Chapter 2

Company Profile

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Chapter - 2

Company Profile

The present research work is based on identifying the role of training and development programmes in achieving operational excellence, with special reference to Mawana Sugar works (MSW), Mawana. Although, there are many other sugar organisations to conduct the research work but out of all others, the researcher has chosen only Mawana Sugar Works, Mawana for carrying out the research work. This is because, Mawana Sugar Works, Mawana has a high social image due to its branded high quality “Mawana Sugar” and therefore Mawana Sugar Works would be providing excellent training and development programmes to its employees to improve its productivity further and thus to maintain its brand social image. Therefore, the researcher has considered it important to conduct the research at Mawana Sugar Works (MSW), Mawana so as to identify how training and development leads to operational excellence at MSW.

In the previous chapter, the researcher has presented the introductory part of the research work giving the details of research objectives, review of literature and the methodology used in this research work. This chapter discusses about the Company profile of Mawana Sugar Works, Mawana. The researcher has given the
detailed information and history of the Mawana Sugars Group. The researcher has visited the company several times to gather the company information from various sources like company manuals (year 2009 and year 2010), Annual reports (2008-2009) and (2009-2011), Monthly Newsletters (2010-2011, 2011-12), company general information brochures and records. Some information has also been taken from the company website.¹

History of the Company

Mawana Sugar Works (in short, known as MSW) is originally a sugar unit of Mawana Sugars Limited (in short, known as MSL). Mawana Sugars Limited (MSL) is a company originated from the business restructuring of SIEL Limited (erstwhile Shriram Industrial Enterprises Limited), an industrial conglomerate belonging to the Siddharth Shriram Group. The group has been operating in the sugar industry for the last 60 years.

SIEL Limited was originated from Shriram Group (i.e. the Delhi Cloth and General Mills Company Ltd. or DCM). The Delhi Cloth and General Mills Ltd., Delhi was founded in the year 1884. Lala Shriram was the founder of DCM. Lala Shriram joined the company in the year 1909 at Bara Hindi Rao, Delhi.

Lala Shriram, self-taught and self-educated went on to become one of the pioneers of the Indian industry. He had a profound knowledge of commerce and industry. He was equally preoccupied with business ethics. He believed that a businessman’s work should be as good as his pledge.

Lala Shriram was the first in the country to establish the labour welfare benefit fund trust. He introduced several benefits for

¹ Company Website : (http://www.mawanasugars.com and http://mawana.webchutney.net)
the working class in the thirties and forties when such welfare measures were hardly known. Sickness Insurance, Pension Fund, Gratuity, Incentive – Bonus, Annual Increment, Hospital facilities, holiday homes and various other measures were the product of his imagination.

Delhi Cloth and General Mills Company Ltd. (DCM) was started as a small textile unit originally; then it steadily grew from strength to strength; textile to sugar production, on to chemicals, vanaspati and ultimately in his lifetime to fertilizers. Some important units of Shriram Group (DCM) are mentioned in Table 2.1 –

Table 2.1 – Some Important Units of Shriram Group

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of Units</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Delhi Cloth General Mills Ltd., Delhi</td>
<td>1889</td>
</tr>
<tr>
<td>2.</td>
<td>Daurala Sugar Works, Daurala</td>
<td>1938</td>
</tr>
<tr>
<td>3.</td>
<td>Mawana Sugar Works, Mawana</td>
<td>1949</td>
</tr>
<tr>
<td>4.</td>
<td>DCM Chemical Works, Delhi</td>
<td>1941</td>
</tr>
<tr>
<td>5.</td>
<td>Swatantra Bharat Mills, Delhi</td>
<td>1948</td>
</tr>
<tr>
<td>6.</td>
<td>Hissar Textile Mills, Hissar</td>
<td>1956</td>
</tr>
<tr>
<td>7.</td>
<td>Shriram Rayons, Kota</td>
<td>1964</td>
</tr>
<tr>
<td>8.</td>
<td>Shriram Fertilisers and Chemicals, Kota</td>
<td>1969</td>
</tr>
</tbody>
</table>

**Source:** *General Information Brochures of MSW*

In the year 1989, these important units of DCM (given in Table – 2.1) were trifurcated as shown in the Figure 2.1 –
After trifurcation of Delhi Cloth and General Mills Company Limited (DCM), Lala Siddhartha Shriram gave the name of his group as Shriram Industrial Enterprise Limited (SIEL). SIEL was further divided into two parts by Lala Siddhartha Shriram as presented in figure 2.2.

