

Dwarikesh Sugar Industries Limited



A N N U A L R E P O R T 2 0 0 8 - 0 9

# Driving excellence, the Dwarikesh way!



# Corporate information

## DIRECTORS

G. R. Morarka  
Chairman & Managing Director

B. J. Maheshwari  
Whole Time Director & Company Secretary cum Chief Compliance Officer  
(w.e.f. 01st May, 2009)

Vijay. S. Banka  
Whole Time Director & Chief Financial Officer  
(w.e.f. 1st May, 2009)

K. N. Prithviraj  
(Appointed w.e.f. 30th November, 2009)

Harshvardhan Neotia  
(Appointed w.e.f. 30th November, 2009)

M. G. Diwan

S. S. Vaidya

K. P. Medhekar

L. N. Heda

Suvarna Kamath  
IDBI Nominee Director

Balkumar Agarwal

S. K. Neotia  
(Ceased w.e.f. 01st October, 2009)

## REGISTERED OFFICE & FACTORY

Unit I: Dwarikesh Nagar - 246 762  
District: Bijnor, Uttar Pradesh

Unit II: Dwarikesh Puram - 246 722  
Tehsil Dhampur, District Bijnor, Uttar Pradesh

Unit III: Dwarikesh Dham - 243 503  
Tehsil Faridpur, District Bareilly, Uttar Pradesh

## CORPORATE OFFICE

511, Maker Chambers - V  
221, Nariman Point  
Mumbai - 400 021

## SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe  
Kanga & Co.

## BANKERS

Punjab National Bank  
IDBI Bank Ltd.

## CHIEF GENERAL MANAGER (WORKS) - DN UNIT

M. N. Agarwal

## CHIEF GENERAL MANAGER (COMMERCIAL)

K. P. Gadia

## GENERAL MANAGER (WORKS)- DD UNIT

Dr. R. S. Hooda

## AUDITORS

S. S. Kothari Mehta & Co.  
Chartered Accountants

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## Little crystals of happiness

Little crystals of joy. Small grains of pleasure.  
Transcending emotions to drive the taste of happiness.  
Building relationships to drive the power of unity.  
Connecting people to drive the excellence of living.

It's not a mere commodity, nor just a business investment.

But more importantly, it is the elixir of life, cutting across religions, economies and nations.

A sweet celebration of life, making every ceremony, every occasion complete.

Always in demand. At every step of life.

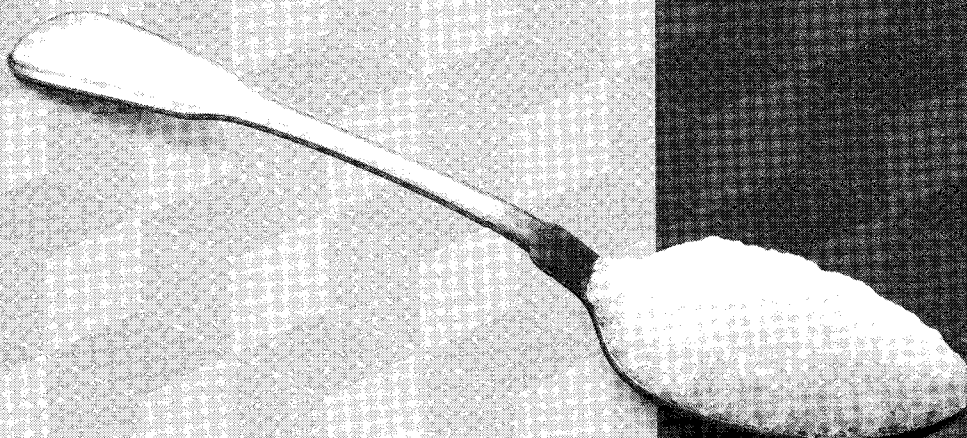
A demand that India is striving hard to fulfill as the second largest producer of sugar (after Brazil) and the largest consumer of sugar. A demand that has steadily grown at a CAGR of 4.3 per cent\* since 1986. And promises to continue a growth of 3.5 per cent\*\* going ahead.

