



IPO Report

29 Sept, 2025

Rating

Business	★★★
Financials	★★★★★
Valuation	★★★
Management	★★★

Ranking 1 to 5, denoting lowest to highest


FIN2RESEARCH
 Investment Advisor Pvt. Ltd.
TruAlt Bioenergy Ltd.
TRUALT
 BIO ENERGY
IPO: TruAlt Bioenergy Ltd.**Sector: BioEnergy****Expected Listing Returns: Upto 15% to 20%****Stock Info**

Issue Size (Cr.)	₹839.28 crores
Lot Size	30 Shares
Face Value	₹10
Min. Investment	₹14,880
Issue Price Band	₹472 to ₹496
Listing At	BSE, NSE
QIB	50.00%
NII	15.00%
Retail	35.00%
Sale Type	Fresh & OFS
Fresh Issue	₹750.00 crores
OFS	₹89.28 crores
Issue Type	Bookbuilding IPO
BRLM	Dam Capital Advisory Ltd.
Registrar	Bigshare Services Pvt. Ltd.

IPO Timeline

Opening Date	Thu, Sep 25, 2025
Closing Date	Mon, Sep 29, 2025
Allotment	Tue, Sep 30, 2025
Initiation of Refunds	Wed, Oct 1, 2025
Listing Date	Fri, Oct 3, 2025
Credit of Shares	Wed, Oct 1, 2025

Shareholding Pattern

Promoters	% Of Shareholding
Vijaykumar Murugesh N.	21.74%
Vishal Nirani	21.73%
Sushmitha Vijaykumar N.	20.66%

Objective of Issue

- Funding capital expenditure towards setting- up multi-feed stock operations.**
- Funding our working capital requirements.**

TruAlt Bioenergy Ltd. The Company stands as India's largest ethanol producer by installed capacity and a pioneering force in the nation's sustainable energy transformation. The company has strategically positioned itself as a comprehensive bioenergy solutions provider, leveraging cutting-edge technology, vertical integration, and robust government policy support to create a competitive moat in the rapidly expanding clean energy sector. TruAlt's commanding market position is anchored by its 2,000 KLPD installed capacity across five distillery units in Karnataka, with 1,800 KLPD currently operational as of March 31, 2025. This massive scale advantage, achieved through strategic acquisitions and organic expansion, positions the company to capitalize on India's ambitious ethanol blending targets of 20% by 2025-26.

Key Highlights:

- Robust Profitability Metrics:** Company's profitability strengthened significantly, with PAT soaring from ₹35 cr in FY2023 to ₹147 cr in FY2025 (361% growth) and PAT margins rising from 4.65% to 7.69%. EBITDA grew from ₹105 cr to ₹309 cr, boosting margins from 13.78% to 16.20%. Return on Equity reached 28.27% and ROCE 10.88% in FY2025, highlighting efficient capital use and strong cash generation.
- GAIL Partnership for CBG Expansion:** The Company's alliance with GAIL in its Leafiniti subsidiary (up to 49% stake for GAIL) secures off-take and technical support for 20 SATAT CBG plants. Leveraging GAIL's distribution network and TruAlt's expertise, this partnership accelerates scale-up, ensures stable revenues, and cements TruAlt's leadership among early CBG producers.
- International Strategic Alliances:** Partnerships with Sumitomo Corporation and other Japanese trading houses involve joint ventures for four CBG plants and technology transfers. These collaborations bring global expertise, project financing, and market development support, validating TruAlt's capabilities and enabling potential international expansion in next-generation bioenergy.
- Multi-Feed Technology:** By converting 1,300 KLPD to dual-feed operations by March 2026, Company can process both sugarcane and grains, using advanced distillation and molecular sieve dehydration. This flexibility mitigates raw material risks, optimizes costs, and ensures consistent ethanol quality, giving TruAlt a clear edge over single-feed competitors.
- Strong Balance Sheet:** The Company's balance sheet reflects exceptional financial health, underpinned by strong cash flow generation and prudent capital deployment. In FY2025, the company generated operating cash flows of ₹329 crores, demonstrating its ability to convert robust EBITDA into free cash that supports growth initiatives. This cash-rich position enabled TruAlt to invest ₹450 crores in capital expenditure during the same period, financing the expansion of distillery capacity and the implementation of multi-feedstock and CBG projects without over-leveraging the balance sheet. Moreover, TruAlt has optimized its working capital cycle, maintaining a lean 26-day working capital period by effectively managing receivables, payables, and inventory.