**Figure 2.2 - Division of SIEL into two parts**

Source – Based on Mawana Sugars History details
Mawana Sugars Limited is the sixth largest private sector sugar manufacturer in India. The Company was formed in December’ 2003, when it acquired the sugar business of the conglomerate SIEL Limited.

Mawana Sugars Limited (MSL) accounts for more than 5 percent of sugar production in the state of Uttar-Pradesh in India (As per the company records). The company sells packed branded sugar through FMCG distribution channel retail outlets in Northern India.

The company has three sugar units which are located at Mawana, Titawi and Nanglamal in Uttar Pradesh with capacity of 13000, 10500 and 6000 TCD respectively. The sugar units have bagasse based power plants with total capacity of 116.8 MW out of which 47 MW power is exportable.

a) Core Business – Sugar and Power

The company is primarily involved in the business of sugar manufacturing. The company sells packed branded sugar through FMCG distribution channel retail outlets in Northern India. The company has also appointed dealers to sell refined sugar to institutional buyers like Cadbury India Limited, PepsiCo India Holdings Private Limited, Glaxo Smithkline, Heinz India Private Limited and other confectionery as well as pharmaceutical companies.

The three sugar units have bagasse based power plants with total capacity of 116.8 MW out of which 47 MW power is exportable. The company has power purchase agreement with Paschimanchal Vidyut Vitran Nigam Limited (As per the company manuals).
b) Non-Core Business – Chemical

Apart from sugar and power, the company also manufactures caustic flakes, chlorine, hydrochloric acid, hydrogen, stable bleaching powder, sodium hypochlorite. Chemical business contributes 24 percent to the total revenue. In chemical segment, caustic-soda is a major product and contributes 16 percent to the total revenue.

Now, Mawana Sugar Works is a unit of Mawana Sugars Limited, New Delhi. Its crushing capacity is 13000 TCD. It is about 120 kilometers from Delhi and 25 kilometers from Meerut and situated at Mawana on Mawana-Bijnor Highway. It is one of the best Sugar Mills in Asia. As per the discussion with higher officials of the company, “Mawana Sugar Works aspires to be one of the largest diversified sugar and sugar by products company, in complete harmony with nature, while giving handsome returns to all stakeholders”.

Mawana Sugar Works, Mawana is also engaged in the generation of electricity. It is an ISO-9001: 2000 and first ISO-22000:2005 certified Sugar Company in India. A brief about company has been given in table 2.2.

Shares of the company are listed on Bombay Stock Exchange Ltd. And National Stock Exchange Ltd. The company has market capitalisation of Rs. 103 crores as on December 03, 2010.

The other sugar plant i.e. Titawi Sugar Complex, Titawi is in District. Muzaffarnagar. Its crushing capacity is 10500 TCD. It is about 200 kms from Delhi and 15 kms from Muzaffarnagar.

The third sugar mill of Mawana Sugars Ltd. i.e. Nanglamal Sugar Complex is in district Meerut. Its crushing capacity is 6000
T.C.D. It is situated on Meerut – Garh Road, and 25 kms from Meerut.

