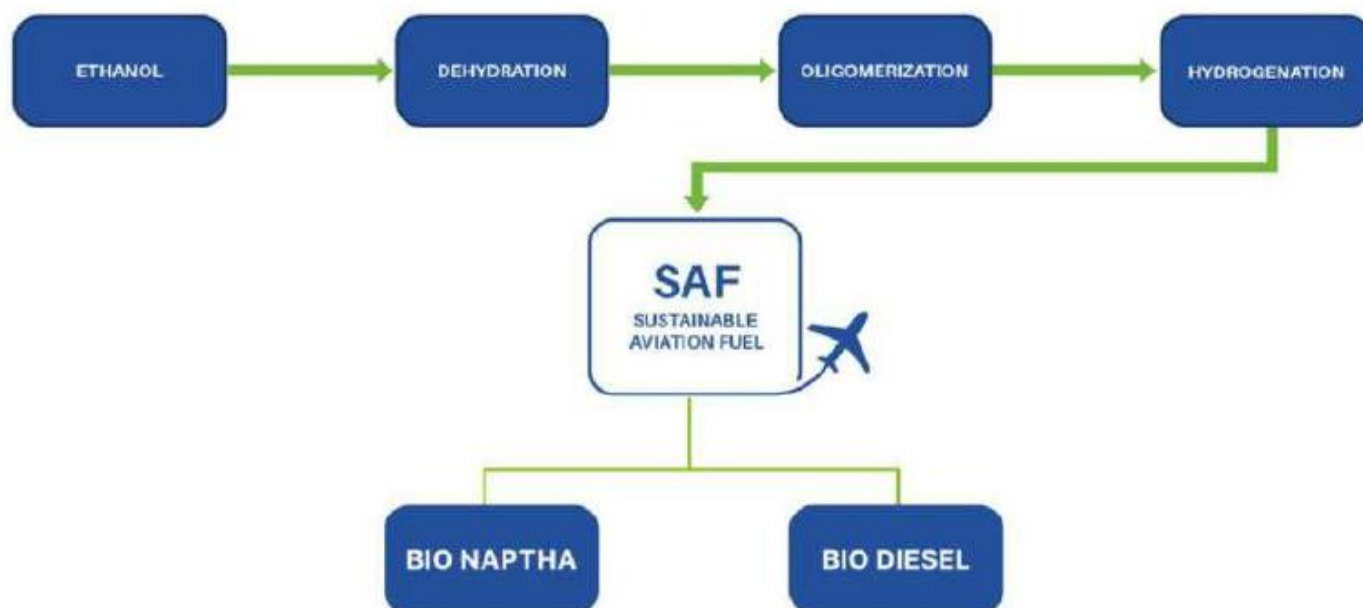
Quantity and % of Raw Materials Sourced from Promoter Group Entity

Raw material	FY23		FY24		FY25	
	Quantity sourced	% of total quantity sourced	Quantity sourced	% of total quantity sourced	Quantity sourced	% of total quantity sourced
Sugarcane Syrup (KL)	3,11,453	100.0%	1,71,175	100.0%	3,74,676	100.0%
Molasses (MT)	1,39,099	98.5%	3,72,737	86.0%	2,86,759	78.9%