Valuation & Investment Recommendation

"TruAlt Bioenergy, India's largest ethanol producer with 2,000 KLPD capacity (1,800 KLPD operational), is uniquely positioned to benefit from the 20% ethanol blending mandate through scale, promoter-group sugarcane integration (79,000 TCD), and government support (₹1,932 cr interest subvention, assured offtake, state incentives). Robust cash flows (₹329 cr operating, ₹450 cr capex in FY2025) and a 26-day working capital cycle underpin aggressive expansion into multi-feedstock ethanol, 20 SATAT CBG plants with GAIL, and ethanol-to-jet fuel via UOP LLC, making TruAlt a compelling subscribe-and-hold pick for clients seeking exposure to India's clean-fuel transition. We recommend a **"Subscribe"** for this IPO."

IPO: Jinkushal Industries Ltd.
Expected Listing Returns: Up to 15% to 20%

SWOT Analysis

STRENGTHS

Market Leadership & Scale: India's largest ethanol producer with 2,000 KLPD installed capacity (1,800 KLPD operational), enabling volume leverage under the 20% blending mandate.

Strong Financials: Rapid revenue growth (FY2023–25 CAGR ~51%), PAT up 361% to ₹147 cr, EBITDA margin expansion to 16.2%, and operating cash flows of ₹329 cr supporting ₹450 cr capex in FY2025.

Vertical Integration: Secured raw materials via promoter-group sugar mills (79,000 TCD), reducing feedstock cost volatility and ensuring supply reliability.

Innovation & Technology: Multi-feed ethanol capability (sugarcane and grain) by March 2026; zero-discharge operations; CO₂ capture and sale; advanced molecular sieve dehydration.

Strategic Partnerships & Deals: GAIL alliance for 20 SATAT CBG plants; Sumitomo and Japanese trading house joint ventures; UOP LLC ETJ technology licensing for sustainable aviation fuel.

WEAKNESSES

High Debt Levels: The Company carries a net debt of approximately ₹1,400 crores, reflecting substantial borrowings primarily to fund its rapid capacity expansions and technology investments. While government interest-subvention schemes have softened the funding costs, the reliance on subsidized loans still leaves the company susceptible to refinancing risk and rising interest rates once subsidies lapse. High leverage may limit financial agility to pursue opportunistic acquisitions or non-core investments and could pressure debt covenants if cash flows temporarily underperform projections.

Feedstock Concentration: Company's feedstock strategy heavily relies on sugarcane molasses and, increasingly, grain-based inputs. Agricultural yield fluctuations due to monsoon variability, crop diseases, or border trade policies can cause feedstock shortages or price spikes, eroding margins. Limited diversification beyond sugarcane and grains exposes TruAlt to seasonal supply constraints.

OPPORTUNITIES

Expansion Plans: Approved to scale capacity from 2,000 KLPD to 4,600 KLPD, including a 200 KLPD second-generation ethanol plant utilizing agricultural waste, and multiple new CBG plants under the SATAT scheme. These projects are backed by ₹1,932 crores in interest-subvention loans and targeted commissioning by FY2027 to meet rising domestic and export demand.

The Company's SAF plan taps into India's 1% blending mandate by 2027 and global net-zero targets, ensuring guaranteed demand. With a UOP LLC license and a 10 crore-litre facility, TruAlt can serve domestic and international airlines at premium pricing. Early commissioning will secure offtake deals, unlock carbon credit revenues, and establish first-mover advantage in the emerging SAF market.

Policy & Regulatory Tailwinds: Company benefits from India's 20% ethanol blending mandate by 2025–26, ensuring assured offtake, and has secured ₹1,932 cr in interest-subvention loans to fund its capacity expansion. Karnataka's incentives—1.75% of gross revenue as a 10-year subsidy and stamp-duty waivers—alongside priority-sector lending, further reduce financing costs.

THREATS

Regulatory Risk: The company faces potential policy risks including possible reversals, delays, or dilution of country-wide ethanol blending targets and subsidy renewals. Changes in government priorities or unforeseen regulatory challenges could lead to reduced off-take guarantees, higher input costs, or longer project gestation periods, impacting revenue and margins.

Competitive Pressure: Increasing competition from emerging entrants and established oil marketing companies ramping up biofuel initiatives could challenge TruAlt's market leadership. Intensifying rivalry may result in pricing pressure, margin erosion, and the need for sustained investment in innovation and distribution to maintain differentiation and customer loyalty.

Raw Material Volatility: TruAlt's feedstock reliance on sugarcane and grains exposes it to agricultural risks such as adverse weather, crop failures, and supply chain disruptions.

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