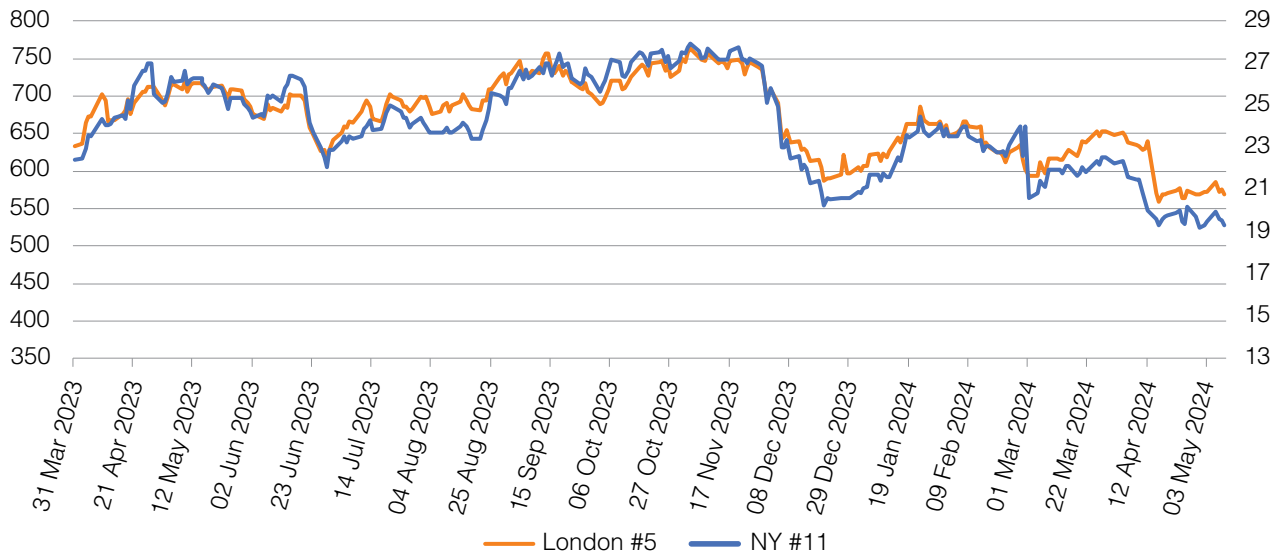


NY#11 & London#5 Price Trend



Note: London #5 on left hand side (LHS) in USD/tonne; NY #11 on right hand side (RHS) in US cents/lb

Triveni Sugar Business

Triveni Sugar Business: Overview

One of the largest integrated sugar producers in India, Triveni has a production footprint spanning seven state-of-the-art sugar manufacturing facilities, spread strategically across the state of Uttar Pradesh (UP). All units are located in well irrigated and fertile areas suitable for sugarcane cultivation. While Khatauli (District Muzaffarnagar), Deoband (District Saharanpur), Sabitgarh (District Bulandshahr) are located in Western UP, Chandanpur (District Amroha), Rani Nangal (District Moradabad) and Milak Narayanpur (District Rampur) are located in Central UP. One unit, namely Ramkola (District Kushinagar), is located in Eastern UP.

The Company's diverse product profile comprises plantation white sugar as well as refined sugar. The latter currently constitutes ~70% of the total sugar production and realises a premium over normal crystal sugar realisation. The Company also produces different grades of pharmaceutical (pharma) sugar that can be customised as per the user requirements. Refined and pharma sugar is supplied to high grade end-users, thereby creating a niche customer profile for Triveni. The Company also supplies high quality crystal sugar from some of its non-refinery units to large institutions, securing a high premium for it.

In addition, Triveni Sugar has a contract manufacturing business for private label sugar in North India, and is focussing on branded sugar for growth. All the seven sugar units of

the Company are FSSC 22000 certified, and pursue the highest standards in terms of manufacturing processes and quality. The Company supplies sugar to major multinational soft drink companies, leading confectionery manufacturers, breweries, pharmaceutical companies, dairies, top ice cream producers, etc.

