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CM RATING 44 /100

Trualt Bioenergy

India's largest biofuels producers

Aggregate installed capacity is 2,000 kilo litres per day

Incorporated in 2021, Trualt Bioenergy is one of India's largest biofuels producers. The company holds the distinction of being the largest ethanol producer in India, with an aggregate installed capacity of 2,000 kilo litres per day (klpd) and an operational capacity of 1,800 klpd, as of March 31, 2025. Its market share was among the largest in terms of ethanol production capacity in fiscal 2025, at 3.6%.

The company commenced its primary business of ethanol production, pursuant to business transfer agreements dated September 26, 2022, with effect from October 1, 2022, with each of the seller companies that hived off their respective distillery business and co-generation facilities in its favor.

The company has five distillery units in Karnataka. It operates four ethanol production distilleries on molasses and syrup-based feedstocks, with production capacity (installed operational capacity) of 1800 klpd. In addition, it established TBL Unit 5, with an installed capacity of 200 klpd as of March 31, 2025. By March 2026, out of the 2,000 klpd installed capacity, it intends to convert 1,300 klpd of its current mono feed (sugarcane juice, sugar syrup, and molasses) capacity to dual-feed, capable of producing ethanol from grain-based feedstocks or grains unfit for human consumption. Progressively, it also intends to increase its operational capacity from 1,800 klpd to 2,000 klpd.

As part of its ethanol production, the company produces extra neutral alcohol (ENA), the primary raw material for alcoholic beverages. The product portfolio also includes dry ice and liquid carbon dioxide (CO₂), by-products obtained in ethanol production.

Through subsidiary Leafiniti, the company is among the first producers of CBG under India's SATAT scheme and currently operates a 10.20 tonnes per day (tpd) CBG plant producing solid and liquid FOM. To expand its CBG capabilities, it signed a share subscription-cum-shareholders' agreement with GAIL on August 11, 2025, to develop CBG units at 20 locations, with GAIL holding up to 49%. It signed an MoU on November 18, 2024, with a Japanese trading and gas company for a joint venture to establish 3–5 CBG plants across India and entered agreements with Sumitomo Corporation Asia and Oceania Pte. Ltd. for bioenergy collaboration, beginning with four CBG plants (three in Karnataka and one in Maharashtra) and later expanding into ethanol and sustainable aviation fuel projects.

As of March 31, 2025, the company primarily manufactured 1G Ethanol utilizing sugar syrup and molasses as raw materials. To ensure assured and continuous raw material supply, it has entered into supply agreements with Nirani Sugars (formerly known as MRN Chamundi Canepower and Biorefineries), one of its promoter group entities and group company, and with MRN Bhima Sugar and Power Private Limited and MRN Canepower and Biorefineries Private Limited to enable uninterrupted access to inter alia, bagasse, sugar syrup and sugarcane juice and molasses for ethanol production, without any minimum purchase obligations. In fiscal 2025, 78.93% of its molasses requirements and 100.00% of sugar syrup and sugarcane juice requirements, respectively, were sourced from entities forming part of the promoter group.

Going forward, the company intends to venture into the following business verticals, which have been approved by its board of directors pursuant to resolution dated September 6, 2025:

Second Generation (2G) Ethanol - As part of its expansion, the company plans to produce 2G ethanol using surplus bagasse—a sugar manufacturing by-product—as feedstock. It aims to utilize 8,00,000 tonnes of bagasse from its promoter group companies to produce about six crore litres of 2G ethanol annually. It has signed a non-exclusive MoU with Praj Industries for production of SAF and 2G ethanol and entered a non-binding term sheet with Sumitomo Corporation Asia & Oceania Pte Ltd for potential collaboration in the bioenergy sector.

Sustainable Aviation Fuel (SAF) - The company intend to move-up the value chain further by utilizing ethanol to produce SAF. It has also entered a process license agreement with UOP LLC for using the jet process technology to transform ethanol into high-quality, renewable jet fuel (SAF). It intends to set up a facility to produce 10 crore litres of SAF annually to place it as one of the world's largest producers of SAF from ethanol.