**Table 2.2 – A Brief about Mawana Sugars Ltd.**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Name</td>
<td>Manawa Sugars Limited (MSL)</td>
</tr>
<tr>
<td>2.</td>
<td>Registered Office</td>
<td>6th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi - 110008</td>
</tr>
<tr>
<td>3.</td>
<td>Plant Location</td>
<td>- Mawana Sugar Works, Mawana, District Meerut Pin code – 250402 (UP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Titawi Sugar Complex Village and PO Titawi District Muzaffarnagar – 251301 (UP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Nanglamal Sugar Complex, Village Nanglamal, District Meerut, Pin code – 250001 (UP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- SIEL Chemical Complex Charatrampur, Village Khadauli / Sardargarh, Rajpura, Patiala (Punjab)</td>
</tr>
<tr>
<td>4.</td>
<td>Date of Incorporation</td>
<td>Incorporated on 26th December, 2002 as SIEL Sugar Limited and renamed as Mawana Sugars Limited w.e.f. 16th June 2004.</td>
</tr>
<tr>
<td>5.</td>
<td>Chairman</td>
<td>Mr. Siddharth Shriram</td>
</tr>
<tr>
<td>6.</td>
<td>Constitution</td>
<td>Public Limited Company</td>
</tr>
<tr>
<td>7.</td>
<td>Business</td>
<td>- Manufacturing Sugar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Manufacturing Chemicals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Power Generation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Manufacturing of Industrial Alcohol</td>
</tr>
</tbody>
</table>

**Source** – *Mawana Sugars History details provided to Researcher*

All the three sugar units of the company are producing good quality white crystal sugar. These units are famous for their branded sugar products in the market.
c) **Co-Generation–Bagasse Based Cogeneration at Mawana Sugars Limited**

Mawana Sugars Limited has cogeneration facilities at its all three sugar units at Mawana, Titawi and Nanglamal. The plants generate Green Power using bagasse produced as a residue from cane sugar processing. It is called green power or a renewable power since it is a self-replenishing source of energy. The green power so produced not only caters to the captive requirement of the sugar plant but is also exported to the state-grid to replace the coal dominated power.

Mawana sugars as a responsible corporate citizen understands its responsibility towards the environment and thus is committed to the cause of a ‘Greener Planet’. The initiatives taken by Mawana sugars in this area are mentioned as follows –

- Saves generation of the same amount of power in grid – connected, fossil fuel dominated power plants.
- Reduces GHG (Green House Gases) emissions due to reduced usage of conventional fossil fuels like coal, oil, natural gas; thereby helps conserve these finite natural resources.
- Truly carbon-neutral, since CO$_2$ emission due to combustion of bagasse is more than offset by its absorption, thanks to the surrounding cane fields.
- Efficient utilisation of locally available bagasse gives sustainable competitive advantage to the cultivation of sugarcane.
- Sets an example for other sugar mills, by making bagasse-based cogeneration seem more attractive due to its revenue potential.
Increased power availability due to distributed electricity generation improves the quality of life in the surrounding villages.

d) CDM Projects at Mawana Sugars – Commitment to Sustainable Development

CDM projects at Mawana sugars entail increasing the efficiency of bagasse\(^2\) based cogeneration units at the three plants of the company. These sugar plants sell electricity to the regional grid, thereby substituting the power generated by carbon-intensive northern grid, to which the state of Uttar-Pradesh in connected.

At Mawana Sugars, it is strongly believed that bagasse cogeneration is a sustainable source of energy. In addition to mitigating global warming, it also creates a sustainable competitive advantage for agricultural production the sugar cane industry in India. By using the available bagasse in a more efficient manner, this project encourages the consumption of a locally available renewable energy source. It also demonstrates the feasibility of electricity generation as an allied source of revenue for a sugar mill.

Mawana Sugars Limited has five registered bagasse based cogeneration CDM projects. The power plants connected to the northern grid use conventional fossil fuels like coal, diesel/oil and natural gas etc. Thus the project activity would reduce CO\(_2\) emissions and also conserve finite fossil fuels to that extent.

The certified emission reduction units (CERs) generated by these projects generate additional revenue which enhances the

\(^2\) Bagasse - (a renewable fuel source, produced as residue from sugarcane processing)
attractiveness of the bagasse based cogeneration for the sugar industry.

**Corporate Management Profile**

Under the efficient leadership of Mr. Siddharth Shriram Mawana Sugars Limited has been a pioneer in the sugar industry over the past many years. Mr. Siddharth Shriram is a chairman of SIEL Limited. He is the son of Dr. Charat Ram, who was awarded the title of “The order of sacred treasure, Gold and Silver Star” by the emperor of Japan in 1995. He belongs to the family of Shrirams who have varied business interests in India and overseas. He is presently the Chairman and Chief Managing Director (CMD) of SIEL Limited, a manufacturer of vegetable oil, chlor caustic chemicals and Mawana Sugars Limited, one of the reputed manufacturers of sugar in Northern India.

