



RESILIENCE

Dwarikesh Sugar Industries Limited
Annual Report 2020-21

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information.

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RESILIENCE

For around 25 years, Dwarikesh Sugar Industries Limited addressed a number of industry variables to endure and excel.

The performance of the company during the year under review was no different as the company addressed a large national sugar inventory with timely exports and shifted a part of its sugar production to the manufacture of ethanol.

The ability to respond to challenges comes down to one over-arching Dwarikesh attribute that helped the company counter the cyclicity of its business.

Resilience.

Dwarikesh Sugar Industries Limited.

A boutique sugar cum derivatives company operating out of three units in Uttar Pradesh.

Recognised as one of the most efficient players in India's sugar sector.

Sustained by perseverance leading to higher standards.

Driven by passion leading to outperformance.





Our vision

<ul style="list-style-type: none">• To be a torchbearer of the sugar industry and rewrite the rules of running the sugar business.	<ul style="list-style-type: none">• To establish itself as a market leader in the sugar industry.	<ul style="list-style-type: none">• To be an archetype of international quality standards.	<ul style="list-style-type: none">• To become a large sugar conglomerate with interests in synergistic businesses.
	<ul style="list-style-type: none">• To ensure that the name of the Company becomes synonymous with good corporate governance and transparency.	<ul style="list-style-type: none">• To be a paragon of virtue and righteous corporate with a human face.	<ul style="list-style-type: none">• To contribute in bringing about a metamorphosis in the lives of the have-nots.



Our mission

<ul style="list-style-type: none">• Produce sugar of the highest quality and be the benchmark for the industry to follow.	<ul style="list-style-type: none">• Achieve growth every year with optimum technical efficiency and minimum cost of production.	<ul style="list-style-type: none">• Ensure maximum customer satisfaction and employee/farmer welfare.	<ul style="list-style-type: none">• 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.
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Background

The Company was founded in 1993 by Shri G. R. Morarka. He was driven by the objective to create one of the most respected sugar companies in India. Dwarikesh Sugar has emerged as one of the most sustainable multi-product sugar companies in India, manufacturing sugar, ethanol and co-generated power.



Manufacturing facilities

The Company has three manufacturing units spread across two regions in Uttar Pradesh. The Dwarikesh Nagar and Dwarikesh Puram plants are located 45 kms apart in Bijnor district; the Dwarikesh Dham is located in Bareilly district.



Capacities

The Company's first sugar manufacturing capacity was established in 1995 in Bijnor, Uttar Pradesh, with a cane crushing capacity of 2,500 tonnes per day. The Company's aggregate crushing capacity was 21,500 tonnes of cane per day at the close of 2020-21. Besides, the Company possessed an installed capacity to manufacture 130 kilolitres of industrial alcohol per day and co-generated 91 MW of renewable power.

Capacity as on 31 st March, 2021	Dwarikesh Nagar (Bijnor)	Dwarikesh Puram (Bijnor)	Dwarikesh Dham (Bareilly)	Aggregate
Sugar (tonnes of cane per day)	6,500	7,500	7,500	21,500
Cogeneration (megawatts)	22	33	36	91
Distillery (litres per day)	1,30,000	-	-	-



People

The Company was an employer of 764 permanent non-seasonal talents as on 31st March, 2021 across its manufacturing facilities and offices. A large proportion of employees were based at the rural manufacturing plants.



Products

The Company is engaged in the manufacture of sugar, ethanol (and related products) and power.



Leadership

Shri G. R. Morarka <i>Executive Chairman</i>	Shri Vijay S. Banka <i>Managing Director</i>	Shri B. J. Maheshwari <i>Managing Director and CS-cum-CCO</i>
<ul style="list-style-type: none">• More than two decades of sectoral experience• Commerce graduate and ICWA Inter pass-out• Hands-on engagement• Respected industry statesman; received Indira Gandhi Priyadarshini Award, multiple Bhamashah Awards, Indira Gandhi Sadbhavna Award and Swami Krishnanand Saraswati Purashkar, among others	<ul style="list-style-type: none">• Over three decades of experience in the areas of finance and strategy• Chartered accountant• Employed with the Company since 2007• Whole Time Director and CFO from 2009 to 2018.• Managing Director since 2018	<ul style="list-style-type: none">• Over three decades of experience in legal, taxation, secretarial and administrative areas• Chartered Accountant and Company Secretary• Employed with the Company since 1994• Whole Time Director and CS-cum-CCO from 2009 to 2018.• Managing Director and CS-cum-CCO since 2018



Resource availability

The Company works with nearly 1.40 lakh farmers across 1.20 lakh hectares of command areas across its three locations. The Company increased cane procurement from 193.90 lakh quintals in sugar season (SS) 2007-08 to 378.44 lakh quintals in SS 2020-21, strengthening the local economy.



Listing

The Company is listed on the National Stock Exchange and Bombay Stock Exchange. As on 31st March, 2021, it enjoyed a market capitalisation of ₹580 crore.

Our inspiring
journey across

25 years

1993

Established the Company.

1994

Cane development initiatives undertaken.

1995

Commissioned the Dwarikesh Nagar plant with a crushing capacity of 2,500 tonnes of cane per day (TCD) and a co-generation capacity of 6 MW. Undertook road and infrastructure building initiatives around the plant.

1996

Provided mechanical operational equipment to farmers to encourage cane planting. Introduced a tubewell scheme for the benefit of farmers. Administered a balanced doze of fertilisers to farmers to secure their produce. Discouraged the use of rejected cane varieties.

