

Rating: Subscribe for Long Term

Issue Offer

Fresh Issue of 1,900,000 Equity Share aggregating up to INR 247 Mn

Issue Summary

Price Band (INR)	123-130
Face Value (INR)	10
Implied Market Cap (INR mn.)	914.4
Market Lot	1000
Issue Opens on	Nov,26,2024
Issue Close on	Nov,28,2024
No. of share pre-issue	5,133,500
No. of share pre-issue	7,033,500
Listing	NSE,SME

Issue Break-up (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

Registrar

Maashitla Securities Pvt. Ltd.

Book Running Lead Managers

GYR Capital Advisors Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	90.00%	66.00%
Public & Others	10.00%	34.00%

Objects of the issue

- Loan to the Subsidiary
- Funding working capital requirements of the company
- General corporate purposes

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Rajputana Biodiesel Ltd. (RBL) specializes in manufacturing and supplying biofuels and by-products like glycerine and fatty acids, catering to diverse industry needs. Operating from a 4,000 sq. meter facility in Phulera, Rajasthan, the company boasts an approved production capacity of 30 KLPD and an installed capacity of 24 KLPD. Its state-of-the-art, flexible manufacturing setup enables the use of multiple feedstocks to adapt to changing market requirements. RBL is committed to enhancing the value of its by-products and is actively exploring export opportunities for biodiesel to expand its market reach. With a focus on sustainability, RBL aims to play a pivotal role in the renewable energy sector.

Investment Rationale

Strategy for Increasing Domestic Biodiesel Production: RBL plans to boost domestic biodiesel production by developing sustainable local feedstocks and expanding production capacity through new facilities, process upgrades, and efficiency optimization. By reducing reliance on imports and strengthening local supply chains, the company aims to enhance reliability, support the local economy, and contribute to energy security. With a focus on innovation and sustainability, RBL seeks to position itself as a renewable energy leader, driving sustainable growth and environmental stewardship.

Commitment to Biofuels and Renewable Energy: RBL prioritizes adopting biofuels and renewable energy as part of its sustainability strategy to reduce carbon emissions and reliance on fossil fuels. The company invests in advanced technologies, infrastructure, and partnerships with industry leaders and research institutions to enhance biofuel production and innovation. By embracing diverse renewable energy solutions, RBL aims to promote environmental stewardship, strengthen energy security, and contribute to a sustainable future for communities and the planet.

Focus on Energy Efficiency : RBL prioritizes implementing energy efficiency norms to minimize energy consumption and boost operational efficiency. Through equipment upgrades, process optimization, regular energy audits, and employee training programs, the company fosters a culture of energy conservation. Adhering to strict efficiency standards, RBL aims to reduce its carbon footprint, lower costs, and promote sustainability, aligning with its mission of environmental responsibility and long-term growth.

Strong Customer Base in Government PSUs: RBL's primary strength lies in its robust partnerships with government Public Sector Undertakings (PSUs), which form a significant source of its revenue. These long-standing relationships provide stability, credibility, and resilience against market fluctuations. By consistently delivering high-quality solutions, RBL has established itself as a trusted partner in PSU projects, ensuring sustained growth and profitability while reinforcing its industry reputation.

Valuation and View : Rajputana Biodiesel Ltd. is poised for sustainable growth, leveraging its focus on domestic biodiesel production, adoption of renewable energy, and commitment to energy efficiency. By expanding production capacity, optimizing processes, and developing sustainable local feedstocks, RBL aims to reduce reliance on imports and support local supply chains. Its strategic investments in advanced technologies and collaborations with industry leaders further enhance its competitive edge. Robust partnerships with government PSUs provide stable revenue streams and resilience against market fluctuations. With a clear focus on innovation, sustainability, and operational excellence, RBL is well-positioned to strengthen its market presence, drive environmental stewardship, and contribute to India's energy security while ensuring long-term profitability in the renewable energy sector. At the upper band of INR 130, the issue is valued at a P/E ratio of 20.21x based on a FY24 EPS of INR 6.43. And based on annualised FY25 earnings the issue is valued at P/E ratio of 11.74x . We are recommending a "Subscribe for Long Term" for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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