Providing the entire sugar industry, including Dwarikesh, the perfect platform to nurture its business - for decades and centuries ahead.

So that the little crystals of happiness continue to be a vital part of your everyday life.

\* CLSA Asia Pacific Markets Report, June 2009

\*\* Crisil Research, November 2009

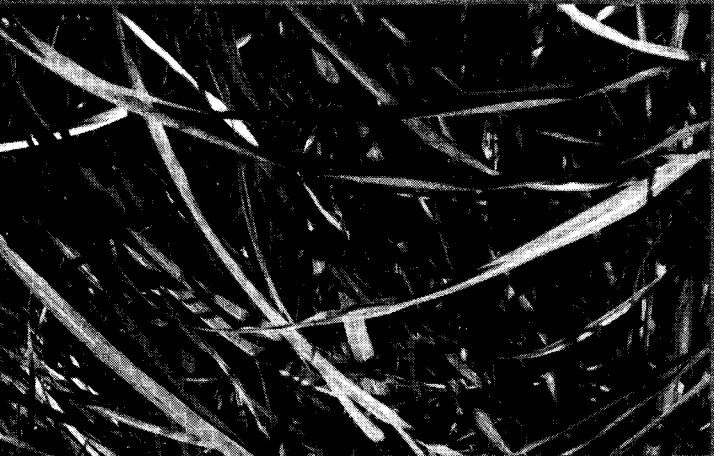




# This is how we do our business, the Dwarikesh way

## What our business is

Dwarikesh Sugar Industries Limited is an integrated conglomerate, primarily engaged in the manufacture of sugar and allied products. From a humble beginning in 1993, when we commissioned our first plant of 2500 TCD in Bijnor District of Uttar Pradesh, Dwarikesh Sugar Industries (hereinafter known as Dwarikesh) is today a multi-faceted, fast-growing industrial group with a strong presence in diversified fields such as sugar manufacturing, power and ethanol/industrial alcohol production.



## How we carry out our business

Our plants, with a combined capacity to crush 21,500 tons of sugar per day, are located in Bijnor district of Uttar Pradesh, at Dwarikesh Nagar (Najibabad), Dwarikesh Pura (Aizalgarh) and at Dwarikesh Dham, Tehsil - Faridpur, District - Bareilly.

Our manufacturing facilities use the latest automated machinery to handle high capacities under the most cost-effective conditions. Thus, backed by infrastructure, coupled with well-defined logistic support and collection centers in close proximity to cane growers, Dwarikesh enjoys excellent recovery rates.

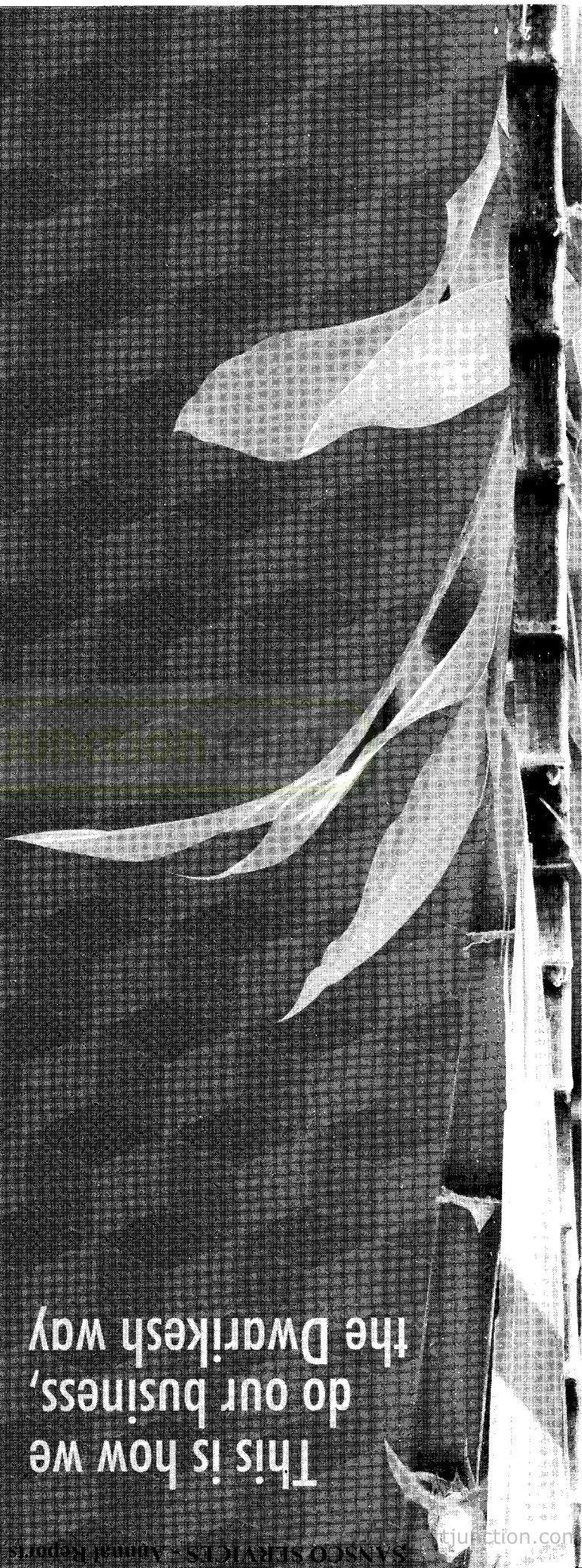
We have state-of-the-art co-generation infrastructure to supply 56 MW of power (after meeting internal consumption of 30 MW) and a distillery to distill 30 KL of industrial alcohol/ethanol a day.

