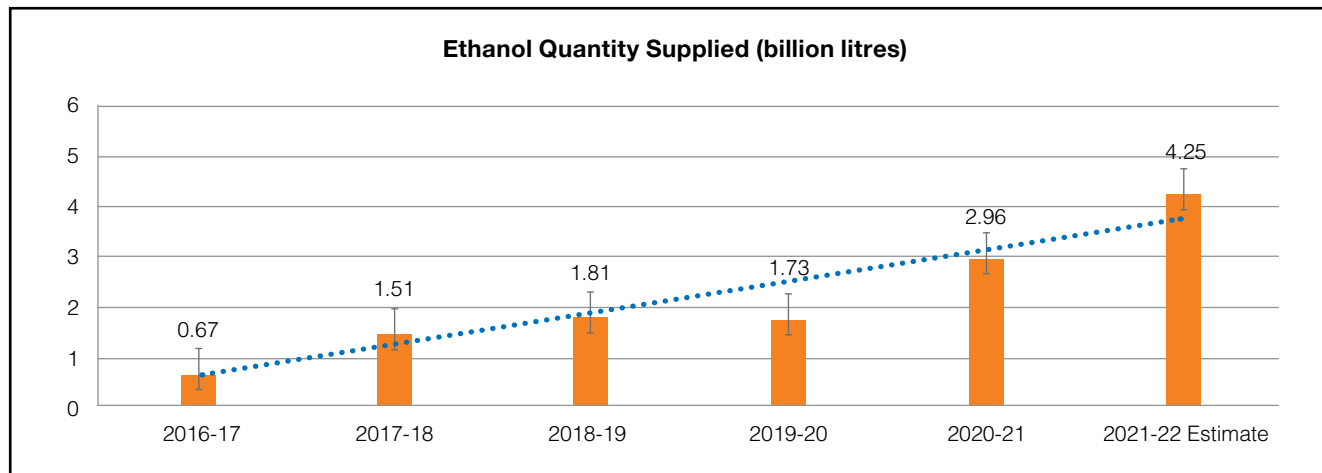


For the Ethanol Supply Year 2021-22, the total LOI issued by Oil Marketing Companies (OMCs) has been 4.25 billion litres, of which 4.10 billion litres had been contracted till April 24, 2022.

Ethanol Supply as on April 24 - ESY 21-22			All India Blending %
Pan India Quantity Billion Litres			
Total LOI	Contracted	Supplied	
4.252	4.103	1.687	9.82



ALCOHOL BUSINESS PERFORMANCE

Overview

Our growing presence in the Alcohol business is powered by our focus on being an active partner in India's self-reliance journey, and is driven by our passion for premium quality production at all our manufacturing facilities. During the year, we had two well-equipped ultra-modern distilleries, at Muzaffarnagar and Sabitgarh (MZN & SBT), engaged in the production of quality Ethanol. They had a combined capacity of 320 Kilo Litre Per Day (KLPD), with the flexibility of MZN distillery to also produce Extra Neutral Alcohol (ENA). Subsequent to the year, we enhanced operations at Sabitgarh from 160 KLPD to 200 KLPD and commissioned a new 160 KLPD Multi Feed Distillery at Milak Narayanpur (MNP) to further augment the total distillation capacity to 520 KLPD. This distillery at MNP is capable of being operated on molasses / sugarcane juice / syrup and grains. It is among the largest new multi-feed distilleries being set up in India. One more grain-based distillery of 60 KLPD is in the final stage of establishment at the Muzaffarnagar Distillery complex, where superior quality of Extra Neutral Alcohol (ENA) / Ethanol will be produced.

We plan to enhance the total distillation capacity to 660 KLPD by July 2022, with expansion / debottlenecking of existing distilleries and establishment of the new grain-based facility as mentioned. Apart from this, we are also bottling Indian Made Indian Liquor at our bottling facility in the premises of our

existing distillery in Muzaffarnagar, Uttar Pradesh, to effectively use molasses reserved to be sold to country liquor units, and to facilitate forward integration of our distillery operations.

The Muzaffarnagar distillery has flexible operations to produce Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Special Denatured Spirit (SDS); Milak Narayanpur is one of the largest multi feed distillery units with flexibility to operate on molasses / syrup and grains; and Sabitgarh operates on B-heavy molasses to manufacture high quality ethanol. All the distilleries have assured access to consistent supply of captive raw material (molasses) - C-heavy, B-heavy molasses as well as Syrup.