His company, SIEL Limited has a joint venture with Honda Motors, Japan for manufacturing portable Generators, General Purpose Engines and automobiles and he also holds the position of chairman in these two companies viz. Honda SIEL Power Products Limited and Honda SIEL cars India Limited. His family is well known for the promotion of art and culture and they manage a cultural organisation called the Shriram Bhartiya Kala Kendra which organises various cultural activities and has over the years earned a place for itself in the country. He is a keen golfer and his other interests are playing bridge and solving crosswords puzzles.

Mr. Sunil Kakria is the Managing Director (MD) of the company. He is a management graduate from Faculty of Management Studies, University of Delhi with specialization in Marketing and Operations Research. He has more than 30 years
of professional experience in the field of strategy, operations, projects and marketing (both at domestic and international level). Prior to joining Mawana Sugars Limited, He was the Chief Executive Officer (CEO) of Samtel Color Limited.

Mr. Ashwani Kumar Mehra is the whole time Director of the company. He has done Masters of Chemical Engineering from Illinois Institute of Technology; Chicago (USA). He started his career as a Graduate Engineer Trainee with DCM Chemicals. Thereafter he worked in various capacities in DCM Chemicals, SIEL foods and fertilizers limited, and at corporate office etc.

Mr. M. Bandyopadhyay is the Executive Director of the Company. He is a Management Graduate and started his career with SAIL (Steel Authority of India Limited) in HR Department. Thereafter, he worked with various corporate like CESC, NTPC, DLF, MITSUI, SAMTEL etc., as HR Head at Plant as well as Corporate Levels.

**Group Profile of Mawana Sugars Limited**

The Mawana Sugars Group was incorporated by Lala Shriram (Grand-father of Siddharth Shriram) in 1889. Over the next 100 years, the group expanded into textiles, chemicals, sugar, automobiles, engines, rayons / nylon tyre cord, automotive components, edible oils, heavy chemicals (fertilizers / chlor- caustic), engineering foundries, sewing-machines, fans, home appliances and other kind of items.

Siddharth Shriram Group is one of India’s renowned business groups with interests as diverse as sugar, edible oils and industrial chemicals to fans, appliances and automobiles. The
divisions and various businesses of this group have been mentioned in table-2.3.

The table-2.3 shows that Mawana Sugars Group is also involved in various other businesses like chemicals, edible-oils, soaps, ethanol and cogenerated power from bagasse apart from the main sugar manufacturing business.

Table 2.3 – Mawana Sugars Group and its various Businesses

<table>
<thead>
<tr>
<th>Mawana Sugars Limited</th>
<th>Usha International Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Sugar Business</strong></td>
<td>- Electric Fans</td>
</tr>
<tr>
<td>- Plantation White Sugar</td>
<td>- Sewing Machines</td>
</tr>
<tr>
<td>- Refined Sugar</td>
<td>- Home Appliances</td>
</tr>
<tr>
<td>- Ethanol</td>
<td>- Engines &amp; Electrical motor pump sets</td>
</tr>
<tr>
<td>- Co-generated power from bagasse</td>
<td>- Drinking water coolers and dispensers</td>
</tr>
<tr>
<td></td>
<td>- Auto Products</td>
</tr>
<tr>
<td><strong>2. Chemical Business</strong></td>
<td></td>
</tr>
<tr>
<td>- Caustic Soda</td>
<td></td>
</tr>
<tr>
<td>- Chlorine</td>
<td></td>
</tr>
<tr>
<td>- Stable Bleaching Powder</td>
<td></td>
</tr>
<tr>
<td><strong>3. Edible Oils &amp; Soap Business</strong></td>
<td></td>
</tr>
<tr>
<td>- Packaged Oil</td>
<td></td>
</tr>
<tr>
<td>- Washing Soap</td>
<td></td>
</tr>
</tbody>
</table>

*Source* – *Mawana Sugars History details provided to Researcher*
Figure 2.3 – A list of all Businesses of the Group Mawana Sugars Limited

Source – Mawana Sugars History details provided to Researcher

Figure 2.4 – The Integrated Business Model of Mawana Sugar Works

Source – Company manuals
This part discusses about the Group Profile of Mawana Sugars Limited based on information gathered from the company Brochures, Mawana Sugars history details and company manuals as provided to the researcher. The next part will discuss about the vision statement of Mawana Sugars Limited.