Triveni Sugar Business: Performance

Key financial highlights of our Sugar business performance in FY 24:

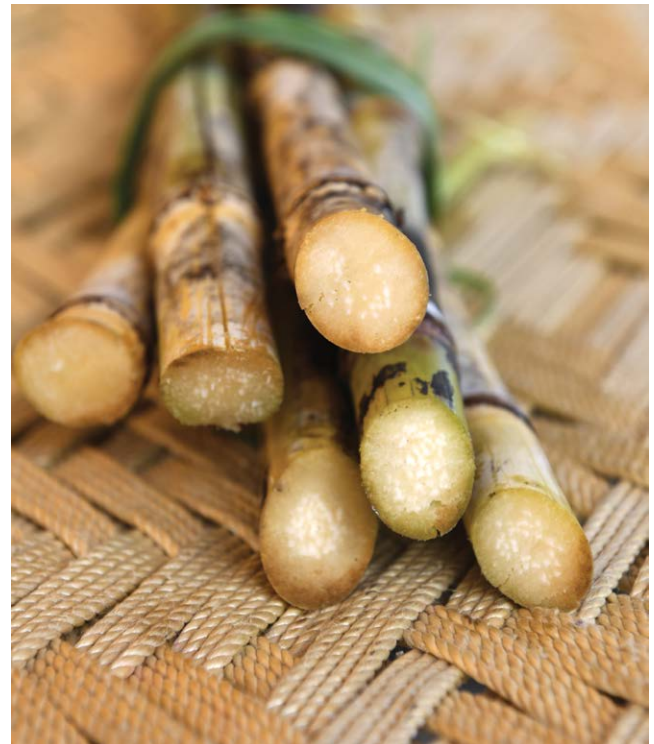
- During FY 24, the Company's Sugar segment reported revenues of ₹ 3,858 crore, lower by 11.6% on a year-on-year basis. The decline was the outcome of 16.4% lower overall dispatches, both domestic and international. The Government did not announce any export programme for SS 2023-24, and the only sugar exported during the financial year was a balance of 14,531 tonnes from the previous year's programme
- Blended sugar realisations improved 5.8% y-o-y to ₹ 38,175/tonne, mitigating some of the impact of lower dispatches and cost increases
- Segment PBIT was largely flat y-o-y at ₹ 306 crore, with margins enhancing by ~90 bps to 7.9% in FY 24

Key operational highlights of our Sugar business performance in SS 2023-24:

- **Reduced crush due to water logging, crop submergence, and red-rot disease:** During SS 2023-24, there was a general trend of lower crush across Uttar

Pradesh, especially in the Western and Central parts of the state. The Company crushed 8.26 million tonnes of sugarcane in SS 2023-24 across the state. This marked a decline from 9.33 million tonnes crushed in the previous season, and was attributable to lower cane yields in three of the Company's sugar units, viz. Rani Nangal, Deoband and Milak Narayanpur. The cane yields came down due to heavy rains and water logging in certain regions, and the associated proliferation of red rot disease in the plant crop in the second half of sugar season. The Co0238 variety of sugarcane, which is widely used in the state of UP, has become susceptible to red rot disease in recent years. This impacted many sugar groups, including Triveni, in SS 2023-24. A comprehensive varietal replacement programme is underway at the Company to reduce dependence on this variety. SS 2023-24 witnessed a greater impact of higher diversion of sugarcane to kolhus and khandsari (unorganised jaggery sector), affecting the availability of sugarcane (drawal) to each of the Company's units.

- **Sugar production and recoveries:** The Company reported a gross recovery of 11.49% in SS 2023-24, as compared to 11.47% in SS 2022-23. It produced 0.89 million tonnes of sugar in SS 2023-24 as compared to 0.95 million tonnes in SS 2022-23. In view of restrictions on the use of B-heavy molasses and sugarcane juice to limit sugar sacrifice for ethanol production, sugar operations were largely carried out with C-heavy molasses, which led to relatively higher sugar production.
- **Capex initiatives underway:** Triveni continued to focus on enhancement in crushing capacity, modernisation, debottlenecking, and efficiency improvement activities, with its previously announced Capex. This includes expansion in the crushing capacity of the Sabitgarh sugar unit by 2,000 TCD, thereby increasing the crushing capacity to 9,000 TCD. This will lead to increased crushing capacity for the Company as a whole, from 61,000 TCD to 63,000 TCD.
- **Increase in refined sugar contribution:** In addition to Khatauli, Sabitgarh and Deoband facilities, the Company has transitioned to refinery process (DRP) at its Milak Narayanpur sugar unit. This has enhanced the contribution of refined sugar to its overall portfolio - from ~60% in the previous season to ~70% this year. It is important to highlight that, in addition to fetching a premium over normal sugar, the growing contribution of refined sugar also reduces the amount of sulphur used by the Company. The Company thus benefits from both, a superior product mix and more environment-friendly operations.



