



Ruchi Soya Industries Limited



ATMA NIRBHARTA SE  
ATMA SAMMAAN TAK



ANNUAL REPORT 2020-21



# What's Inside

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# Atma Nirbharta Se Atma Sammaan Tak

As one of India's leading fast-moving consumer and health goods companies, Ruchi Soya stands strong on the nation's transformational landscape, with sustained focus on indigenous and inclusive growth.

At Ruchi Soya, we have aligned our strategic agenda to India's goal of attaining 'atmanirbharta', for ensuring self-reliance in all the vital areas of long-term sustainable growth and development. We have mapped our growth agenda to the achievement of self-sufficiency in edible oil, by expanding our palm oil plantation footprint, backed by strong farmer linkages. We have oriented our strategic approach to reducing our dependence on imports, in order to minimise our foreign exchange outflow.

At the same time, we continue to invest steadfastly in building significant and sustainable Indian FMCG and FMHG brands, to build a financially viable and profitable enterprise focussed on enhancing stakeholders' value. It is our constant endeavour to steer our transformational journey from 'atmanirbharta' (self-reliance) to 'atmasammaan' (self-respect) by improving lives, sustaining livelihoods, and contributing to the realisation of national goals.



## Our diversified business verticals

- 1

**Edible Oil,  
By-Products and  
Derivatives**

*read more on page 06*
- 2

**Oil Palm  
Plantation**

*read more on page 09*
- 3

**Edible Soya Flour  
and Textured Soya  
Protein**

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**Oleochemicals**

*read more on page 14*
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**Premium Honey and  
Premium High Protein  
Chakki Fresh Atta**

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**Noodles and  
Breakfast Cereals\*\***

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**Biscuits,  
Cookies and Rusks\***

*read more on page 18*
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**Nutraceuticals  
and Wellness\*\***

*read more on page 20*
- 9

**Renewable  
Energy - Wind Power**

*read more on page 22*

\*Acquired in May 2021

\*\*Launched in June 2021

# Atma Nirbharta Ki Aur. Atma Vishvas Ke Saath.

Ruchi Soya is one of India's largest FMCG companies in the edible oil sector, and one of the largest fully integrated edible oil refining companies in the country, with diversified presence in packaged foods and the FMHG (Fast Moving Health Goods) segment. We are part of the Indian conglomerate Patanjali Group, with nationwide presence powering our growth across the segments of our presence. Our strategically located manufacturing facilities are equipped with state-of-the-art machines for the production and processing of quality products, which are marketed and sold as reputed brands.

We have in place strong backward and forward linkages, supported by our presence across the entire value chain in the Soya and Palm segments. We are one of the largest palm plantation companies in the country, which provides us secure access to oil palm for seamless backward business integration. Our integration extends downstream to the Oleochemicals and other by-product and derivatives business. We are also engaged in the wind power generation business, using the renewable power generated at our facilities for sale and for captive use.

## Our Competitive Strengths

The 'atmavishvas' with which we are continuously moving towards greater 'atmanirbharta' is driven by a multitude of core strengths.



### Strong promoter pedigree

The credible parentage of the Swami Ramdev led Patanjali Group, one of our promoters, has lent us a strong edge in the FMCG and FMHG segments. As one of India's leading FMCG, health and wellness companies, Patanjali brings exceptional sourcing capabilities, technical know-how, FMCG product manufacturing experience, trading capabilities and nationwide logistics network, along with deep understanding of ever evolving market and consumer trends.



### Experienced management & leadership

While our Board members contribute with their extensive business expertise, our leadership team of qualified and experienced professionals empower Ruchi Soya with the necessary operational experience in the niche segments of our presence. Together, they help us in effectively implementing our business strategies and also in identifying new avenues of growth.



### Strong brand recognition

We have a strong portfolio of brands focussed on various types of edible oils and soya foods. Our brand 'Nutrela' is synonymous with TSP and is a household and generic name. Our nutraceuticals brand Patanjali – Nutrela is focussed on health and wellness and reaps the benefits of the association with a proven brand like Patanjali. Our robust brands portfolio comprises of Nutrela, Mahakosh, Ruchi Gold, Ruchi Star, Sunrich, Soyumm and other brands, which are well positioned in the market. Our brand, Ruchi Gold has market leadership position on account of being India's highest selling palm oil brand.



### Pioneers and market leaders in branded soya

We pioneered soya chunks and Nutrela soya chunks is the market leader with a share of 40% in branded soya chunks. Our Company established its brand Nutrela by becoming a household name for soy chunks. Till date,

Nutrela is used as a generic name for textured soy protein (TSP) in India.

## Presence across mass, value and premium segments

Our diversified portfolio, present in the premium as well as mass market categories, makes our products less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product category.

