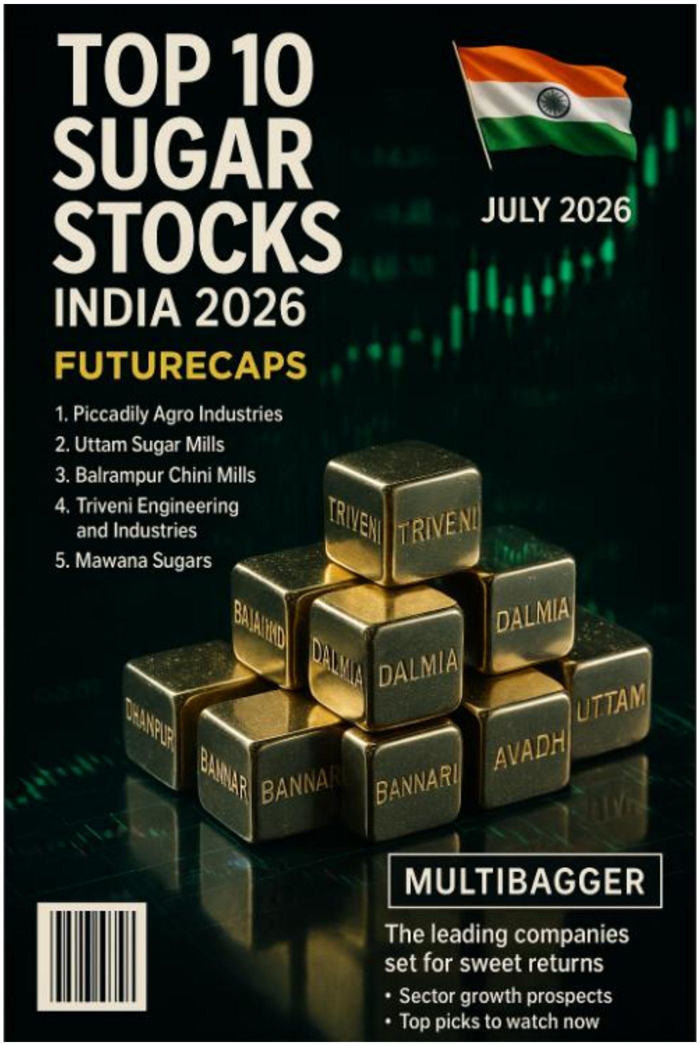

A Futurecaps Research Report

India's sugar sector is quietly staging one of the most compelling comebacks in the commodity markets — and 2026 may just be the year it finally gets the recognition it deserves. This report curates 10 sugar and sugar-adjacent stocks offering a mix of value, growth, and sector-specific opportunity.

Source: futurecaps.com/top-10-sugar-stocks-india-2026

Compiled July 2026

Introduction

India's sugar sector is quietly staging one of the most compelling comebacks in the commodity markets — and 2026 may just be the year it finally gets the recognition it deserves. For decades, sugar stocks were dismissed as cyclical, government-dependent, and frankly, unglamorous. But something fundamental has shifted. Between ethanol blending mandates, rising domestic consumption, strong export demand, and the sector's pivotal role in India's clean energy transition, sugar companies are no longer just crushers of cane — they are diversified agri-industrial powerhouses sitting at the intersection of food security and fuel policy.

At Futurecaps.com, our research team spent several weeks running a rigorous, multi-layered screening process across the entire listed sugar universe in India. We analysed return on capital employed, earnings consistency, debt profiles, ethanol revenue mix, valuations relative to sector peers, and management quality signals. The result is a curated list of 10 sugar and sugar-adjacent stocks that we believe offer a thoughtful mix of value, growth, and sector-specific opportunity as we head deeper into 2026.

The macro tailwinds are real and they are building. India's ethanol blending programme — targeting 20% blending with petrol by 2025-26 — has fundamentally rewritten the business model for sugar mills with distillery capacity. Companies that once survived on razor-thin margins from white sugar sales are now booking meaningful, high-margin revenues from supplying ethanol directly to oil marketing companies. This structural shift de-risks the traditional sugar cycle and adds a layer of earnings predictability that was simply absent five years ago. Add to that India's growing per capita sugar consumption, the global supply tightness keeping export realisations healthy, and government policy that — however imperfect — continues to prioritise the sector, and you have a macro setup that demands investor attention.

Our selection philosophy at Futurecaps is grounded in disciplined, evidence-based analysis. We do not chase momentum or recency bias. Instead, we look for businesses where capital is being deployed efficiently, where valuations leave room for upside, and where the underlying business has genuine competitive moats — whether that is geographic cane catchment advantages, integrated distillery infrastructure, or brand strength in value-added products. Every company on this list was stress-tested against these filters. You will notice a deliberate range of PE multiples across the list — from single-digit value plays to higher-PE growth compounders — because we believe a well-constructed watchlist should serve investors across different risk appetites and time horizons.

From Balrampur Chini's scale and brand equity to Piccadily Agro's exciting distillery pivot, from Triveni Engineering's engineering diversification to the under-the-radar value embedded in names like Uttam Sugar Mills and Magadh Sugar & Energy — this list is designed to spark informed thinking, not blind action. Some of these names will appeal to the value investor hunting for beaten-down multiples. Others will excite the growth-oriented investor tracking ethanol capacity expansion. A few are genuinely under-researched, and that is precisely where opportunity hides.