## Why our plants are located where they are

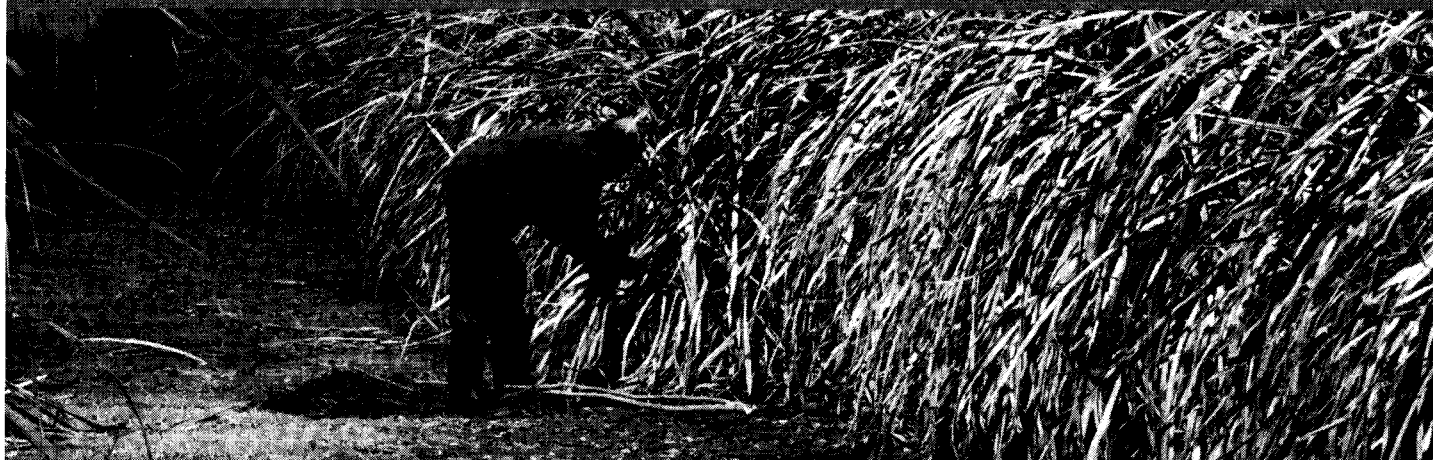
Our plants are located in India's largest sugar manufacturing state of Uttar Pradesh in the Central region and the area bordering the Western region.

Two of our key plants are located at Bijnor, bordering the western district of Uttar Pradesh - an area with focused concentration on cane production on highly fertile and well-irrigated land (Bijnor is located merely 12 kms away from the banks of the river Ganga).