Source: RHP, SSL Research

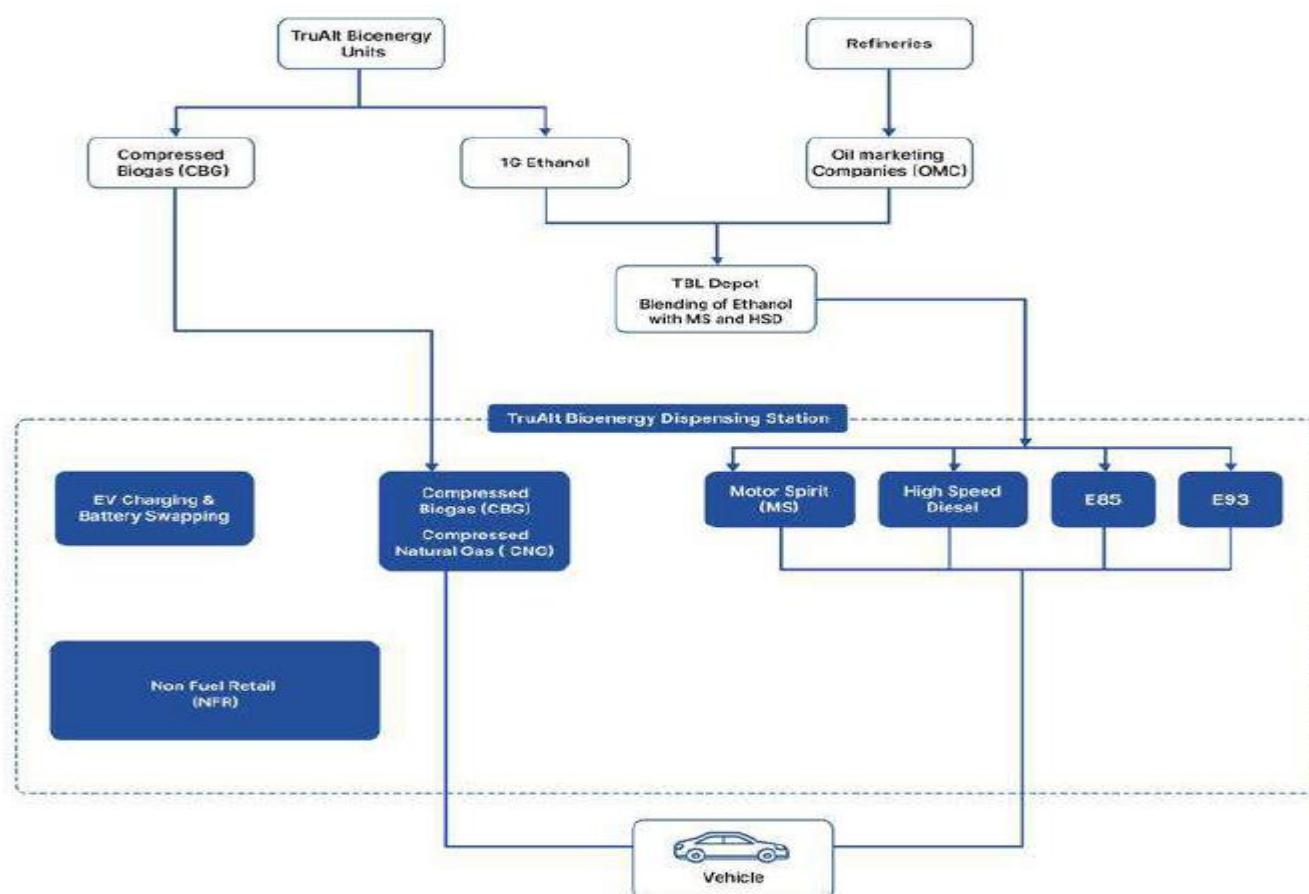
Process Chart – Ethanol to SAF

ETHANOL TO SAF CHART



Source: RHP, SSL Research

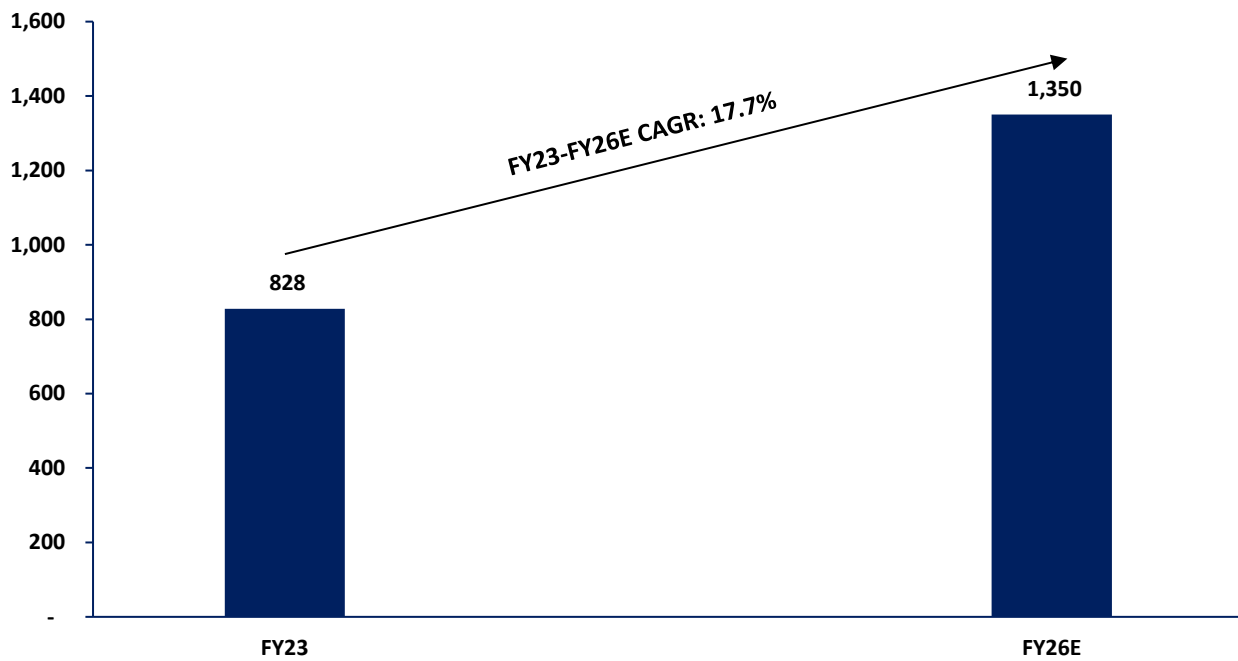
Process Chart – Biofuel Dispensing Stations