As an environmentally conscious and responsible corporate, we follow the highest standards in Environment, Health and Safety (EHS), with stringent compliance to environmental and pollution norms. We have set up concentrated spent wash (termed as SLOP) fired incineration boilers at all the distilleries, as per the Indian Government's directives and guidelines for effluent treatment.

How we responded proactively in FY 22

During the pandemic period, we pushed our strengths to meet the COVID-19 challenge head-on through a dynamic and futuristic approach. We surged actively forward to implement our plans and stay on track with our targets.



Construction work started for MNP and MZN distilleries, and we also stayed firmly on course to further strengthen our operational and cost efficiencies. We focussed on leveraging our experience and expertise, responding effectively to the evolving needs of our customers, and delivered an excellent performance in the midst of the unprecedented circumstances.

In the Alcohol business, where operations continued uninterrupted even amid the lockdown, we delivered strong performance in a difficult pandemic-induced environment. We not just maintained business continuity in these difficult times but went on to expand our Alcohol segment with increased capacities and foray into the Indian Made Indian Liquor (IMIL) and a tie-up in the Indian Made Foreign Liquor (IMFL) business.

We also moved forward with plans of expansion of the existing distilleries to aggressively harness the opportunity triggered by the National Policy on Biofuels.

The focus, at Triveni, was not simply on reacting to the transforming environment, but on pre-empting and preparing for future demands and needs.

BUSINESS AT A GLANCE

Alcohol

- Producers of ENA (which is used to manufacture Potable Alcohol) and Fuel-Grade Ethanol
- 3 state-of-the-art distilleries at Muzaffarnagar (MZN), Sabitgarh (SBT) & Milak Narayanpur (MNP)
- 520 KLPD current capacity – 330 average operating days a year
- MZN has flexible product manufacturing capability - Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Denatured Spirit (SDS)

- High-quality Ethanol is manufactured at SBT distillery
- MNP is a Multi Feed Distillery that will provide flexibility to use the feedstock which gives the highest contribution
- New 60 KLPD Grain Based Distillery, to be commissioned shortly at MZN, will be manufacturing superior quality ENA with broken/damaged rice as a feedstock that can be supplied to IMFL manufacturers, and can be utilised for captive consumption as well as for Ethanol which is used for blending with petrol, based on the product economics
- Producer of Indian Made Indian Liquor (IMIL) using reserved molasses
- Commenced bottling operations for a major IMFL brand. There is potential to use our captive ENA produced from the grain-based distillery at MZN under this tie-up
- Zero Liquid Discharge and stringent environmental norms followed at all distilleries
- Plan to enhance the total distillation capacity to 660 KLPD by July 2022

IMIL (Indian Made Indian Liquor)

- As per the molasses policy of the UP state, sugar units are required to sell a prescribed percentage of molasses produced to country liquor units at a price which is much lower than the market price
- To meet the regulatory guidelines, we have decided to use substantial reserved molasses to produce ENA and use such ENA in the production of IMIL as part of our forward integration plans and strategies

- We have launched IMIL under multiple brands with attractive packaging, for enhanced and superior market penetration in this segment
- Approval in hand to process ENA up to 80 lakh litres for manufacture of IMIL

IMFL (India Made Foreign Liquor)

- Based on the long-term strategy of expanding our distilleries capacity from 320 KLPD to 660 KLPD, as a part of this expansion proposal, we are putting up a Grain based distillery unit in our Muzaffarnagar Alcobev complex
- The plant capacity will be 60 KLPD and can produce superior grade Extra Neutral Alcohol with Broken/Damaged Rice as a feedstock
- The Grain ENA produced will be supplied to IMFL manufacturers across UP as well as will be utilised for captive consumption provided cost economics of ENA is better than Ethanol

ETHANOL INDUSTRY OUTLOOK

As per estimates, at 20% blending level, ethanol distillation capacity is estimated to grow by more than three times to 15.00 billion litres annually, supported by the financial assistance scheme introduced by DFPD during 2018-2021 to increase ethanol production capacity.

The Ethanol Blended Petrol Programme would also have the following impact on the economy:

- It would benefit maize and paddy farmers, addressing their surplus grain problem; about 16.5 million tonnes of grains will be utilised
- Diversion of 6.0 million tonnes of surplus sugar would address the problem of surplus sugar, bring about stability in sugar price, improve financials and liquidity of sugar mills, and ensure timely payment of cane dues to farmers
- It will bring new investment opportunities as about ₹ 41,000 crore, to set up new distilleries in rural areas and help in job creation in villages
- It will lead to improvement in air quality by reducing Carbon Monoxide emission by 30-50% and Hydrocarbon by 20%



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