This report highlights:

- Ethanol blending beneficiaries with integrated distillery capacity
- Value stocks trading at historically low PE multiples relative to earnings power
- Diversified agri-industrial players with multiple revenue levers beyond white sugar
- Regional leaders with strong cane procurement advantages in key sugar belts

A word of context on the numbers you will see throughout this article. The PE ratios and ROCE figures cited reflect our Futurecaps research team's analysis based on the most current available financial data as of 2026. ROCE — Return on Capital Employed — is a metric we weight heavily because it cuts through accounting noise and tells you how efficiently a management team is actually deploying the capital entrusted to them. In a capital-intensive sector like sugar, the difference between a 7% ROCE and an 18% ROCE is the difference between value destruction and genuine wealth creation for shareholders.

Futurecaps.com is a SEBI-registered investment research platform built on the belief that retail investors deserve the same quality of analytical rigour that institutional desks enjoy. Our methodology combines quantitative screening with qualitative business assessment — we read annual reports, study concall transcripts, track capacity expansion plans, and monitor regulatory developments so you do not have to.

How to use this report: Think of this as a curated starting point, not a definitive buy list. Read through each company profile, pay attention to the ROCE and PE context we provide, and cross-reference with your own risk tolerance and investment horizon. As always, please conduct your own due diligence and consult a SEBI-registered financial advisor before making any investment decisions.

Quick Index — Top 10 Sugar Stocks India 2026

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#1 — Piccadily Agro Industries

Sector: **Breweries & Distilleries**

CMP	Rs 757	**Market Cap**	7,462 (Midcap)
NSE Code	PICCADIL	**BSE Code**	530305
Intrinsic Value	Rs 1,301	**EPS**	Rs 14.16

About Piccadily Agro Industries

Piccadily Agro Industries Limited was incorporated in 1994 and is headquartered in New Delhi, with its primary manufacturing operations based at an integrated distillery complex in Haryana. What began as a conventional Indian Made Foreign Liquor (IMFL) and country liquor producer has, over three decades, evolved into one of India's most exciting premiumisation stories in the alcoholic beverages space. The company operates across multiple verticals — malt whisky, IMFL, country liquor, and ethanol — giving it a diversified revenue base while its flagship single malt brand anchors its growth narrative.

The company's defining breakthrough came with the launch of Indri Single Malt Whisky, crafted at its Haryana distillery using six-row barley and matured in a combination of ex-bourbon, ex-wine, and ex-sherry casks. Indri rapidly gained critical acclaim on the global stage — winning multiple medals at prestigious international spirits competitions — and is now exported to over 20 countries including the USA, UK, France, and Singapore. Indri has emerged as a genuine challenger brand in the Rs 2,000+ crore and growing Indian Single Malt category, competing credibly with legacy imported Scotch whiskies at a fraction of the price point.

Piccadily's competitive moat is rooted in its vertically integrated manufacturing setup. The company controls grain procurement, malting, distillation, maturation, and bottling under one roof — a rare capability among Indian distillers that affords superior quality control and cost efficiency. Additionally, the company has been scaling its ethanol production capacity in line with the Government of India's Ethanol Blending Programme (EBP), which provides a steady, policy-backed revenue stream that cushions volatility in the more competitive retail liquor segments.

In its latest annual report, management highlighted an ongoing capacity expansion capex focused on increasing malt spirit maturation warehousing — a long-lead investment that locks in future single malt inventory and supports volume scaling over the next 3-5 years. Operating profit has surged from Rs 63 Cr in FY23 to Rs 235 Cr in FY26, with EPS climbing from Rs 2.62 to Rs 14.16 over the same period — a trajectory that reflects genuine business momentum, not just base effects.

Looking ahead, Piccadily Agro is well-positioned at the intersection of two powerful macro tailwinds: India's rapidly expanding premium spirits consumption and the global 'Made in India' single malt movement. With a manageable debt-to-equity ratio of 0.59 and improving return ratios, the company has the financial headroom to fund its next leg of growth without excessive dilution. The key monitorable is execution — sustaining Indri's brand equity, managing maturation inventory cycles, and navigating state-level excise regulations will determine whether this company delivers on its significant promise.

Positives

- Explosive earnings growth: EPS has surged from Rs 2.62 in FY23 to Rs 14.16 in FY26, and operating profit has more than tripled from Rs 63 Cr to Rs 235 Cr over the same period — reflecting a genuine structural shift in business mix toward high-margin premium spirits.

- Indri Single Malt's international recognition and export presence across 20+ countries provide a brand moat that is increasingly difficult for new entrants to replicate quickly, given the multi-year maturation cycles inherent to single malt production.
- The annual report confirms active capex in maturation warehousing at the Haryana distillery, directly expanding the company's single malt inventory pipeline — an investment that seeds future high-margin revenue 3-7 years out.
- The ethanol segment, supported by India's Ethanol Blending Programme, provides a policy-backed revenue buffer that reduces dependence on the more volatile retail IMFL market and improves cash flow visibility.
- Intrinsic value of Rs 1,301 versus CMP of Rs 757 implies a meaningful margin of safety for investors with a 3-5 year horizon, assuming the company sustains its current earnings growth trajectory.

Negatives

- At a PE ratio of 53.5x and PB of 8.3x, the stock is priced for near-perfection. Any stumble in Indri's volume ramp-up, margin trajectory, or brand positioning could trigger a painful derating from current elevated multiples.
- The premium single malt segment faces a potential structural threat from trade liberalisation — a future India-UK Free Trade Agreement reducing Scotch import duties could intensify competition and compress Indri's pricing premium in the domestic market.
- State-level excise policy risk remains a persistent overhang: changes in procurement quotas, pricing approvals, or distribution regulations by state beverage corporations can materially disrupt sales volumes and revenue recognition timelines.

