



Good health is my birthright...



Ruchi Soya Industries Limited

22nd Annual Report 2007-2008

Company Information

BOARD OF DIRECTORS

Chairman

Kailash Shahra

Managing Director

Dinesh Shahra

Directors

P. D. Nagar

P. D. Dwivedi

S. P. Joshi

A. B. Rao

Sajeve Deora

Company Secretary

R. L. Gupta

Auditors

P. D. Kunte & Co. (Regd.)

Cost Auditors

K. G. Goyal & Co.

BANKERS

State Bank of Indore

State Bank of Saurashtra

State Bank of Bikaner & Jaipur

State Bank of Hyderabad

State Bank of Travancore

State Bank of Patiala

State Bank of Mysore

Dena Bank

Oriental Bank of Commerce

The Bank of Rajasthan Ltd

Punjab National Bank

Bank of India

Axis Bank Ltd

United Bank of India

Bank of Maharashtra

Syndicate Bank

Corporation Bank

UCO Bank

The South Indian Bank Ltd

The Karur Vysya Bank Ltd

Vijaya Bank

Andhra Bank

Central Bank of India

Registered Office

408, Tulsiani Chambers, Nariman Point, Mumbai 400 021

Share Transfer Agent

Sarthak Global Limited, 170/10, Film Colony, R.N.T. Marg, Indore 452 001

Administrative & Head Office

301, Mahakosh House, 7/5, South Tukoganj, Nath Mandir Road, Indore 452 001



*India expects, India deserves
good health through good nutrition*

Life today keeps us on our toes.

There's so much to do... There's so little time, and of course, we want to do it all and we want to do it now!

In this whirlwind of achieving and competing, naturally, something has to give way.

And that something is usually one's health. When the stress and strain of daily living is coupled with deteriorating environmental conditions, one is on the brink of a potential health crisis.

At Ruchi Soya, we believe that the right to good health is everybody's prerogative.

Just as we believe that an alert mind in an agile body is the recipe for a robust individual, a robust nation.

Since health and nutrition go hand in hand, we at Ruchi Soya are convinced that the best way forward is through value-added nutrition options.

From our company's very inception, when we spearheaded the soya revolution, our focus has been a proactive one - of providing healthy products, be they soya foods, edible oils or processed foods. And the endeavour continues... with new, innovative, world-class products being made available to a young and assertive India, an India that expects the best, and deserves it too.

A message
from our MD



Building a healthy nation

Diversity has always been a recurring motif in India. Today, our country is recognized for its buoyant stock market, its flourishing IT industry, its burgeoning BPOs and its new-found status in the international community but **we still have not succeeded in eradicating hunger** and a sizeable chunk of our population continues to live below the poverty line.

According to the World Health Organization, **hunger and malnutrition are the gravest threats to world health**, and malnutrition is, by far, the deadliest contributor to child mortality. FAO data in 2003, placed India as the nation with the largest number of undernourished individuals: 212 million.

Our country, with its large population, understandably, has its own concerns regarding food inadequacy. With inflationary crude oil costs impacting food prices, and with an upbeat economy resulting in increased consumption patterns, **domestic availability of essential food grains, cereals and edible oils has assumed serious socio-economic implications.**

Over the years, Ruchi Soya has worked ceaselessly to bring home to the people of India the benefits of the nutrition revolution taking place around the world. We are focused on offering **nutritious options at affordable prices** to every Indian household through our wide and varied range of products and a rapidly expanding distribution network.

In February, 2008, we entered into a **license agreement with NutriJoy Inc. of Kansas, USA**, for its patented functional beverages and snack foods technology. This move will enable us to reinforce our position in the 'Health and Wellness' segment, provide us with world class nutrition technology and a pipeline of commercialized, patented and market-tested products to further add value to our core brands.

Our success last year, as in the previous years, can be attributed to exceptional standards of **quality adherence, superior operational productivity and sharp consumer insights** largely through the **unstinting efforts of our staff and workforce.** The **Employee Stock Option Scheme (ESOP)** announced in the financial year 2007-2008 is our way of recognizing the contribution of our senior key managers to the success of Ruchi Soya and inviting them to become an even more integral part of it.

Last, but not least, we would like to thank all of you, the stakeholders of Ruchi Soya Industries Limited, for your encouragement. With your support we are confident of **turning targets into triumphs** and building a healthy nation.

DINESH SHAHRA

Managing Director



Chairman's Message

Dear Shareholders,

We are living in one of the most exciting eras in the history of our nation. **An era of rapid change and innovative transformation** on both the business and the social fronts. Overnight, distant dreams are turning into distinct realities. Just a decade back, Corporate India was wary of hostile takeovers... today, Indian business houses are asserting themselves in the global arena with international acquisitions! There is a new confidence, a new pride in being Indian and the world is sitting up and taking notice.