Our newly set up plant is located at Bareilly - the low-lying district plains with fertile alluvial soil on the banks of the Ramganga river. The land here is most suitable for agriculture and farmers in this







region are focused on growing cane along with production of potatoes.

The strategic vicinity of the units reduces dependency on monsoons. Dwarikesh enjoys access to large, clearly defined cane-producing areas in the region. Both Bijnor and Bareilly are also well-connected with major sugar-consuming markets of the country.

### What drives our operational excellence

Our credible reputation of timely payments to farmers and efforts to help them with cane development ensures deep-rooted presence in the sugar industry. Thus, operational excellence is a combination of the right location, infrastructure, well-developed processes, quality consciousness, credible presence and our ability to take vital steps to control the typical challenges faced by the industry. We have painstakingly, over the years, built strong bridges with cane growers by supporting them with information on modern cane development techniques, seeds, fertilizers, loan procurement for developing bore wells, etc.

### How we are ranked

Ranked amongst the top 10 sugar manufacturing companies in India, Dwarikeshi is focused on sustainable growth since inception. We have always aspired to achieve all-round, inclusive development and enjoy a credible presence in the industry. We have won many accolades for our green initiatives over the years.

### What drives our business excellence

Our ability to extend our business focus beyond sugar, into the complementary power co-generation, ethanol and industrial alcohol business, are significant measures defining our

diversification strategy. Thus, a diversified integrated business model is at the core of our business excellence.

Our business structure is geared to deliver the best of quality and excellence across the complete sugar value chain, at all times, through a partnership model that has the farming community, the vendors and the customers at its centre.

### What our Vision is

Corporate dynamism, business ethics and professional excellence - that's the Dwarikesh vision. It's our vision to develop our organization such that all our constituents feel proud to be associated with us. It's our vision to grow not in isolation but together with the society at large. It's our vision to contribute meaningfully to our nation, to the society and the sugar sector from where we draw our strength. That is the Dwarikesh way of growth and progress.

### How we have set forth our Mission

Dwarikesh has its own unique way of moving ahead on its path to achieving its vision. It's a way that we have charted in order to:

- Produce sugar of the highest quality and to be a benchmark for the industry to follow.
- Achieve growth every year with optimum technical efficiency and minimum cost of production.
- Ensure maximum customer satisfaction and employee/farmer welfare.
- Protect the environment and uphold the highest standards of integrity, values, along with passion for excellence and respect for all, while striding towards achieving our objectives.



# This is how we have evolved our business, the Dwarikesh way

**1993**

- Incorporation of the company in the name of Dwarka Sugar Limited.

**1994**

- Change of name to Dwarikesh Sugar Industries Limited.

**1995**

- Set up 2500 TCD sugar plant.
- Commencement of commercial production.

**1996**

- Expansion of capacity to 3500 TCD.
- Set up 6 MW power plant.

**1997**

- Paid a maiden dividend of 10 per cent.

**1999**

- Expansion of capacity to 4000 TCD.

**2001**

- Expansion of capacity to 5000 TCD.
- Buy-back of 25.20 lac shares at Rs. 40 per share.

**2002**

- Expansion of co-gen from 6 MW to 9 MW.
- Expansion of capacity to 6500 TCD.

**2003**

- Sale of power worth Rs.183 lacs to U.P. State Grid.



**2004**

- Net Profit of Rs. 976.06 lacs during the year ended 30th September, 2004.
- Successful completion of IPO (23 times oversubscribed).
- Expansion of co-gen power plant from 9 MW to 17 MW.

**2005**

- Set up 30 KLPD distillery for manufacture of industrial alcohol.
- Net Profit of Rs. 2659.99 lacs for the year ended 30th September, 2005.

**2006**

- Commissioning of a new green field plant of 7500 TCD at Dwarikesh Puram with 9 MW co-gen capacity.