Value Parameters

Metric	Value
PE Ratio	53.5x
PB Ratio	8.3x
ROCE	18.2%
ROE	17.6%
D/E Ratio	0.59
EPS	Rs 14.16
Intrinsic Value	Rs 1,301

Website: www.picagro.com

#2 — Uttam Sugar Mills

Sector: **Sugar**

CMP	Rs 229	**Market Cap**	872 (Microcap)
NSE Code	UTTAMSUGAR	**BSE Code**	532729
Intrinsic Value	Rs 1,019	**EPS**	Rs 25.89

About Uttam Sugar Mills

Uttam Sugar Mills Limited is a vertically integrated sugar company headquartered in New Delhi, with its manufacturing operations rooted in the sugarcane-rich belt of Uttar Pradesh. Founded in 1993 and promoted by the Nangal Dass Aggarwal family, the company has steadily evolved from a single-unit sugar mill into a multi-divisional agro-industrial enterprise. Listed on both BSE and NSE, Uttam Sugar operates across three synergistic segments — sugar manufacturing, distillery (ethanol production), and cogeneration of power — making it one of the more self-sufficient mid-cap sugar processors in northern India.

The company's core revenue engine is sugar manufacturing, where it crushes sugarcane to produce white/refined sugar sold to institutional buyers, wholesalers, and the open market. Complementing this is a growing distillery division that produces ethanol, extra neutral alcohol (ENA), and rectified spirit. The cogeneration segment uses bagasse — a sugarcane by-product — to generate surplus electricity that is sold to state electricity boards, adding a recurring, low-capital revenue stream. This three-pronged model is the cornerstone of Uttam Sugar's competitive resilience.

Uttam Sugar is a mid-scale but operationally efficient player with a total crushing capacity of approximately 21,500 TCD (tonnes of cane crushed per day) and distillery capacity that management has been incrementally expanding to capitalise on the government's 20% ethanol blending target by 2025-26. Management commentary in the annual report underscores confidence in the ethanol segment as the primary long-term value driver, with supply agreements already in place with oil marketing companies (OMCs) under government-fixed ethanol procurement prices.

On the financial trajectory, Uttam Sugar has demonstrated commendable earnings consistency, with EPS ranging between Rs 23 and Rs 35 over the past five years despite volatile sugar cycles, monsoon dependencies, and regulatory headwinds. The company carries a debt-to-equity ratio of 0.79 — moderate for a capital-intensive agro-industrial business — and has maintained positive free cash flow in recent years.

The stock currently trades at Rs 229 against an estimated intrinsic value of Rs 1,019 — a compelling margin of safety for patient investors. With India's sugar sector on the cusp of a structural shift driven by energy transition policies and rising domestic consumption, Uttam Sugar's integrated model positions it to capture disproportionate value over the medium term.

Positives

- Deep value opportunity: At Rs 229, the stock trades at just 8.75x earnings and 1.0x book value against an intrinsic value of Rs 1,019 — one of the widest valuation gaps in the mid-cap sugar space.
- Integrated distillery and cogeneration segments act as natural earnings buffers — ethanol supply agreements with OMCs under government-fixed prices provide revenue visibility that pure sugar revenues cannot.
- Consistent EPS delivery of Rs 23-35 across five consecutive years through multiple sugar cycles, regulatory changes, and cost pressures demonstrates management's operational discipline.
- India's national ethanol blending programme targeting 20% blending by 2025-26 is a structural multi-year tailwind; Uttam Sugar's distillery expansion capex directly positions it to benefit from rising ethanol procurement volumes.

- Moderate D/E of 0.79 combined with self-sustaining cash flows from three business segments gives the company financial flexibility to pursue brownfield capacity additions without material equity dilution.

Negatives

- Earnings pressure in FY26: Operating profit declined to Rs 215 Cr from Rs 266 Cr in FY25, and EPS fell to Rs 23.92 from Rs 34.67 — likely driven by higher state-advised cane prices in UP and softer open market sugar realisations.
- Heavy regulatory dependence remains the industry's structural Achilles heel — government control over MSP, export ban/quota decisions, and ethanol pricing means profitability is significantly exposed to policy risk.
- With ROCE at 11.7% and ROE at 12.2%, both metrics remain in the moderate zone — below the 20% threshold that typically justifies meaningful premium valuation re-rating.

Value Parameters

Metric	Value
PE Ratio	8.75x
PB Ratio	1.0x
ROCE	11.7%
ROE	12.2%
D/E Ratio	0.79
EPS	Rs 25.89
Intrinsic Value	Rs 1,019
Market Price	Rs 229

Website: www.uttamsugar.in

#3 — Balrampur Chini Mills

Sector: **Sugar**

CMP	Rs 612	**Market Cap**	12,922 (Largecap)
NSE Code	BALRAMCHIN	**BSE Code**	500038
Intrinsic Value	Rs 213	**EPS**	Rs 17.19

About Balrampur Chini Mills

Balrampur Chini Mills Limited, incorporated in 1975 and headquartered in Kolkata with operational roots deep in Uttar Pradesh, has grown over five decades to become one of India's largest integrated sugar companies. Founded by the Jhunjhunwala family, the company began as a single-mill sugar producer and has systematically scaled to operate ten sugar mills strategically located across the cane-rich belt of eastern and central UP, with a combined crushing capacity exceeding 80,000 TCD.