### Our presence across segments

#### Mass

India's highest selling palm oil brand - Ruchi Gold, Ruchi Star, Ruchi No. 1

#### Value

Mahakosh, Sunrich and Soyumm

#### Premium

- Nutrela range of cooking oils
- Patanjali Nutrela range of Nutraceutical products

## CONTINUED FOCUS ON BACKWARD INTEGRATION

As a move towards reducing our import dependence and increasing our self reliance, we have secured potential procurements right for FFBs that may be cultivated by farmers in potential areas. The total aggregate area that is under palm oil cultivation at present pursuant to the Palm MoUs is 54,763 hectares (out of our total allocation of 2,99,245 hectares of potential land for development of palm plantation), spread across nine states in India, which includes crops of varying maturities. We aim to increase the overall area under palm plantation and increase the number of nurseries to support our palm plantation. We also aim to increase our crushing capacity to benefit from the increase in availability of FFB.

**2,99,245 hectares across 9 states**

Total aggregate area under oil palm plantation

## Fully integrated operations with strategically located manufacturing facilities

All our plants are strategically located. Our oilseed crushing and oil refining plants are strategically located in terms of access to raw materials. We have one of the largest refining capabilities (of 11,000 TPD) along with oleochem division that uses the by-products of oil palm refining. Our inland oilseed crushing plants generally process oilseeds harvested in India and are located in the key soybean and mustard seed producing states of India. Our refining plants primarily use crude edible oil as a raw material and this is typically imported by sea. All of our refining plants are therefore located at or near to ports.

## Healthy mix of upstream and downstream integration

As one of the few companies in this industry operating across the value chain - sourcing, supply chain, manufacturing, branding & distribution, we have fully integrated operations that help us to manage costs effectively. This also gives us the flexibility to alter the mix of products as and when needed, and to make our operations easily scalable. Our pan-India operations ensure that we have proximity to regional markets across states, giving us the capability to service our customers efficiently. The strategic location of our processing plants enables us to minimise our inward and outward inland transportation costs.

## ROBUST BRANDING & DISTRIBUTION

We have developed an extensive distribution network throughout India. The products of our Company are sold through a pan-India network of:

**97**

**Sales Depots**

**4,763**

**Distributors**

**4.58**

**Lakh Retail Outlets**

## FORAY INTO HEALTH AND WELLNESS SPACE WITH LAUNCH OF NUTRACEUTICALS

To capture the demand for dietary supplements such as tablets, capsules, powders, liquids, soft caps and soft gels, we have launched 17 nutraceutical products in the Medical, Sports and General Nutrition. We intend to further diversify our product base, by over twenty-five products, by leveraging our Nutrela brand and include more value-added products which yield better margins.

## STATE-OF-THE-ART MANUFACTURING

We have 23 manufacturing plants, of which 17 are currently operational processing plants. We also have one of the largest refining capabilities at 11,000 tonnes per day. Additionally, we have access to 10 contract manufacturing plants.

Our plants are equipped with FSSAI, FSSC 22000, ISO 22000:2018, ISO 14001:2015, ISO 45001:2018, HACCP, Non-GMO\*\*, Halal and Kosher certifications.

\*\*wherever required

# The New Ruchi Soya Industries

Our transformational journey – from atmanirbharta to atmasammaan – has taken a major leap post acquisition by the Patanjali Group. This futuristic move has facilitated Ruchi Soya's transformation into India's largest pure play FMCG and FMHG focussed company. It has added new layers of governance excellence into our business model, and woven greater professional management transparency and accountability into our business core.

The acquisition, completed in FY 2019-20, has led to the expansion of our product portfolio beyond edible oils, in which we have been one of India's leading edible oil producers since the commencement of our business journey in 1986 in Indore. It has enabled us to foray into new synergistic product categories, such as FMCG, food and health & wellness segments. Besides securing the

benefits yielded by Patanjali's extensive experience in manufacturing of FMCG products, we are also leveraging the strengths of the Group's advanced logistics network, research and development, as well as pan-India distribution network. Patanjali's expertise and technical know-how in nutraceuticals has further helped us expand our presence into this new segment of growth.

## The Patanjali Advantage

### a. Parentage and track record

Patanjali's experienced promoters, along with its distinguished Board and management team, have not only brought in a new level of expertise but also a wave of fresh thinking into Ruchi Soya. Patanjali has a proven track record in the FMCG and wellness space, which we are ideally positioned to leverage for long-term sustainable growth. Swami Ramdev's brand ambassadorship has further enhanced our brand strength in the niche segments of our presence.

### b. Addition of new segments

From being engaged only in edible oil and related businesses, we have now transformed into a diversified FMCG and FMHG focussed company with the addition of the Patanjali brands and segments. Post the acquisition, we have expanded our portfolio to encompass a wide array of high-quality products and brands focussed on food, health & wellness and nutrition segments.

### c. Product proposition

The Patanjali advantage is also manifest in our expanded product proposition, spanning the elements of Health & Nutrition and Purity & Natural. As a pioneer and one of the largest players in natural and ayurvedic FMHG segment, Patanjali has augmented our product proposition, especially in the high-potential nutraceutical and

wellness segment. We are also the only Patanjali Group company to market biscuits, noodles, nutraceuticals and breakfast cereals in India, having forayed into biscuits, cookies, rusk and other associated bakery products category by acquiring it from Patanjali Natural Biscuits Private Limited in May 2021.