- **Improved performance in Khatauli and Ramkola units:** Despite the lower crush overall, two of the Company's facilities stood out in SS 2023-24. Khatauli, Triveni's largest unit, performed well yet again, and was the largest sugarcane crushing and sugar producing unit in Northern and Central India with a crush of 2.4 million tonnes. It was also one of the last units in UP to close the operations for SS 2023-24. Ramkola, the Company's only Eastern UP unit, saw a sharp improvement in crush, from 0.78 million tonnes in SS 2022-23 to 0.87 million tonnes in SS 2023-24. The sugarcane command area for this unit has a lot of low-lying areas, where the Company noticed some incidence of red-rot, albeit small, in the previous season. In the spring planting season, a structured programme was implemented to move to non-Co0238 varieties, such as Co0118 & CoP9301 etc. This effort yielded exceptional results during the season, with Ramkola becoming the Company's only unit to see increased crush along with an improved recovery. The Company aims to implement similar plans in the units affected in the current season, in order to improve its crushing performance in the upcoming season.
- **Lower steam consumption in Deoband:** The Company had undertaken a major process steam reduction activity at Deoband, which resulted in 3% lower process steam consumption during the year.

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Area under sugarcane (Ha)	167068	156671	166675	183423	194159	191840	195537	198376	204092	206170
Sugarcane crushed (LQ)	512.72	452.07	640.03	836.70	797.58	874.25	853.97	840.91	932.54	825.72
Sugar produced (LQ)	49.1	48.8	70.8	95.2	94.0	100.9	93.8	88.8	95.4	89.0
Net recovery (%)	9.57	10.80	11.06	11.38	11.79	11.54	10.98	10.55	10.23	10.78
Gross recovery (%)	9.57	10.80	11.06	11.38	11.79	11.97	11.86	11.70	11.47	11.49

Units	Sugar Recovery (%) *		Sugarcane Crushed (Million Tonnes)		Sugar Production (Million Tonnes)	
	SS 2022-23	SS 2023-24	SS 2022-23	SS 2023-24	SS 2022-23	SS 2023-24
Khatauli	9.96	10.87	2.49	2.40	0.25	0.26
Deoband	10.17	10.29	1.85	1.55	0.19	0.16
Ramkola	10.64	11.07	0.78	0.87	0.08	0.10
Sabitgarh	10.53	11.10	1.23	1.17	0.13	0.13
Chandanpur	10.28	10.98	1.04	0.91	0.11	0.10
Rani Nangal	10.54	10.67	1.11	0.71	0.12	0.08
Milak Narayanpur	9.82	10.53	0.83	0.65	0.08	0.07
Group	10.23	10.78	9.33	8.26	0.95	0.89

*Recovery for SS 2023-24 is not comparable with previous season due to switching from B-heavy to C-heavy operations in line with the Government's directives

Triveni Sugar Business: Sugarcane Development Programme

Triveni's sugarcane development programme is pivotal to its sustainable growth strategy. The Company has in place a comprehensive sugarcane development programme, through which it continuously engages with farmers to increase sugarcane productivity. Its dedicated sugarcane development team works closely with the farmers, disseminating knowledge

on new technologies and innovations in the field of agriculture in general and sugarcane in particular.

The Company has been relentlessly pursuing a six-pronged strategy, aimed at the development of improved planting, cultivation, crop protection and harvesting techniques. The strategy also seeks to boost the crop quality and land productivity, resulting in enhanced income in the hands of farmers.