The company's core business spans three integrated verticals: sugar manufacturing, ethanol/distillery operations, and bagasse-based co-generation of power. Sugar remains the primary revenue driver, but the strategic pivot toward ethanol has been the defining growth narrative of the last five years. Balrampur has invested significantly in building distillery capacity to approximately 1,100 KLPD — one of the largest in the sector.

The company's competitive moat rests on deep-rooted relationships with over 250,000 sugarcane farmers in UP, scale that allows it to absorb fixed costs more efficiently than smaller mills, and co-generation plants that supply surplus power to the UP state grid. According to the latest annual report, the company has been channelling capex toward expanding distillery throughput and upgrading co-generation units, with a clear goal of increasing the share of non-sugar revenues in the overall mix.

Looking ahead, Balrampur Chini's outlook is shaped by the interplay of government sugar policy, monsoon-driven cane availability, and the pace of ethanol blending adoption. The company's balance sheet, with a debt-to-equity ratio of 0.81, remains manageable, giving it flexibility to pursue further capacity investments without overstretching financial leverage.

Positives

- Unmatched scale in UP sugar belt: With ten mills and crushing capacity above 80,000 TCD, Balrampur is among India's two largest sugar producers, delivering cost efficiencies and supply chain resilience.
- Ethanol distillery capacity of ~1,100 KLPD positions the company as a prime beneficiary of India's Ethanol Blending Programme, with ethanol contracts from OMCs offering higher and more predictable margins.
- Operating profit remained robust — recovering to Rs 786 Cr in FY2024 and sustaining at Rs 741 Cr in FY2026 — reflecting the earnings resilience of the integrated business model.
- Annual report capex commentary confirms ongoing investment in distillery upgrades and co-generation expansion, signalling management's commitment to revenue diversification.
- Manageable leverage with D/E of 0.81 and consistent debt servicing even in the low-profitability year of FY2023, demonstrating financial discipline through down-cycles.

Negatives

- At CMP of Rs 612 against an intrinsic value estimate of Rs 213, the stock trades at a steep premium with a PE ratio of 37.2x — pricing in significant future growth that may already be well-anticipated by the market.
- ROCE of 9.06% and ROE of 9.29% are underwhelming for a company commanding a premium valuation; capital efficiency remains well below the 15-20% benchmark expected from high-quality industrial compounders.

- Sugar remains a government-regulated commodity — FRP/SAP revisions, surprise export bans, and ethanol pricing decisions can compress margins significantly, as the FY2023 operating profit dip to Rs 522 Cr illustrates.

Value Parameters

Metric	Value
PE Ratio	37.2x
PB Ratio	3.2x
ROCE	9.06%
ROE	9.29%
Debt / Equity	0.81
EPS (TTM)	Rs 17.19
Intrinsic Value (Est.)	Rs 213
Growth Rate (G)	4%

Website: www.chini.com

#4 — Triveni Engineering and Industries

Sector: **Sugar**

CMP	Rs 240	**Market Cap**	5,289 (Midcap)
NSE Code	TRIVENI	**BSE Code**	532356
Intrinsic Value	Rs 660	**EPS**	Rs 11.81

About Triveni Engineering and Industries

Triveni Engineering and Industries Ltd has its roots in the early 20th century, tracing its lineage to the Triveni group founded by Lala Karam Narain Das in 1932. Over decades, the company evolved from a regional sugar producer into one of India's most integrated agribusiness enterprises, operating primarily through its Sugar, Power Co-generation, and Distillery verticals, with manufacturing assets concentrated in the cane-rich western and central belts of Uttar Pradesh.

At its core, Triveni Engineering runs 11 sugar mills with a combined cane crushing capacity exceeding 61,000 TCD, making it India's second-largest sugar company by crushing capacity. The distillery vertical — the fastest-growing segment — has been scaled up aggressively to 660 KLPD as disclosed in the FY2024 annual report, positioning the company as a major beneficiary of India's National Biofuel Policy and the government's 20% ethanol blending programme target.

The company's competitive moat rests on three pillars: geographic concentration near raw material sources, integrated operations that extract value from every by-product, and long-standing farmer relationships across UP's cane belt. The FY2024 annual report highlights management's emphasis on grain-based ethanol capacity as well, diversifying feedstock away from molasses and enabling year-round distillery operations rather than seasonal crushing-linked production.

Looking ahead, Triveni Engineering's outlook is constructively tied to India's ethanol blending programme trajectory. With blending levels trending toward 15-18% nationally and the government reiterating E20 targets, long-term demand visibility for ethanol is strong. At a market price of Rs 240 against an intrinsic value estimate of Rs 660, the stock offers meaningful upside for investors willing to look through near-term commodity cycle noise.

Positives

- Market leadership in UP sugar: 11 mills with 61,000+ TCD crushing capacity make Triveni India's second-largest sugar producer, providing procurement scale and farmer loyalty that smaller peers cannot replicate.
- Ethanol capacity expanded to 660 KLPD as per the FY2024 annual report, directly capitalising on India's E20 blending mandate — distillery revenues provide high-visibility, contract-backed cash flows under OMC offtake agreements.
- Co-generation power plants supply surplus electricity to UP state utilities under long-term PPAs, acting as a natural earnings buffer against sugar price cyclicality.
- Stock trades at a substantial 64% discount to intrinsic value of Rs 660 at the current market price of Rs 240, with a PE of 19.7x — offering a wide margin of safety for long-term investors.
- Manageable debt levels with a D/E of 0.63; annual report confirms distillery cash flows are being prioritised for debt servicing.