**Vision Statement**

The company Mawana Sugars Limited is a leading sugar manufacturing company with a vision, “To harness renewable natural resources effectively to make and distribute quality products needed by society, using evolving goals and techniques to create sustainable value in harmony with our environment, our community, our stakeholders and our self”. In this vision statement, there are many phrases which have their own meanings.

The first phrase, “To harness renewable natural resources effectively” describes that Mawana Sugars will remain a company that produces products from annually renewable natural resources through its established core competence.

The second phrase, “To make and distribute quality products needed by society” describes that the company will not venture into products that do not enhance community value, either presently or in the long run.

The third phrase, “using evolving goals and techniques to create sustainable value” describes that the company will use the best plants, processes and practices to create enduring value.

The fourth phrase, “in harmony with our environment, our community, our stakeholders” explains that the company will collaborate with its stakeholders, not exploit them.
The last phrase, “and our self” states that the company will strive to strike a chord with the inner self of every associate.

With the above explained vision statement, the company Mawana Sugars Ltd. is leading the market with great achievements.

**Corporate Governance and values:**

At Mawana Sugars Limited, it is believed that stakeholder value can indeed be protected through a sound governance process. The purpose of the code of conduct is to create an environment where all board and senior management members respond consistently to an ethical standard through the following initiatives –

- Honest and ethical conduct
- Create a corporate climate in which the integrity and dignity of each individual is valued and promoted.
- Assure compliance with laws, rules and regulations that govern the company’s business activities.
- Assure the proper use of the company’s assets.
- Abstain from indulging in an activity that adversely affects the image of the company.

These details are also available at company website\(^3\). Apart from these Ethical standards, there are also certain Guiding Principles being followed by the company, as come to the notice of the researcher.

\(^3\) Website : (URL link is mawana.webchutney.net/mawana-at-a-glance.aspx)
Guiding Principles

These are mentioned in the code of conduct reports of the Mawana Sugar Works, Mawana. These are as follows –

1) **Fair Dealing** : It states that the Board members and Senior Management of the company shall deal with the other in fair manner and ensure “Respect for Individual”. Non compliance will make individual attract disciplinary action.

2) **Proper use of company Assets** : It states that the Board Members and Senior Management of the company are prohibited from using company assets, confidential or proprietary information or position for personal gain. The company assets should be used only for the legitimate business purposes of the company.

3) **Compliance with Laws, Rules and Regulations** : Any transaction undertaken in the name of the company that would violate the laws of the land is prohibited. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, anti-trust, civil rights, transactions with foreign officials, safety and the environment.

4) **Discrimination and Harassment** : The company is committed to providing a workplace free of discrimination and harassment based on race, colour, religion, age, gender, national origin, disability, veteran status or any other biases.
5) **Political Contributions**: Corporate funds, credit, property, or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors (BOD) of the company.

6) **Confidential Information**: Confidential information be it technical, operational or commercial should not be disclosed to anyone. Such information is confidential and for exclusive use of the company.

7) **Employee Relationships**: The company continually strives to promote positive and productive working relationships among its officers to fully comply with the letter and spirit of all laws prohibiting discrimination and sexual harassment.

8) **Accounting and Reporting**: All the board members and officers in senior management of the company are expected to follow the company’s accounting policies. All accounting records should accurately reflect and describe corporate transactions. The recordation of such data must not be falsified or altered in any way to conceal or distort assets, liabilities, revenues, expenses or the nature of the activity.

**Growth Plans of Mawana Sugar Works**

Mawana Sugars is a multi-product company with business interests in sugar, power, chemicals and edible oils, formed as a result of the amalgamation of Mawana Sugars Limited (MSL) – one of India’s largest sugar manufacturers with SIEL Limited.
As per the company records, during the year 2007-2009, some important changes took place in Mawana Sugar Works, Mawana. Not only there was robust growth in profits and earnings per share, but there was also the conclusion of the scheme of arrangement under which Mawana Sugar Works (MSW) was created; at this time, MSW is virtually debt free.

