

**Triveni Alcohol Business: Performance****Key financial highlights of alcohol business performance FY 25:**

- The net turnover in the Distillery business was higher by 16% than the previous year, on account of commissioning of a multi-feed distillery at Rani Nangal distillery and improved average realisations in view of the large proportion of maize as feedstock in the product-mix.
- The profitability was significantly lower, by 78.1%.
- IMIL business also contributed to the turnover, driven by 24.5% higher despatches (55.7 lakh cases in FY 25 as compared to 44.7 lakh cases in FY 24).

Apart from segment loss of ₹ 6.5 crore pertaining to the distillery of the Sir Shadi Lal Enterprises Limited ("SSEL") subsidiary, which did not operate during the Sugar Season 2024-25, there were several other factors that contributed to the decline in the profitability of the Company's distillery segment:

- Grain operations were carried out majorly with maize feedstock during the year, whereas the operations in the previous year were partially operated till July 2023 with rice procured through FCI (FCI-Rice), having much higher margins. Further, ethanol sales volume, based on maize operations, increased by 216% in the current year, leading to lower profitability due to the low margins associated with maize operations.
- Further, due to low crush in Sugar Season 2023-24 (SS 2023-24) and restrictions imposed on the use of B-heavy Molasses (BHM) and sugarcane juice, captive molasses generation was much lower which led to lower availability of captive molasses. Accordingly, sales volume of high margin ethanol produced from molasses were lower by 25%, leading to lower profitability.
- Finally, shortage of molasses due to aforesaid reasons as well as unremunerative prices of grains led to closure of the distillery operations for some periods which led to non-recovery of fixed overheads.

Key operational highlights of alcohol business performance FY 25:

- Achieved production of 20.01 crore litres and sales of 20.16 crore litres during FY 25.
- Lower molasses feedstock due to lower crush in SS 2023-24 led to constrained production in FY 25 vs FY 24 at Muzaffarnagar and Sabitgarh.

- Ethanol constituted 92% of alcohol sales during FY 25, as compared to 93% last year.
- Sale of ethanol and ENA produced from grain-based feedstocks contributed 51% to the total alcohol sales (33% for FY 24), surpassing sale of ethanol and ENA from sugarcane-based feedstocks (majorly B-heavy), which constituted 49% of the total alcohol sales for FY 25 (67% for FY 24).
- Position in country liquor business (IMIL) consolidated in a short span of time, enabling the Company to become the fifth largest player in the state of UP.
- Successfully ventured into IMFL sector and launched two premium grades of whiskies.
- Started operation of a new dual feed distillery adjacent to the existing sugar unit at Rani Nangal towards the end of April 2024, enhancing the Company's total distillation capacity to 860 KLPD.

Triveni Alcohol Business: Outlook

Triveni has adopted a long-term strategy for expanding the alcohol business and contributing to India's Ethanol Blended Petrol (EBP) programme and self-reliance efforts. The strategy is powered by the Company's commitment to producing premium-quality products across all its manufacturing facilities. With blending percentages inching closer to around 20% in ESY 2024-25, NITI Aayog is coordinating an inter-ministerial group and working on a roadmap beyond EBP20, further reinforcing the Government's commitment.

The Company's distillation facilities have the flexibility to operate with a range of feedstocks, which also mitigates the risk of overdependency on a particular feedstock. However, it is equally important for the Government to set viable prices for Ethanol produced from each feedstock to facilitate continuous and uninterrupted capacity additions and sustained supplies to meet the overall evolving ethanol blending targets.

Focus on profitability enhancement in Alcohol segment driven by optimising costs through a robust grain feedstock procurement and warehousing programme.

In IMIL, continue to enhance market position and focus on improving profitability through combination of topline growth and enhancing contribution margins.

In IMFL, focus is to strengthen distribution channels to enhance market presence and accessibility.