2002

Increased crushing capacity at the Dwarikesh Nagar plant to 6,500 TCD. Commenced the supply of surplus co-generated power to the state electricity grid.

2004

Raised ₹32.5 crore through an IPO. Increased co-generation capacity at the Dwarikesh Nagar plant to 17MW. Commenced the supply of surplus 8 MW power to the state electricity grid from the Dwarikesh Nagar plant.

2005

Commissioned a distillery at the Dwarikesh Nagar plant with a capacity of 30,000 litres/ day. Commissioned the Dwarikesh Puram plant with a crushing capacity of 7,500 TCD and a co-generation capacity of 9MW. Mobilised ₹54 crore additional net worth through a GDR.

2006

Introduced CO 0238 variety of sugarcane across the Company's command areas. Encouraged wide row spacing and inter-cropping practices among farmers.

2007

Commissioned the Dwarikesh Dham plant with crushing capacity of 7,500 TCD and a co-generation capacity of 36MW (surplus of 24MW). Increased co-generation capacity at the Dwarikesh Puram plant to 33 MW, resulting in a surplus of 24MW. Provided coragen to farmers to counter crop disease.

2008

Commenced supplying surplus power to the state electricity grid from the Dwarikesh Puram and Dwarikesh Dham plants.

2016

De-bottlenecked distillery capacity (Dwarikesh Nagar) by commissioning a bio-methanated spent wash plant. Mobilised ₹59.4 crore through QIPs.

2017

Right-sized the Dwarikesh Nagar plant to ensure optimal capacity utilisation.

2019

Embarked on the expansion of the distillery capacity at the Dwarikesh Nagar plant with an envisaged investment of ~₹145 crore. The project was successfully executed and the expanded distillery operations commenced on the 23rd December, 2019.

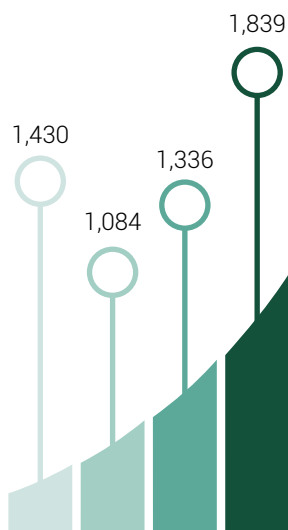
2020

Stabilised the distillery with a capacity of 130 KLPD. Set up a CO2 manufacturing unit.



How we performed in the last few years

Revenues (₹ crore)



FY18 FY19 FY20 FY21

Definition

Revenues include sales & other operating income.

Why is this measured?

It is an index that showcases the Company's ability to enhance revenues, an index that can be compared with sectoral peers.

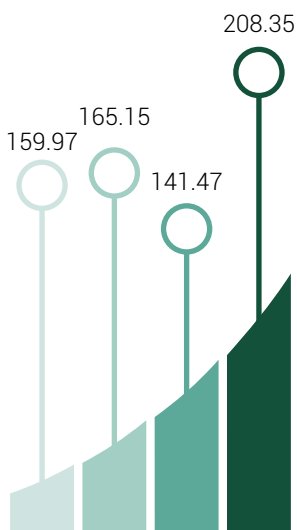
What does it mean?

Revenues increased 37.62% to ₹1,839 crore in 2020-21 due to increased sugar exports and increased sales of ethanol.

Value impact

The Company performed better than the sectoral average in revenue growth.

EBIDTA (₹ crore)



FY18 FY19 FY20 FY21

Definition

Earning before the deduction of interest, depreciation, extraordinary items and tax.

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following operating costs.

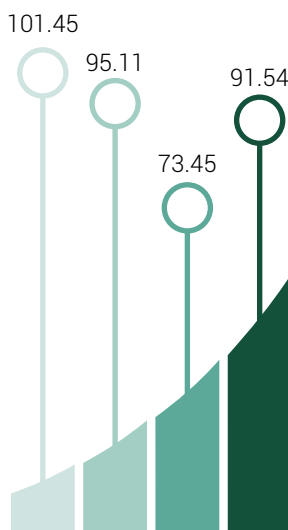
What does it mean?

Helps create a robust growth engine and sustain profits.

Value impact

The Company generated increase in EBIDTA on account of higher revenues and better performance of distillery segment.

Net profit (₹ crore)



FY18 FY19 FY20 FY21

Definition

Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value.

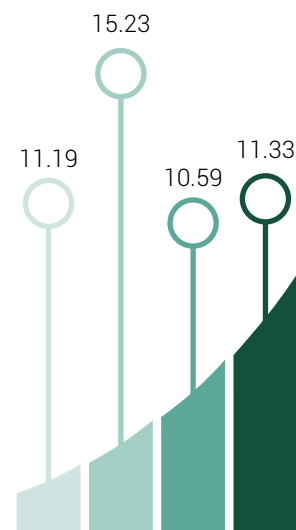
What does it mean?

Ensures that adequate surplus is available for reinvestment.

Value impact

The Company reported a 24.62% increase in net profit in 2020-21.

EBIDTA margin (%)



FY18 FY19 FY20 FY21

Definition

EBITDA margin is a profitability ratio used to measure a company's operating efficiency.

Why is this measured?

The EBIDTA margin provides a perspective of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?

Demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 74 bps increase in EBIDTA margin during 2020-21 on account of better margins from distillery segment.