MSW, having just come out of debt is approaching investments cautiously. The board of directors considered the matter and they had made an announcement that approximately 700 crores are being invested in three integrated sugar complexes, each in Mawana, Titawi and Nanglamal. (Nanglamal is the new unit which has started operating in the first week of December 2005). As per the records, this level of achievement brings the company into achieving higher slab of incentive offered by the UP Sugar Incentive Policy Scheme. When this investment was concluded in October 2006, Mawana Sugars Limited became the fourth largest sugar company in UP, which also means in India. The production capacity will be upwards of 5,00,000 tonnes of sugar per year, then the company would be producing 47 MW of power for sale and have distillaries with a capacity of 160 k.ltrs per day.

As per the discussion with management officials, the researcher finds that the next coming four or five years i.e. from 2010-2014 look extremely promising for the industry. The value addition from co-generated power and distillery operations will help to balance any adverse sugar cycles. Still, the company will be certainly concentrating on the efficient use of capital, good governance and enhancing shareholders value in the business. The company will also be increasingly concentrating on creating
sustainable value, in harmony with our environment, our community, our stakeholders and ourself.

Mawana Sugars Managing Director Mr. Sunil Kakria told PTI on April 10, 2011 that “Mawana sugars is eyeing about 80 percent growth in revenue by FY\textsuperscript{4}2013 at around Rs. 1,800 crore following its foray into the branded sweetener segment. We are targeting a revenue growth of 70-80 percent at Rs. 1,700-1,800 crore in FY13 by focusing more in our branded segment and strengthening our product portfolio.”\textsuperscript{5}

**Mawana Sugar Net Zooms**

The Siddharth Shriram Group company, Mawana Sugars Limited (MSL) has posted 127\% higher net profit of Rs. 17.7 crore for the quarter ended June 30, 2009 with net sales rising by 8.2 percent to Rs. 173.7 crores (as per the company records).

According to the Managing Director of the company, Mr. Siddharth Shriram, “the year 2009-10 has been excellent, sales growth robust and outlook is positive. We expect sugar prices to remain at remunerative levels for the foreseeable future”.

He further stated that MSL has been formed as a result of the restructuring of SIEL Limited, a company that dealt in sugar, chemicals, vegetable oils besides having other investments. The company has three plants in Uttar Pradesh and definitely the company will be taking suitable decisions regarding future growth and expansion.

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\textsuperscript{4} FY = Financial Year

\textsuperscript{5} Article available on URL – http://articles.economictimes.indiatimes.com/2011-04-10/news/29403391/mawana-sugars-tonne-revenue, posted on April, 10\textsuperscript{th} 2011, 11:59 am IST, under the title, “Mawana Sugar eyes 80\% growth in revenue by FY 13”.
**Expansion Plans**

The company which has a crushing capacity of 29000 tonnes per day, is planning to focus on increasing its specialised sugar segment, which is used in making baby food, food, beverage and pharmaceuticals etc.

In a press conference, Mr. Siddharth Shriram, the Managing Director, Mawana Sugars Limited announced that the company plans to invest Rs. 535 crore over the coming two-three years (2010-2013) towards setting up new sugar mills, co-generation and distillery plants and enhancing capacity of present units. With these investments, the company’s total cane crushing capacity is expected to increase by 34,000 tonnes per day (TCD) from the present capacity of 29,500 (TCD).

The company also plans to set up a new 5000 TCD capacity sugar unit in Western Uttar Pradesh, the exact location of which is yet to be decided.

Mr. Shriram further added that the company also plans to expand the existing plants at Mawana and Titawi with an investment of Rs. 180 crore by 2015, so as to raise the capacity by 2000 TCD from their current crushing capacity.