Source: RHP, SSL Research

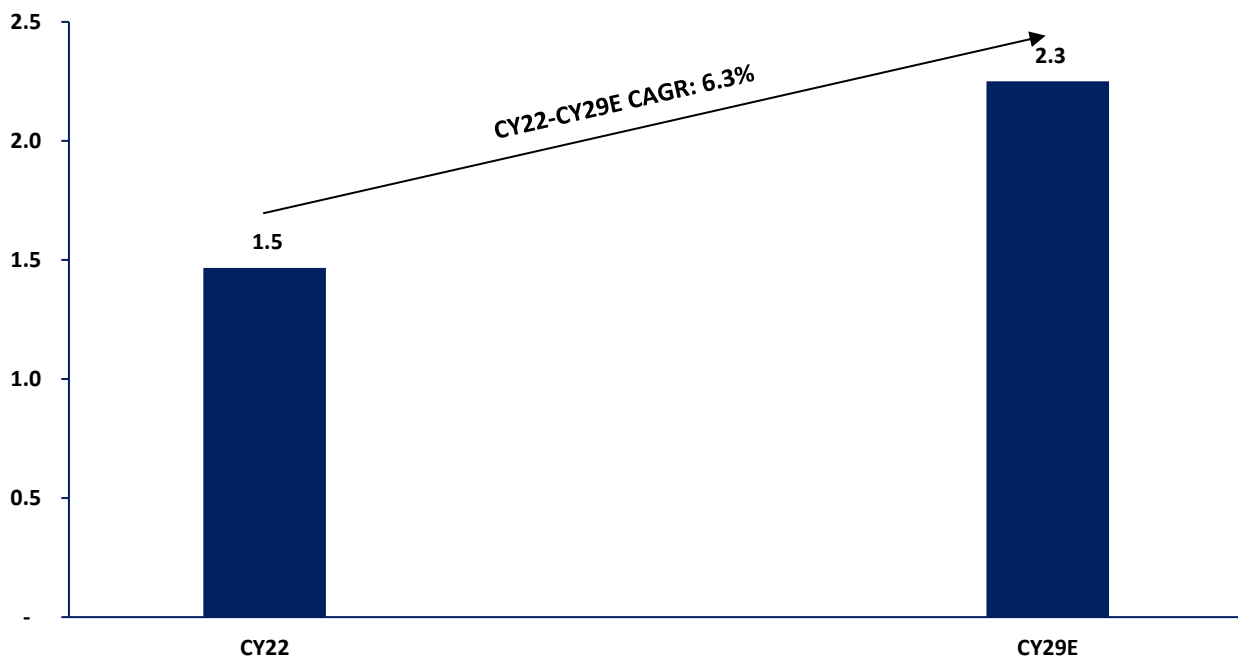
Industry Overview

India - Ethanol demand (Cr litres)



Source: RHP, SSL Research

India - Biogas market (USD bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	Standalone	Consolidated		
	FY23 Reported	FY23 Proforma	FY24	FY25
Revenue from Operations	762	1,160	1,223	1,908
YoY growth (%)	-	-	60.5%	55.9%
COGS (incl Stock Adj)	501	761	804	1,272
Gross Profit	261	400	419	636
Gross margins (%)	34.2%	34.5%	34.3%	33.3%
Employee Cost	9	14	24	40
Other Operating Expenses	147	231	207	287
EBITDA	105	155	188	309
EBITDA margins (%)	13.8%	13.3%	15.4%	16.2%
Other Income	-	0	57	61
Interest Exp.	35	59	143	144
Depreciation	21	30	57	67
PBT	49	67	45	159
Tax	14	18	13	13
PAT	35	49	32	147
PAT margin (%)	4.7%	4.2%	2.6%	7.7%
EPS (Rs)	5.0	6.9	4.5	20.8