Negatives

- Sharp operating profit decline from Rs 630 Cr (FY2024) to Rs 484 Cr (FY2025) highlights the vulnerability of earnings to sugar price cycles, SAP hikes in UP, and government export policy changes.
- ROCE of 8.96% and ROE of 8.37% remain sub-optimal, reflecting the capital-heavy nature of sugar and co-gen assets; sustained improvement is contingent on distillery scale-up delivering higher-margin ethanol revenues.

- Regulatory overhang is a persistent risk — state-mandated cane pricing (SAP), central government export bans, and MSP controls on sugar can compress margins in any given year without forewarning.

Value Parameters

Metric	Value
PE Ratio	19.7x
PB Ratio	1.6x
ROCE	8.96%
ROE	8.37%
D/E Ratio	0.63
EPS	Rs 11.81
Intrinsic Value	Rs 660
Promoter Pledging	N/A

Website: www.trivenigroup.com

#5 — Mawana Sugars

Sector: **Sugar**

CMP	Rs 109	**Market Cap**	428 (Microcap)
NSE Code	MAWANASUG	**BSE Code**	523371
Intrinsic Value	Rs 525	**EPS**	Rs 9.39

About Mawana Sugars

Mawana Sugars Limited traces its roots to the Siel Group and has evolved over decades into one of Uttar Pradesh's recognised integrated sugar producers. The company operates three sugar manufacturing units — at Mawana, Titawi, and Nanglamal — all situated in the sugarcane-rich western UP belt. Mawana Sugars has progressively repositioned itself from a pure-play sugar miller toward a more diversified agro-industrial platform, encompassing white sugar, ethanol distillation, and co-generation of surplus power.

The company's core revenue engine remains white sugar production, supported by captive sugarcane crushing capacity across its three units. However, the real strategic inflection lies in its distillery operations. Mawana has been investing in ethanol distillery capacity to supply Oil Marketing Companies (OMCs) under India's Ethanol Blended Petrol (EBP) programme, providing fixed, government-assured pricing that hedges against open-market sugar price volatility.

Operating profit has grown from Rs 54 Cr in FY22 to a peak of Rs 108 Cr in FY24, reflecting the benefits of this integration strategy. The EPS trajectory — from a loss of Rs 20.37 in FY22 to Rs 10.89 in FY26 — underscores a meaningful earnings recovery cycle that has only partially been priced into the current market valuation.

With a market price of Rs 109 against a computed intrinsic value of Rs 525, the stock trades at a steep discount that reflects both sector pessimism and company-specific earnings lumpiness. As ethanol blending mandates tighten and the company's distillery volumes ramp up, a re-rating of earnings quality is plausible over a 2-3 year horizon.

Positives

- Deep undervaluation: Stock trades at PB of 0.8x and PE of 10.6x against a computed intrinsic value of Rs 525, offering a rare margin of safety rarely seen in mid-cap industrials.
- Operating profit nearly doubled from Rs 54 Cr in FY22 to Rs 108 Cr in FY24, demonstrating that the integrated model — sugar, ethanol, and co-generation — is delivering measurable earnings improvement.
- Ethanol distillery expansion directly benefits from India's EBP programme with government-assured OMC pricing, providing revenue diversification.
- D/E of 0.8x with a visible deleveraging trajectory gives management financial flexibility to fund capex from internal accruals.
- With a 33% implied growth rate and EPS recovering to Rs 10.89 in FY26 from a loss in FY22, the earnings momentum supports a strong re-rating thesis.

Negatives

- Operating profit fell sharply from Rs 108 Cr in FY24 to Rs 80 Cr in FY25, reflecting the sugar sector's classic vulnerability to cane cost inflation driven by government-mandated SAP/FRP hikes.
- ROCE of 8.28% and ROE of 7.99% remain significantly below the 15%+ threshold associated with quality compounders.
- Heavy government regulation — covering cane pricing, sugar MSP, and export/import quotas — creates structural margin unpredictability.

Value Parameters

Metric	Value
PE Ratio	10.6x
PB Ratio	0.8x
ROCE	8.28%
ROE	7.99%
D/E Ratio	0.8x
EPS	Rs 9.39
Intrinsic Value	Rs 525
Market Price	Rs 109

Website: www.mawanasugars.com

#6 — Dalmia Bharat Sugar & Industries

Sector: **Sugar**

CMP	Rs 358	**Market Cap**	2,902 (Smallcap)
NSE Code	DALMIASUG	**BSE Code**	500097
Intrinsic Value	Rs 937	**EPS**	Rs 29.40

About Dalmia Bharat Sugar & Industries

Dalmia Bharat Sugar & Industries Limited is part of the storied Dalmia Bharat Group, a conglomerate with roots tracing back to 1935. The sugar and industries vertical operates multiple integrated sugar complexes in Uttar Pradesh — one of India's largest sugarcane-producing states — giving it natural proximity to raw material supply and a competitive cost advantage.

At its core, Dalmia Bharat Sugar is a fully integrated agro-industrial enterprise. Its primary business is the manufacture of sugar, but the company has systematically built adjacent revenue streams to reduce dependence on the inherently cyclical sugar commodity, including power co-generation and, more recently, aggressively scaled ethanol distillation capacity supplying OMCs under India's Ethanol Blended Petrol programme.