Having said that, it is a fact that markets across the globe are witnessing turbulent times. The financial year 2007-2008 presented some very real challenges as the cost of raw materials escalated and the prices of edible oils spiked dramatically. Through it all, **we as a company remained steadfast and focused, unwavering in our responsibility to our stakeholders.**

Despite discouraging circumstances, **we recorded a remarkable growth of 28.06% in the topline** over the previous financial year. The bottomline registered an even healthier growth of **58.13%** over the previous financial year. I take this opportunity to thank you, our consumers and our associates in the business fraternity, for your trust in Ruchi Soya.

When a nation's energy demands spiral way beyond supply, it becomes imperative for corporates to take a long, hard look at practices and processes where conservation measures can be implemented. Our commitment to energy conservation and efficiency was recognized and rewarded by the Government of India, Ministry of Power, when **our Thiruvallur plant in Tamil Nadu received the First Prize in the Edible Oil/Vanaspati industry category for the National Energy Conservation Award-2007.**

There were more proud moments when we received the **Globoil**

Diamond Award for outstanding performance as the **highest exporter of oilmeals** and the **highest importer of edible oil**, and again when **Ms. Amrita Shahra**, Head of our company's Business Development Division, was **awarded the Globoil Woman Entrepreneur of the Year** for her path-breaking contribution to the Industry.

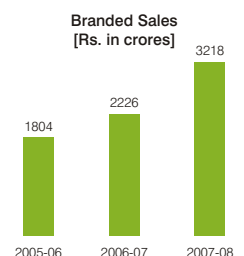
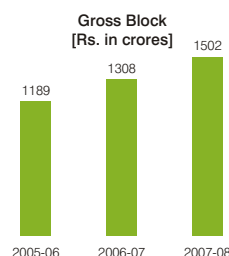
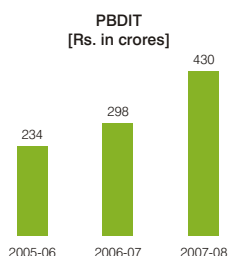
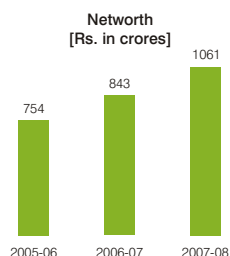
In a world that is changing at the speed of thought, comprehensive business software goes a long way in keeping a company in step with the times. We have **successfully implemented SAP applications to give us that extra edge in planning and operations.** Our Company has invested in a state-of-the-art software, which provides better risk management, and several other user - benefits in Forex and raw materials' purchases.

This would be the right time to thank each and every one of you, our bankers, financial institutions, institutional and retail investors and our very motivated workforce, for your invaluable contribution to the Company's success. It is your overwhelming support that has enabled our company to sustain its **leadership in the soya and food processing industries.**

On our part, we will strive to transform our undisputed leadership in these fields to our other forthcoming ventures. Be it **food processing** or **biofuels**, we at Ruchi Soya are committed to leveraging the principles of innovation through understanding, cutting edge technology and cost efficiency to **explore emerging opportunities.** The judicious utilization of all our resources will see us tap our true potential. We have done it before and we will do it again.

KAILASH SHAHRA

Chairman



Watching Over...
while you *grow* with health!



Strength and well-being are prerequisites for a nation's health quotient. Our company realized this early. Our **consistent product innovations** and introductions reflect our commitment to contributing to a healthier India. **Sunrich Refined Sunflower Oil**, a superior source of Vitamin E, is a case in point. Its anti-oxidizing properties protect the cells and nullify the damaging effects of free radicals. What this translates into for our consumers is peace of mind, you know there is someone looking out for you, looking after you and your family's health requirements.

We have been nurturing our business in the same manner, transforming it into **a sturdy conglomerate which can withstand stiff competition**, overcome challenges and generate greater profitability. It should come as no surprise then that all our major brands in the Soya Foods and Edible Oils categories have registered vigorous growth.



Proper Nutrition...
to create a healthy body, a healthy mind!

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The right kind of nourishment in the right amount is essential for the proper physical and mental development of an individual. The early years are the formative ones, so proper nutrition at a tender age is vital to create a sturdy, robust adult.

Nutrela Soya Health Foods provide the necessary macronutrient proteins that help create an alert mind, an agile body. Since that seems to be the recipe for success and achievement, you can dare to dream big, knowing your children have what it takes to take on the world!

The **wide range of cooking mediums and enriched ingredients** we have developed for you comes from an earnest desire to contribute to the health of the younger members of our society. They are the future of our country, and in our own humble way, we would like to play a part in their all-round growth.



Guilt-free Delight...
to enjoy moments of togetherness.

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