**2007**

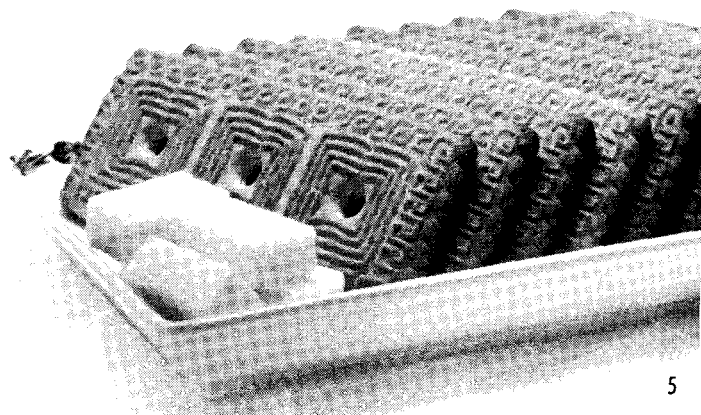
- Launch of work on new project of 7500 TCD at Dwarikeshdham (Faridpur, Bareilly District) with 36 MW co-generation.
- Expansion commenced at Dwarikeshpuram plant to increase co-gen capacity from 9 MW to 33 MW.

**2008**

- Commencement of co-generation for supply to State grid at Dwarikesh Param and Dwarikesh Dham units.
- Commissioning of a new green field plant of 7500 TCD, with 36 MW co-gen capacity and exportable power capacity of 24 MW at Dwarikesh Dham (District - Bareilly).

**2009**

- Recording of the highest recovery in U.P. at the DN plant (10.31 per cent), while recovery recorded at DP plant was amongst the top 5 in the State (9.93 per cent).
- Posting of 69 per cent growth in net sales - a record high of Rs. 462 Crores. Profit After Tax touched Rs. 25 Crores, as against loss of Rs. 25 Crores in the previous year.







**Driving excellence,  
the Dwarikesh way!**

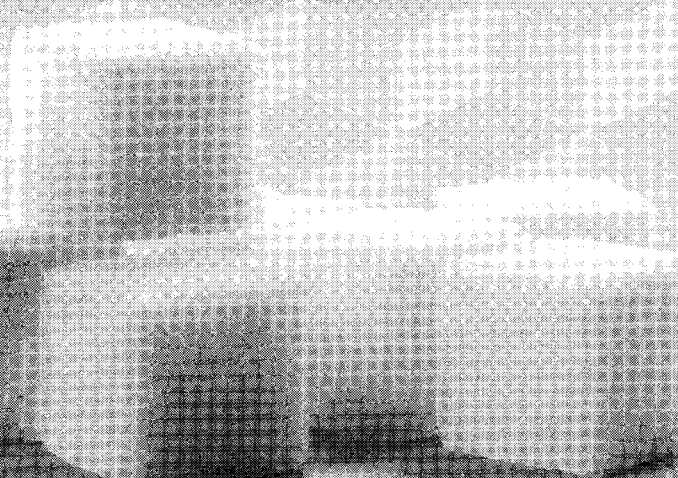


**Excellence for us is not just a goal that we drive for**

**But a credo that drives our success story.**

**Excellence for us is not a mere nucleus of our business,**

**But a way of life that makes us what we are...**







... a unique enterprise based on strong relationships with our suppliers & vendors

... an integrated corporate encompassing the complete sugar value chain

... a differential organization rooted in exceptional values that extend beyond business

**We call it the Dwarikesh way!**

**The way to total customer satisfaction & community development.**

**The way to complete, sustainable growth and progress for one and all.**

The way that helped us to post excellent numbers during 2008-09:

- Net sales of Rs. 462 Crores, up by 69 per cent as compared to previous year.
- Post tax profit of Rs. 25 Crores, as against loss of Rs. 25 Crores in the previous year.
- EBIDTA of Rs. 126 Crores at 27.28 per cent of Net Sales (among the highest in the Indian sugar industry in percentage terms).

The way that enabled us to achieve excellence operational scale during 2008-09:

- Highest recovery (amongst the top 5) in U.P. by two of our plants.
- Healthy increase in sale of sugar and byproducts.



# Delivering excellence showcased through robust financial performance

