India
July 03, 2025 - 3:40 PM

Overweight *(no change)*

Agribusiness

Grain dominates sugar within ethanol space

- With OMCs floating an additional 490mL tender, grain-based ethanol to have a 69% share in ESY25 blending mix, & thus the total demand to exceed 11bnL.
- As flagged on 15 May 2023, the government's direction has tilted towards a grain-dominant ethanol strategy, especially after Karnataka state elections.
- Retain our ADD rating on grain-based distilleries (favourable crop trend) & a REDUCE rating on sugar-based players because of policy headwinds.

Fourth tender

- Oil marketing companies or OMCs tendered 490mL(mn litres) and the allotment details are awaited.
- We expected full allotment in respect of grain-based ethanol.
- The split ratio is expected to be 0%/100% for sugar-based ethanol & grain-based ethanol.
- The overall spilt ratio stands at 31%/69% for sugar-based ethanol & grain-based ethanol,

Third tender

- OMCs tendered 1,240mL, of which 50mL and 1,590mL comprised C molasses and Food Corporation of India or FCI rice-based ethanol, respectively.
- The allotment data is pending, but we have assumed 50mL and 1,190mL for C molasses and FCI rice-based ethanol, respectively.

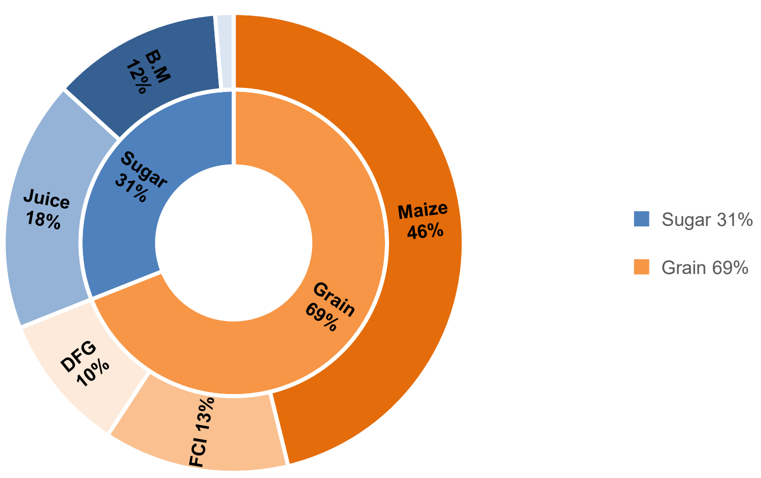
Second tender

- OMCs tendered 876mL, of which the allotment stood at 934mL.
- Sugarcane-based ethanol was allotted 95% of the quantity offered, or 255mL.
- Juice/B molasses/C molasses-based ethanol share stood at 7%/20%/0%, respectively.
- Grain-based ethanol was allotted 93% of the offered quantity, at 680mL.
- Maize/DFG-based ethanol share stood at 58%/15%, respectively.
- The split ratio was 27%/73% between sugar-based ethanol and grain-based ethanol.
- The overall spilt ratio stood at 36%/64% for sugar-based ethanol and grain-based ethanol, with 9,300mL allotted.

First tender

- OMCs tendered 9,160mL, of which 8,366mL were allotted.
- Sugarcane-based ethanol was allotted 80% of the quantity offered, or 3,117mL.
- Juice/B molasses/C molasses-based ethanol share stood at 23%/14%/1%, respectively.
- Grain-based ethanol was allotted 91% of the offered quantity, or 5,259mL.
- Maize/DFG (damaged food grains)-based ethanol share stood at 52%/11%, respectively.
- The split ratio stood at 37%/63% for sugar-based ethanol and grain-based ethanol, respectively.

