

However, considering the Government's existing policy and challenges in availability of permitted grains at viable procurement costs for distillery operations, it has been decided to keep the implementation of the new proposed distillery expansion project at Sabitgarh, UP, in abeyance.

### Triveni Alcohol Business: Performance

FY 24 saw the Company gripped by several feedstock challenges, leading to disruption in planned production, such as abrupt stoppage of surplus rice by FCI, restrictions with respect to usage of B-heavy molasses, introduction of maize as feedstock, price volatility in feedstocks, etc.

The distillery operations in the latter part of FY 24 were carried out with C-heavy molasses and maize as feedstocks, instead of the B-heavy molasses and FCI rice which were being used earlier. This caused the operating capacities to decline, leading to lower production. This, in turn, resulted in the margins on maize operations being relatively lower despite price corrections.

While it was creditable on the part of the Government to act swiftly to revise the prices of ethanol produced from maize and from Damaged Food Grains (DFG), most of this increase did not, however, materialise in terms of profitability as raw material prices also went up considerably.

The Company also experienced reduced availability of sugarcane-based feedstocks for its distillery operations due to lower crush in SS 2023-24, which also impacted the overall operational and financial metrics.



During the year, the Company ventured into the new business of manufacturing, marketing and selling own brands in the premium segment of Indian Made Foreign Liquor (IMFL) as a forward integration of its distillery operations. The business foray would involve setting up a state-of-the-art bottling plant in Muzaffarnagar, Uttar Pradesh, to produce high quality IMFL products at an estimated cost of about ₹ 25 crore, subject to receipt of necessary statutory clearances. The new facility is expected to be ready for commencement of production during H1 FY 25.

### Summary of Alcohol business performance is as follows:

- Achieved production of 18.44 crore litres & sales of 18.27 crore litres during FY 24
- The net turnover in Distillery business increased by 8.6% over the previous year, mainly due to 1.3% higher dispatches, 2.9% higher average realisation price on account of increase in the ethanol prices and product mix, and higher turnover of IMIL business driven by 34% higher dispatches (44.73 lakh cases in FY 24 as compared to 33.36 lakh cases in the previous year)
- During the year, revenues from the distilleries contributed 24% of TEIL's net turnover
- Ethanol constituted 93% of alcohol sales during FY 24, similar to last year
- Sale of Ethanol / ENA produced from sugarcane-based feedstocks (majorly B-heavy) constituted 67% of the total alcohol sales for FY 24 (75% for FY 23), while Ethanol / ENA produced from grain contributed to the balance 33% in FY 24 (25% in FY 23)

### Triveni Alcohol Business: Outlook

Our long-term strategy for growing the Alcohol business, and to be an active partner in India's E20 programme and self-reliance journey, is driven by our passion for manufacturing premium quality products at all our manufacturing facilities.

Our distillation facilities have the flexibility to operate with a range of feedstocks to choose from, which also mitigates the risk of dependency on a particular feedstock. However, it is equally important for the Government to set viable prices for each feedstock, to facilitate continuous and uninterrupted capacity additions to meet the overall ethanol blending targets.

Regarding further enhancement of capacity, the situation is under watch and the Company is hopeful that the feedstock and profitability challenges faced in FY 24 are temporary, and the situation will normalise soon as the Government of India is committed to ethanol blending targets.