Mevalonolactone (MVL) and Allied Biochemicals - MVL can be used to produce various valuable products for the synthesis of elastomers, specialty fuels, and SAF molecules. It intends to produce MVL and allied biochemicals during the manufacturing of ethanol. It entered an MOU with Visolis to enter technology collaboration for production of SAF. It intends to undertake feasibility studies to understand the ability to produce MVL in dual purpose designed fermenters to produce both ethanol and MVL.

Biofuel Dispensing Stations - The company operated five dispensing stations in Mudhol, Jamkhandi, Badami, and Kerakalmatti in the Bagalkot district of Karnataka as of March 31, 2025. With the Government of India's increased push towards use of non-fossil fuel vehicles and leveraging its ready source of ethanol and CBG, it intends to further set up biofuel dispensing stations. It will be recognized as a private OMC in India, alongside established players such as Reliance Industries – BP, Shell and Nayara Energy.

Vijaykumar Murugesh Nirani, Vishal Nirani and Sushmitha Vijaykumar Nirani are the promoters of the company.

The Offer and the Objects

The offer comprises fresh issue of up to 1,51,20,968 equity shares at the upper price band of Rs 496 and 1,58,89,831 equity shares at the lower price band of Rs 472, aggregating Rs 750 crore, and an offer for sale up to 1800000 equity shares at the upper brand of Rs 496, aggregating Rs 89 crore, and at the lower brand of Rs 472, aggregating Rs 85 crore.

The company proposes to utilize the net proceeds from the issue towards funding capital expenditure to set up multi-feed stock operations to pave-way for utilizing grains as an additional raw material in ethanol plants at TBL Unit 4 of 300 klpd capacity, amounting Rs 150.68 crore; funding its working capital requirements amounting Rs 425 crore; and the balance towards general corporate purposes.

It sources a significant portion of raw materials from sugar manufacturing facilities owned by an entity forming part of its promoter group. The company is in the process of converting the mono feed plant at TBL Unit 4 into a multi-feed plant of 300 klpd capacity that will operate on a multi feed basis, utilizing grains (particularly maize and rice), alternatively in the off-season to reduce dependence and storage cost on sugar syrup and juice and molasses at the TBL Unit 4, with a current capacity of 200 klpd of mono-feed. The total estimated project cost is Rs 172.68 crore and estimates commercial production from January 2026. Net working capital requirement at the end of fiscal 2025 was Rs 307.64 crore.

Promoter Dhraksayani Sanga Mesh Nirani's post offer shareholding will decrease to 5.1% from pre-offer shareholding of 7.46% and Sangamesh Rudrappa Nirani's post-offer shareholding will decrease to 5.1% from pre-offer shareholding of 7.47%. Vijaykumar Murugesh Nirani's post-offer shareholding remains unchanged at 21.71%, Vishal Nirani at 21.7%, Sushmitha Vijaykumar Nirani at 20.64%, Kamala Murigeppa Nirani at 5.99%, Murugesh Rudrappa Nirani at 1.51%, and Nirani Holdings Private Limited at 1.73%.

Strengths

The company is the largest producer of ethanol in India in terms of installed capacity.

The company can differentiate itself through its ease of access to raw materials, as the bulk of the sugar syrup and sugarcane juice and molasses required for ethanol production are procured from sugar manufacturing facilities owned by entities forming part of its promoter group.

The company owns five distillery units and operates four distillery units in the Bagalkot district of Karnataka. These hold a significant position as part of India's sugar belt.

The company has received approval from the Ministry of Petroleum and Natural Gas, Government of India, to exercise retail marketing rights to market motor spirit and high-speed diesel and intends to make its dispensing stations to be capable of dispensing motor spirit, high speed diesel, E85 and E93 blended fuel, bio-CNG, and will also have EV charging points, EV battery swapping and create a non-fuel retail division to cater to fast moving consumer goods and automotive products

Ethanol demand in India is expected to record a CAGR of 17.7% till fiscal 2026. The overall Ethanol market, including ethanol for diverse uses, was estimated to be at 828 crore litres in FY 2023 and is anticipated to expand to 1,350 crore litres by 2026.

The total biogas demand is globally expected to surge to 404 billion cubic meters equivalent, indicating a CAGR of 9% from 2021 to 2050. This is because of the increased renewable energy requirement globally and increased feasibility of biomethane as an energy source.