Figure 1: Ethanol blending mix - ESY25 forecast (Nov 2024 – Oct 2025F) – full dashboard on Page 2



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Research Analyst(s)

Nitin AWASTHI
T (91) 22 4161 1550
E nitin.awasthi@incredresearch.com

Figure 2: InCred | Ethanol Dashboard – Data, forecasts & drivers of blending math

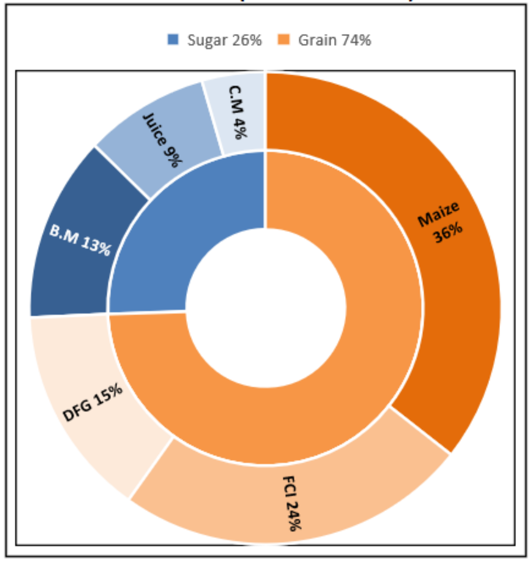
InCred Equities

Ethanol DATA

Nitin Awasthi Analyst – Smallcap & Midcap

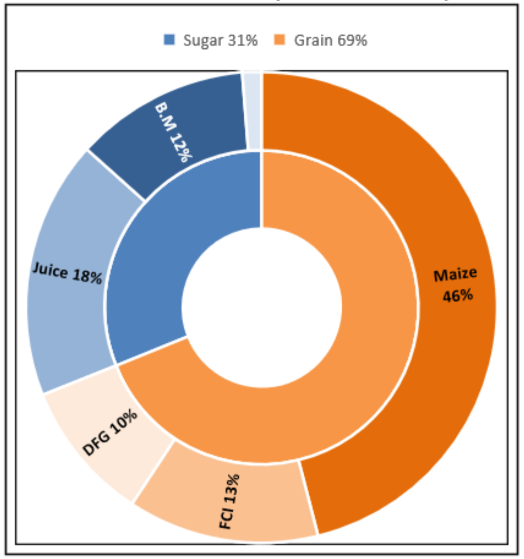
Feedstock Composition in Ethanol Blending (%)

ESY24 Actual (Nov '23 – Oct '24)



Source: OMCs

ESY25 Forecast (Nov' 24 – Oct '25)



Source: InCred Estimates

InCred Sector Coverage

SUGAR: Balrampur Chini, Triveni Engineering

GRAIN: BCL Industries, Gulshan Polyols, Globus Spirits

Outlook : Add – Grain Ethanol | Reduce – Sugar Ethanol

☑ **Key Insight:** Grain ethanol share is forecast to rise to 68% in ESY25, driven by 110% growth in maize usage.

- **Economics of ethanol production via** Sugarcane routes Grain routes
  - MSP / FRP /SAP
  - Ethanol price per ltr
  - Ethanol blending Rate
  - ESY25 - Ethanol Tende
  - Ethanol Market Movement - Niti Aayoj
- **Important Reports**
  - Ethanolopedia - Jan 2022
  - Jan 2023
  - May 2025
  - Maize dynamics Apr'24
  - Sugar dynamics Mar'25

Category	Sub.Cat.	ESY24	ESY25F	Growth	Niti.A (E)	Variation
Sugar	Juice	560	1,955	249%		
Sugar	B.Molasses	820	1,323	61%		
Sugar	C.Molasses	280	144	-49%		
Sugar		1,660	3,422	106%	5,500	-2,078
Grain	Maize	2,310	5,094	121%		
Grain	FCI Rice	940	1,074	14%		
Grain	DFG	1,570	1,440	-8%		
Grain		4,820	7,609	58%	4,380	3,229
	Total	6,480	11,030		9,880	1,150
	Blending	14.6%	~19.0%			

Updated: July 03, 2025

SOURCE: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as “IRSPL”). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted “Incred Equities” as its trademark for use in this report.

The term “IRSPL” shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

a) Received any compensation/other benefits from the subject company,
b) Managed or co-managed public offering of securities for the subject company,
c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.
Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

InCred Research Services Private Limited
Research Analyst SEBI Registration Number: INH000011024
Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051
Phone: +91-22-6844-6100
Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051
Phone: +91-22-4161-1500
Name of the Compliance Officer: Mr. Yogesh Kadam
Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Rajarshi Maitra
Phone no. +91-022-41611546
Email ID: rajarshi.maitra@incredresearch.com
CIN: U74999MH2016PTC287535

Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.