BALANCE SHEET			
Particulars (Rs cr)	FY23	FY24	FY25
Assets			
Net Block	1,149	1,276	1,680
Capital WIP	10	201	3
Right of use assets	-	-	7
Intangible Assets	105	99	87
Goodwill	48	52	52
Other Non current Assets	81	133	139
Current Assets			
Inventories	153	159	210
Current Investment	-	10	4
Trade receivables	87	298	339
Cash and Bank Balances	5	23	150
Other Current Assets	219	167	359
Total Current Assets	464	658	1,062
Current Liabilities & Provisions			
Trade payables	309	154	486
Other current liabilities	54	203	127
Short-term provisions	0	0	0
Total Current Liabilities	363	356	613
Net Current Assets	101	302	449
Total Assets	1,493	2,063	2,416
Liabilities			
Share Capital	61	61	71
Reserves and Surplus	179	204	698
Total Shareholders Funds	240	265	769
Total Debt	1,150	1,685	1,550
Long Term Provisions	1	2	3
Lease Liabilities	-	-	7
Other Long Term Liabilities	11	6	8
Net Deferred Tax Liability	91	105	80
Total Liabilities	1,493	2,063	2,416

Cash Flow Statement (Rs cr)	Standalone	Consolidated		
	FY23 Reported	FY23 Proforma	FY24	FY25
Cash flow from Operating Activities	233	52	35	329
Cash flow from Investing Activities	(1,149)	(474)	(384)	(243)
Cash flow from Financing Activities	920	420	367	40
Free Cash Flow	(915)	(437)	(321)	70

RATIOS				
Particulars	Standalone	Consolidated		
	FY23 Reported	FY23 Proforma	FY24	FY25
Profitability				
Return on Capital Employed	11.4%	10.5%	7.4%	10.9%
Return on Equity	27.0%	26.3%	10.3%	28.3%
Margin Analysis				
Gross Margin	34.2%	34.5%	34.3%	33.3%
EBITDA Margin	13.8%	13.3%	15.4%	16.2%
Net Profit Margin	4.7%	4.2%	2.6%	7.7%
Short-Term Liquidity				
Current Ratio (x)	1.0	1.0	0.6	1.0
Quick Ratio (x)	0.7	0.7	0.5	0.8
Avg. Days Sales Outstanding	41	27	89	65
Avg. Days Inventory Outstanding	112	74	72	60
Avg. Days Payables	171	112	54	111
Fixed asset turnover (x)	0.7	1.0	1.0	1.1
Debt-service coverage (x)	0.1	0.1	0.1	0.2
Long-Term Solvency				
Total Debt / Equity (x)	4.8	4.8	6.4	2.0
Interest Coverage Ratio (x)	2.4	2.1	1.3	2.1
Valuation Ratios*				
EV/EBITDA (x)	44.3	30.0	27.5	15.9
P/E (x)	98.8	71.5	110.1	23.9
P/B (x)	14.6	14.6	13.2	4.6
EV/Sales (x)	6.1	4.0	4.2	2.6
P/Sales (x)	4.6	3.0	2.9	1.8

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	TruAlt Bioenergy Ltd	Balrampur Chini Mills Ltd	Triveni Engineering & Industries Ltd	Dalmia Bharat Sugar & Industries Ltd
Installed Distillery Capacity	2,000 KLPD	1,050 KLPD	860 KLPD*	850 KLPD**
CMP (Rs)	496.0	503.0	348.8	371.5
Sales	1,907.7	5,415.4	5,689.2	3,745.8
EBITDA	309.1	711.0	479.0	470.0
Net Profit	146.6	394.0	244.0	384.0
Mkt Cap.	4,253.3	10,157.8	7,634.1	3,006.5
Enterprise Value	4,903.2	12,780.8	9,548.1	3,693.5
EBITDA Margin (%)	16.2	13.1	8.4	12.5
Net Profit Margin (%)	7.7	7.3	4.3	10.3
P/E (x)	29.0	25.8	31.3	7.8
EV/EBITDA (x)	15.9	18.0	19.9	7.9
RoE (%) - Pre/Post	28.3/11.6	10.4	7.8	11.9
RoCE - Pre/Post (%)	10.9/10.2	8.4	6.9	7.9
EV/Sales (x)	2.6	2.4	1.7	1.0

**Not including SSEL distillery capacity of 100 KLPD*

***Additional 100 KLPD under commissioning, expected to become operational by FY26*

For TruAlt Bioenergy Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is closing price as on 22nd September, 2025

Source: RHP, Exchange Filings, SSL Research

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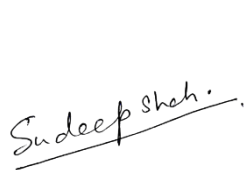
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