Beyond sugar, the group also houses a refractory products division under the same listed entity, supplying high-temperature resistant materials to steel, cement, and glass industries — adding an industrial diversification layer that is often underappreciated by the market. Operating profit bounced back to Rs 478 Cr in FY2025 from Rs 412 Cr in FY2024, validating the thesis that diversification dampens sugar-cycle volatility.

With a conservative balance sheet (D/E of 0.54), seasoned promoter stewardship from the Dalmia Group, and a market price of Rs 358 trading at just 0.9x book value against an intrinsic value estimate of Rs 937, the risk-reward is asymmetric for patient investors. The near-term earnings normalization to Rs 29.40 EPS in FY2026 reflects cyclicality, but the medium-term compounding story driven by ethanol and power remains firmly intact.

Positives

- Ethanol expansion is a structural growth driver — the company is scaling distillery capacity in line with India's National Biofuel Policy and 20% blending targets, transforming ethanol into a core, high-margin revenue stream.
- Deep undervaluation with a P/E of 12.6x and P/B of 0.9x — the stock trades well below its intrinsic value estimate of Rs 937.
- Operating profit rebounded to Rs 478 Cr in FY2025 and EPS surged to Rs 45.18, demonstrating management's ability to leverage the integrated sugar-power-ethanol model.
- Conservative balance sheet discipline with a D/E of 0.54 ensures the company can fund ongoing capex without financial stress.
- Integrated business model across sugar, 100+ MW bagasse-based power co-generation, ethanol distillation, and refractory products creates resilient, multi-stream cash flows.

Negatives

- ROCE of 8.25% and ROE of 7.33% remain significantly below the 15-20% benchmark for quality compounders, suggesting capital allocation efficiency needs improvement.
- Heavy regulatory dependence — sugar pricing (FRP), export quotas, and ethanol blending mandates are set by the central and state governments.
- Earnings cyclicality remains a concern — operating profit is estimated to decline from Rs 478 Cr in FY2025 to Rs 426 Cr in FY2026, and EPS is projected to fall to Rs 29.40.

Value Parameters

Metric	Value
P/E Ratio	12.6x
P/B Ratio	0.9x
ROCE	8.25%
ROE	7.33%
D/E Ratio	0.54
EPS (FY2026E)	Rs 29.40
Intrinsic Value	Rs 937
Market Price	Rs 358

Website: www.dalmiasugar.com

#7 — Magadh Sugar & Energy

Sector: **Sugar**

CMP	Rs 489	**Market Cap**	689 (Microcap)
NSE Code	MAGADSUGAR	**BSE Code**	540650
Intrinsic Value	Rs 9,752	**EPS**	Rs 45.07

About Magadh Sugar & Energy

Magadh Sugar & Energy Limited is one of Bihar's most established integrated sugar companies, tracing its roots to the Uttar Pradesh-Bihar sugar belt. The company has evolved from a traditional sugar mill into a vertically integrated agri-energy enterprise, with manufacturing infrastructure spanning multiple crushing units in Bihar, strategically located to access dense sugarcane command areas.

At its core, Magadh Sugar & Energy operates across three synergistic verticals: sugar manufacturing, ethanol distillation, and co-generation of power. The distillery segment converts molasses into fuel-grade ethanol supplied primarily to Oil Marketing Companies under India's national ethanol blending programme, while the co-generation segment harnesses bagasse to produce surplus electricity sold to the Bihar state grid.

The company's competitive moat lies in its integrated structure and captive raw material linkage. The operating profit trajectory underscores this: from Rs 115 Cr in FY22, it rose steadily to Rs 213 Cr in FY25, reflecting the compounding benefit of higher ethanol realisations and improved sugar recoveries as the company modernised its crushing operations.

The annual report highlights management's clear pivot toward distillery capacity expansion as the primary value driver for the next three to five years. While near-term earnings may reflect the cyclicality of sugar output and sugarcane availability, the diversified revenue model provides downside cushion.

Positives

- Operating profit surged 63% YoY to Rs 213 Cr in FY25 from Rs 131 Cr in FY24, marking the strongest single-year earnings jump in the last five years.
- At a price-to-book ratio of just 0.8x, the stock trades below its net asset value — an unusual situation for a profitable, cash-generating industrial company.
- The company is strategically expanding distillery capacity to benefit from India's E20 ethanol blending mandate, with assured government procurement prices from OMCs.
- Low PE of 10.9x, well below the sector average for integrated sugar-ethanol players, combined with a calculated intrinsic value of Rs 9,752 against a market price of Rs 489.
- The integrated sugar-ethanol-power model creates revenue diversification across three streams, reducing vulnerability to any single commodity cycle.

Negatives

- ROCE of 7.75% and ROE of 7.39% remain significantly below the 15-20% benchmark for quality compounders.
- The sugar industry operates under heavy government price regulation — state-advised prices for sugarcane procurement and central government controls on sugar release quantities cap the company's flexibility.
- With a D/E ratio of 0.79x and ongoing capex for distillery expansion, leverage could inch higher in the near term, increasing interest burden.