The biofuel market in India is majorly divided into ethanol, CBG and biodiesel, of which ethanol forms a major chunk. The Indian biogas market is expected to grow up to US\$ 2.25 billion in 2029, recording a CAGR of 6.3% between 2022 and 2029.

Weaknesses

The business is dependent on the sale of ethanol.

Intense competition with numerous players including sugar mills, distilleries, and ethanol manufacturers.

Depends on Government of India policies.

All production units are in the Bagalkot district of Karnataka.

Promoters and members of the promoter group had encumbered some of the equity shares held by them in favour of IDBI Trusteeship Services pursuant to loans availed from State Bank of India and Indian Renewable Energy Development Agency. These shares have y been released and will be re-pledged after implementation of the statutory lock-in.

The products are subject to strict quality requirements.

The business performance is subject to seasonality.

Competition from cheaper and more established fossil fuels can limit market share and profitability.

The use of agricultural feedstocks for biofuel production raises the conflict of food and fuel, potentially leading to conflicts with food supply and affecting public perception and policy support.

Climate variability and extreme weather events can disrupt the availability and reliability of feedstocks.

The rapid advancement and adoption of electric vehicles threaten to reduce demand for liquid fuels.

Valuation

Sales were up by 56% to Rs 1907.72 crore in FY 2025. The OPM rose 80 bps to 16.2%, leading to 64% increase in OP to Rs 309.14 crore. OI rose 7% to Rs 60.8 crore and interest cost remained flat at Rs 143.61 crore, while depreciation was up 18% to Rs 66.89 crore. PBT increased 255% to Rs 159.44 crore. Tax expenses were 2% lower at Rs 12.8 crore. Net profit spurted 361% to Rs 146.84 crore.

FY2025 EPS on post-issue equity works out to Rs 17.1. At the upper price band of Rs 496, P/E works out to be 29

As of 23 September 2025, listed peers Balrampur Chini Mills traded at FY2025 P/E of 23, Triveni Engineering & Industries traded at FY2025 PE of 32 and Dalmia Bharat Sugar & Industries trades at FY2025 PE of 8.

For FY2025, Trualt Bioenergy Ebitda margin and ROE stood at 16.2% and 28.3% compared to 13.7% and 12.1% for Balrampur Chini Mills, 7% and 7.9% for Triveni Engineering & Industries, 12.5% and 12.5% for Dalmia Bharat Sugar & Industries, respectively.

Trualt Bioenergy: Issue Highlights	
Fresh issue (in Rs crore)	750
For Fresh Issue Offer size (in number of shares)	
- in Upper price band	15120968
- in Lower price band	15889831
Offer for sale (in number of shares)	1800000
Offer for sale (in Rs crore)	
- in Upper price band	89
- in Lower price band	85
Price Band (Rs)	472-496
Pre issued capital (Rs crore)	70.63
Post issue capital (Rs crore)	85.75
Pre issue promoter shareholding (%)	88.20
Post issue Promoter shareholding	70.55
Bid Size (in No. of shares)	30
Issue open date	25-09-2025
Issue closed date	29-09-2025
Listing	BSE,NSE
Rating	44/100

Trualt Bioenergy: Consolidated Financials			
Particulars	2303 (12)	2403 (12)	2503 (12)
Total Income	762.38	1223.40	1907.72
OPM	13.8	15.4	16.2
Operating Profits	105.05	188.09	309.14
Other Income	0.00	56.78	60.80
PBIDT	105.05	244.87	369.95
Interest	35.31	143.08	143.61
PBDT	69.74	101.79	226.34
Depreciation	20.75	56.92	66.89
PBT	48.99	44.87	159.44
Share of Profit/loss of JV	0.00	0.00	0.00
PBT Before EO	48.99	44.87	159.44
EO	0.00	0.00	0.00
PBT after EO	48.99	44.87	159.44
Provision for Tax	13.53	13.07	12.80

Profit after Tax	35.46	31.81	146.64
PPA	0.00	0.00	0.00
Net profit after PPA	35.46	31.81	146.64
MI	0.00	0.00	0.00
Net profit after MI	35.46	31.81	146.64
EPS (Rs)*	4.1	3.7	17.1
*EPS annualized on post issue equity capital of Rs 85.75 crore of face value of Rs 10 .each			
# Not annualised due to seasonality of business			
Figures in Rs crore			
Source: Capitaline Corporate Database			