The company also plans to set up a 30 MW co-generation plant with an investment of Rs. 60 crore. Also, planned is an ethanol distillery that would produce 120 kilo litre a day with an investment of Rs. 50 crore.
**Investment Plans**

As mentioned in the Annual report of the company\(^6\) year 2009-2011, some investment and proposals which the company plans to implement for reduction of consumption of energy are as follows:

a) Replacement of gland sealing rings & modifications in 3 MW power turbines to improve efficiencies.

b) Installation of VFDs at cane carriers and syrup pump to reduce power demand and improving plant automation & efficiencies.

c) Installation of Separate Lighting Panel.

d) Installation of Air Handling System (AHS) for mill DC Drive Control room and Cogen VFD Panel room for effective temperature control and energy conservation.

As per the Annual report of the company\(^7\) year 2009-2011, balance sheet as at March 30\(^{th}\) 2011, covers the Investment details shown in Table 2.4:

**Table 2.4 – Investment Details of the Company**

<table>
<thead>
<tr>
<th>Investments Current Assets, Loans &amp; Advances</th>
<th>As at 31/03/2011 Rs. Million</th>
<th>As at 30/09/2009 Rs. Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>5247.91</td>
<td>2042.52</td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>374.28</td>
<td>148.05</td>
</tr>
<tr>
<td>Cash and Bank Balances</td>
<td>142.56</td>
<td>128.53</td>
</tr>
<tr>
<td>Loans and Advances</td>
<td>697.22</td>
<td>699.34</td>
</tr>
<tr>
<td></td>
<td><strong>6461.97</strong></td>
<td><strong>3018.44</strong></td>
</tr>
</tbody>
</table>


\(^7\) Annual Report of Mawana Sugar Works Year 2009-11, p24.
Retail Distribution of Mawana Sugars

Mawana sugars pioneered the manufacturing of branded retail sugar with its ‘Mawana’ brand of sugar in India in year 1994. Available in retail packs of 1 kg and 5 kg, the ‘Mawana’ Brand has emerged as the largest selling retail sugar pack in India, commanding a premium in a competitive marketplace.

The income details of the company including gross sales and net sales as on March 31, 2011, as mentioned in the company’s annual report\(^8\) year 2009-2011, are as follows:

<table>
<thead>
<tr>
<th>Income Details</th>
<th>18 Months ended 31/03/2011 Rs. Million</th>
<th>Year Ended 30/09/2009 Rs. Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>17881.11</td>
<td>7584.26</td>
</tr>
<tr>
<td>Less (Excise Duty)</td>
<td>790.38</td>
<td>389.91</td>
</tr>
<tr>
<td>Net Sales</td>
<td>17090.73</td>
<td>7194.34</td>
</tr>
<tr>
<td>Other Income</td>
<td>635.94</td>
<td>171.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17726.67</strong></td>
<td><strong>7365.50</strong></td>
</tr>
</tbody>
</table>

**Source**: Annual report of Mawana Sugar Works, year 2009-2011 (p-51)

Mawana Sugar has around 10,000 outlets in Delhi, NCR region. It remains a preferred and major supplier to companies like Nestle, Coca-Cola, Pepsi, Joy Co., Perfetti, Hamdard, Dabur etc. The company also manufactures Double refined sugar which is a

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\(^8\) Annual Report of Mawana Sugar Works Year 2009-11, p-51
premium refined sugar available in zip lock sachet of 1 kg, 5 kg etc, which was launched in April 2006.

Besides it, the company also manufactures sugar-cubes as well as sugar-sachets which are specially launched to target the hospitality industry and households.

**The Mawana Brand – Consumer Pack Branding**

The Mawana branded consumer sugar packs are especially launched so as to increase its reach and accessibility to the customers. The company has over one thousand shops in various areas. These consumer packs are launched by the company with an intention to provide clean / hygienic sugar to the consumers and to assure correct weight and consistent quality of the product.

Today, the Mawana sugar is the largest selling sugar retail brand, with the highest brand recall due to various promotional activities time to time. The company has also increased awareness among people through ‘sponsorship on Red FM which has huge listenership and through special edition love songs CD ‘Lamhe’ sold through retail music shops.