Value Parameters

Metric	Value
PE Ratio	10.9x
PB Ratio	0.8x
ROCE	7.75%
ROE	7.39%
D/E Ratio	0.79x
EPS (FY25)	Rs 45.07
Intrinsic Value	Rs 9,752

Website: www.magadhsugar.com

#8 — Ugar Sugar Works

Sector: **Sugar**

CMP	Rs 43.5	**Market Cap**	489 (Microcap)
NSE Code	UGARSUGAR	**BSE Code**	530363
Intrinsic Value	Rs 11	**EPS**	Rs 1.21

About Ugar Sugar Works

Ugar Sugar Works Limited, incorporated in 1939 and headquartered in Ugar Khurd, Belagavi district of Karnataka, is one of South India's oldest and most integrated sugar manufacturers. Founded by the Sirur family, the company has navigated more than eight decades of agricultural cycles, policy changes, and commodity swings to emerge as a recognised regional player in the Indian sugar industry.

The company's core business revolves around three interconnected verticals: sugar manufacturing, industrial alcohol and ethanol production from a captive distillery, and co-generation of power from bagasse. The distillery produces rectified spirit, extra-neutral alcohol (ENA), and fuel-grade ethanol, supplying both the open market and the government's Ethanol Blending Programme.

Ugar's market position is that of a mid-sized regional player rather than a pan-India giant, but it compensates through deep-rooted farmer relationships in its cane command area, which spans several talukas in Belagavi. The company has historically maintained above-average cane recovery rates for the Karnataka belt.

Ugar Sugar Works' outlook is tied to three variables: domestic sugar prices and their government-mandated minimum support framework, the volume and pricing of ethanol contracts with OMCs, and the pace of debt reduction. Operating profit's recovery to Rs 104 Cr in FY2026 after the FY2025 trough is encouraging, though investors must remain watchful of earnings cyclicality and leverage.

Positives

- Integrated revenue streams across sugar, ethanol distillery, and co-generation power reduce single-segment risk and provide partial protection against sugar price volatility.
- India's Ethanol Blending Programme targeting 20% blending creates a policy-backed, long-term demand floor for Ugar's distillery output.
- Sharp operating profit recovery to Rs 104 Cr in FY2026 from Rs 40 Cr in FY2025 signals a cyclical earnings upturn.
- Decades-old farmer network in northern Karnataka's sugarcane belt provides a captive raw-material supply and acts as a meaningful entry barrier.
- Asset-heavy balance sheet with established sugar plant, distillery, and co-gen infrastructure offers significant operational leverage.

Negatives

- High financial leverage with a Debt-to-Equity ratio of 2.87 is a structural concern; heavy interest obligations compress net margins and heighten risk during down-cycles.
- Severe earnings cyclicality — EPS ranged from Rs 9.16 in FY2023 to a net loss of Rs 1.44 in FY2025.
- At a PE ratio of 36x on a modest EPS of Rs 1.21, the stock trades at a steep premium to its estimated intrinsic value of Rs 11.

Value Parameters

Metric	Value
PE Ratio	36.0x
PB Ratio	2.1x
ROCE	9.00%
ROE	6.05%
Debt / Equity	2.87
EPS (TTM)	Rs 1.21
Intrinsic Value (Est.)	Rs 11.00
Market Price	Rs 43.50

Website: www.ugarsugar.com

#9 — Bannari Amman Sugars

Sector: **Sugar**

CMP	Rs 3,475	**Market Cap**	4,358 (Smallcap)
NSE Code	BANARISUG	**BSE Code**	500041
Intrinsic Value	Rs 3,760	**EPS**	Rs 117.96

About Bannari Amman Sugars

Bannari Amman Sugars Limited, incorporated in 1983 and headquartered in Coimbatore, Tamil Nadu, is one of South India's most respected integrated sugar conglomerates. Promoted by the Saravana Raja family under the broader Bannari Amman Group, the company has grown from a single sugar mill into a multi-unit, multi-product enterprise over four decades.

At its core, the company operates multiple sugar manufacturing facilities among the top integrated sugar producers in peninsular India. Beyond raw and refined sugar, the company has strategically built out a distillery and ethanol division, converting molasses and juice into ethanol supplied under India's Ethanol Blended Petrol Programme. The company also operates a granite division, providing further business diversification.

Bannari Amman's competitive moat rests on decades of farmer relationships, an integrated model generating revenue from three distinct markets simultaneously, and a debt-free balance sheet — a remarkable achievement in a capital-intensive, cyclical industry where peers often carry significant leverage.

Bannari Amman Sugars is well-positioned to benefit from the convergence of supportive government policy, rising ethanol offtake volumes, and its own expanding distillery infrastructure. With zero debt, consistent dividend payouts, and a management team with proven capital allocation discipline, the company represents a quality franchise in the agri-industrial space for investors with a medium-to-long-term horizon.

Positives

- Zero debt: With a D/E ratio of 0, Bannari Amman Sugars carries no financial leverage — a rare feat in capital-intensive sugar manufacturing.
- Integrated ethanol and co-generation model diversifies revenue: distillery and power divisions reduce dependence on volatile sugar realisations.
- Mild undervaluation with margin of safety: At CMP Rs 3,475 against an intrinsic value of Rs 3,760, the stock trades at approximately an 8% discount.
- Resilient EPS across the sugar cycle: Despite cyclical operating profit swings, EPS has held in the Rs 83-121 range.
- Annual report highlights distillery capacity expansion capex and zero-liquid-discharge sustainability investments.

Negatives

- Margin compression risk: Operating profit declined from Rs 306 Cr in FY24 to Rs 210 Cr in FY25 and further to Rs 198 Cr in FY26.
- Low capital efficiency: ROCE of 9.32% and ROE of 8.01% are well below the 20% threshold typically associated with capital-efficient compounders.
- Regulatory and climatic vulnerability: Sugar production volumes are directly exposed to monsoon variability, while government policies can alter profitability within a single fiscal year.