Consumer pack branded sugar of the company travels through its well established FMCG distribution channels reaching 10000 retail outlets all over Northern India. Besides sugar, the company also manufactures edible oils like Panghat Kachhi Ghani Mustard Oil, Cornola Refined corn oil, Panghat Pure Refined Soyabean Oil, Ruby Pure Refined Groundnut Oil, Panghat Vanaspati and Panghat Pure refined cotton seet oil etc.

**New Product Launches**

Time to time, the company goes for launching new products in the market so as to increase its demands and customer
awareness. As per the information given by Mr. Siddharth Shriram, the Chief Managing Director (CMD) of the company, the company is producing 30,00,00 tonne sugar per annum, of which about 10,00,00 tonne is specialised sugar. Now, the company wants to focus more on specialised sugar and step up the production to 1,60,000 tonnes in the coming 2-3 years. At present, out of the 1,00,000 tonnes specialised sugar produced, the company supplies 20,000-25,000 tonnes to pharmaceuticals companies, 50,000-60,000 tonnes to food and beverage companies and 15,000 tonnes for branded sugar.

The firm has recently launched six varieties of speciality sugar under the brand name ‘Mawana Select’ like super white sugar, caster sugar, icing sugar, demerara sugar, white sugar cubes, demerara sugar cubes which are priced in the range of Rs. 88-170.

Mr. Sunil Kakria, the Executive Director of the company also further added that, “We have initially introduced ‘Mawana Select' in Mumbai. However, we plan to make it available pan India in the next coming few years, beginning with the western region, then slowly expanding to the Southern, Northern and then Eastern Region.”

**Organisation Structure of MSW**

Every organisation has its own hierarchy levels in the way to smoothen its own functioning and also increase its productivity and efficiency. The Organisation structure of MSW as discussed with the researcher by the HR Department of Mawana Sugar Works is presented in figure 2.5.
There are many departments at Mawana Sugar Works, Mawana which have come to the knowledge of the researcher during several visits and interactions with the employees of different departments at MSW. These departments are:

**Source:** HR Department of the company
a) Purchase Department
b) Accounts Department
c) Computer Department
d) Cane Department
e) HR Department
f) Store Department
g) Administration Department
h) Security Department
i) Lab Department
j) Engineering Department
k) Legal Department
l) Co-generation Department
m) Manufacturing Department
n) Godown Department
o) Excise Department
p) SAP Department
q) Welfare Department
r) Civil Department

**SWOT Analysis of Mawana Sugar Works**

The SWOT analysis of the Mawana Sugar Works, as mentioned in the Annual Report\(^9\) of the company (2011-12)

**Strengths**

- Sugar units located in sugarcane rich belt of Western U.P.
- Important contributor to India’s socio-economic growth
- Integrated sugar plants producing industrial alcohol, ethanol and supplying electricity to state grid.

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\(^9\)Annual Report of Mawana Sugar Works, Mawana (2011-2012), p-23
Product offering multiple varieties of specialty sugar including pharmaceutical grade sugar.

Opportunities
- Industry de-regulation, which could led to balanced sugar production and cane prices
- Maintaining cane quality by varietal change, cane development program and multi cropping.
- Flexibility in facilities produces sugar from raw sugar in case sugarcane availability is low.
- Facilities can offer high quality specialty as per the specific quality requirements of high end consumers and exports

Weakness
- Cyclical nature of sugar industry.
- Industry highly regulated by Government.
- Deterioration of cane quality in Western UP has resulted in lower recoveries.

Threats
- Unfavourable climatic conditions have impacts on sugarcane growth and their availability.
- Lower cane availability in the event of farmers shifting their preference towards planting other crops.
- Unfavourable Government regulations towards cane pricing, levy purchase and exports.
- International markets impact domestic operations

In this chapter the historical Background of the Mawana Sugars Limited was discussed as well as the organisation,
Mawana Sugar Works, where the research work has been conducted by the researcher. These include the company history, business profiles, group profiles, the details of growth, expansion and investments, as well as the new products which are launched by the company time to time.

The next chapter will provide a comprehensive theoretical background of training and development. The concept of training and development, its significance, typical terms, process, methods, learning principles will be discussed. The role of an effective training and development programme in an organisation has been highlighted and discussed in the next chapter.