Value Parameters

Metric	Value
PE Ratio	29.5
PB Ratio	2.3
ROCE	9.32%
ROE	8.01%
D/E Ratio	0
EPS	Rs 117.96
Intrinsic Value	Rs 3,760
Market Price	Rs 3,475

Website: www.bannari.com

#10 — Avadh Sugar & Energy

Sector: **Sugar**

CMP	Rs 534	**Market Cap**	1,068 (Smallcap)
NSE Code	AVADHSUGAR	**BSE Code**	540649
Intrinsic Value	Rs 6,195	**EPS**	Rs 28.63

About Avadh Sugar & Energy

Avadh Sugar & Energy Limited is one of Uttar Pradesh's prominent vertically integrated sugar companies. The company operates multiple sugar manufacturing units concentrated in the sugarcane-rich belt of UP. Over the years, Avadh has evolved from a pure-play sugar miller into a diversified agro-energy enterprise. The company is part of the K.K. Birla group lineage.

The core business spans three interconnected verticals: sugar manufacturing, ethanol distillation, and co-generation power. The distillery vertical has become increasingly critical — Avadh has been scaling capacity to supply ethanol directly to Oil Marketing Companies under the government's Ethanol Blended Petrol programme.

Avadh's competitive moat lies in its integrated model and geographic concentration in UP. Operating profit has remained robust in the Rs 227-330 Cr band over the last four fiscal years, a testament to this structural resilience. While capex has temporarily elevated the debt-to-equity ratio to 1.25x, management's stated intent is to use distillery cash flows to deleverage progressively.

Avadh Sugar & Energy is positioned at an interesting inflection point. The combination of ethanol policy tailwinds, integrated operations, and a valuation that prices in significant pessimism (P/B of 1.0x) creates a potentially asymmetric risk-reward for patient investors.

Positives

- Ethanol distillery expansion directly aligned with India's EBP programme: Avadh has been scaling distillery capacity to cater to government-mandated ethanol blending, providing assured long-term offtake at government-fixed prices.
- Integrated business model across sugar, ethanol, and co-gen power creates multiple revenue streams, reducing dependence on volatile sugar commodity prices.
- At a P/E of 17x and P/B of 1.0x against a computed intrinsic value of Rs 6,195, the stock offers compelling deep value for long-term investors.
- Consistent operating profit generation in the Rs 227-330 Cr range over four years reflects a resilient operational base.
- Strategic location in Uttar Pradesh — India's largest sugarcane state — provides a supply chain advantage through dense farmer networks.

Negatives

- Earnings deterioration is a material concern: EPS has declined from Rs 64.00 in FY23 to Rs 28.63 in FY25, and TTM operating profit has compressed to Rs 227 Cr.
- Elevated leverage with a D/E ratio of 1.25x constrains financial flexibility; debt servicing costs during a low-profitability phase could pressure free cash flows.
- With ROCE at 6.83% and ROE at 5.63%, capital efficiency is currently below acceptable benchmarks.

Value Parameters

Metric	Value
P/E Ratio	17.0
P/B Ratio	1.0
ROCE	6.83%
ROE	5.63%
D/E Ratio	1.25
EPS (FY25)	Rs 28.63
Intrinsic Value	Rs 6,195

Website: www.avadhsugar.com

Company Comparison Table

#	Company	Sector	Price Rs	Mkt Cap	PE	PB	ROCE%	ROE%	D/E	EPS Rs	IV Rs
1	Piccadily Agro Industries	Breweries	757	7,462	53.5	8.3	18.2	17.6	0.59	14.16	1,301
2	Uttam Sugar Mills	Sugar	229	872	8.75	1.0	11.7	12.2	0.79	25.89	1,019
3	Balrampur Chini Mills	Sugar	612	12,922	37.2	3.2	9.06	9.29	0.81	17.19	213
4	Triveni Engineering	Sugar	240	5,289	19.7	1.6	8.96	8.37	0.63	11.81	660
5	Mawana Sugars	Sugar	109	428	10.6	0.8	8.28	7.99	0.8	9.39	525
6	Dalmia Bharat Sugar	Sugar	358	2,902	12.6	0.9	8.25	7.33	0.54	29.40	937
7	Magadh Sugar & Energy	Sugar	489	689	10.9	0.8	7.75	7.39	0.79	45.07	9,752
8	Ugar Sugar Works	Sugar	43.5	489	36.0	2.1	9.00	6.05	2.87	1.21	11
9	Bannari Amman Sugars	Sugar	3,475	4,358	29.5	2.3	9.32	8.01	0	117.96	3,760
10	Avadh Sugar & Energy	Sugar	534	1,068	17.0	1.0	6.83	5.63	1.25	28.63	6,195

IV = Intrinsic Value (Graham formula: EPS x (8.5 + 2G) x 6%/8%). Not a buy/sell recommendation.

Summary

These 10 stocks represent a carefully curated selection across sectors, offering a diversified approach to wealth creation in 2026. Always perform your own due diligence and consult a SEBI-registered advisor before investing.

About Futurecaps

Futurecaps.com is a SEBI-registered investment research platform trusted by thousands of retail investors across India. Our team of certified analysts delivers deep-dive stock research, multibagger recommendations, and value investing insights to help you build long-term wealth. With a focus on fundamental analysis and intrinsic value calculations, we cut through market noise to deliver actionable research that matters.

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