### d. Patanjali brand & distribution network

Besides giving us the advantage of the Patanjali brand name, we also have access to the Group's well-developed pan-India distribution network, comprising around 3,409 Patanjali distributors, 3,326 arogya kendras, 1,301 Patanjali chikitsalayas, 273 Patanjali mega stores and 126 Patanjali super distributors. The network of Patanjali super distributors and Patanjali distributors provide us access to 5,45,849 customer touch points, including approximately 47,316 pharmacies, chemists and medical stores, as of March 31, 2021.



These advantages complement Ruchi Soya's core strengths, which we have evolved through focussed strategic initiatives over the years and continue to leverage for steering our transformational journey.

### Strategic growth enablers

We continue to take advantage of our strong brands. We also tap new avenues of growth and process improvement to further increase our market share. We are consistently focussed on improvement in cost efficiencies and productivity through the implementation of effective and efficient operational techniques. We ensure effective management of our operations, with strict operational controls and excellence in customer service by leveraging our strong technological and R&D capabilities.

### Strong governance practices

We have in place strong compliance systems and processes, backed by solid risk management practices. Independent board members, with background in vigilance, finance and judiciary, ensure high levels of transparency and accountability.

### Robust financials

We continue to maintain steady financial position, with robust liquidity. All our business verticals witnessed healthy growth and delivered consistent performance during FY 2020-21.



### Robust Financial Performance

FY2019

FY2020

FY2021

12,829

13,175

16,383

(3.5%)

(1.7%)

6.2%

4.2%

■ Total Income (₹ in Crore) ■ EBITDA Margin (%) ■ PAT Margin (%)

## Financial Highlights

₹ **16,382.98**  
Crore  
Total Income

₹ **1,018.37**  
Crore  
EBITDA

₹ **680.77**  
Crore  
Profit After Tax

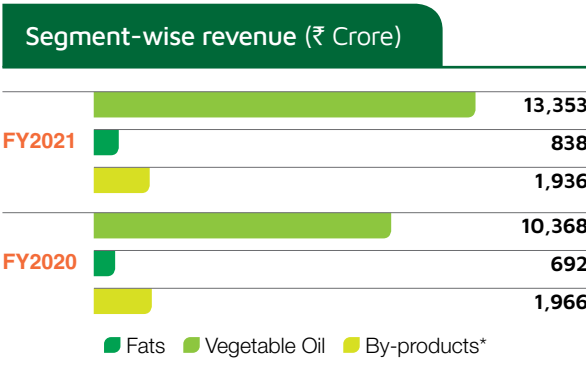
# Unveiling Our Business Verticals

## VERTICAL 1 - EDIBLE OIL, BY-PRODUCTS AND DERIVATIVES

We are one of the largest integrated oilseed solvent extraction and edible oil refining companies in India. Our product portfolio in this business segment comprises edible oils, vanaspati and bakery fats, Oleochemicals, specialty fats, and other by-products and derivative products. The tagline “Fit hai to future hai” associated with many of our products underscores our health-centric value proposition. Besides owning Ruchi Gold - the highest selling palm oil brand in the country, we are also one of the leading players in soyabean oil. Nutrela is our umbrella brand for premium edible oil products.

**Our edible oil and derivative business product showcase encompasses the following primary products that are manufactured at our best-in-class facilities:**

- Edible Oils - vegetable oils, including refined palm oil, refined soyabean oil, refined sunflower oil, mustard oil, groundnut oil, cotton seed oil, rice bran oil and other vegetable oils
- Hydrogenated fats (vanaspati) and bakery fats
- Edible soya flour
- By-products and derivatives of edible oil are divided into (a) crushing by-products and (b) refining by-products



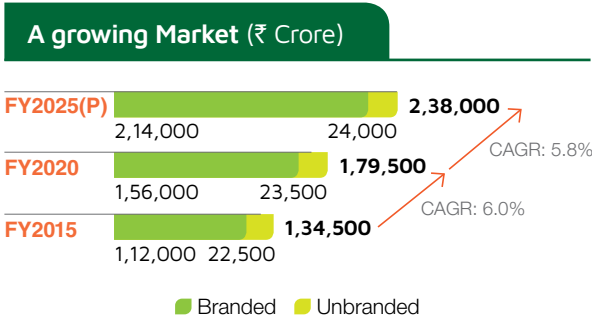
\*Includes revenue for Textured Soya Products

11,000 MT Per Day

Crushing capacity

10

Crushing plants



### Drivers of growth in this Vertical:

- Strong demand for non-GM soybean meal from international markets
- Government’s focus on boosting domestic production of edible oilseeds, by increasing area under cultivation and improving crop productivity
- Growth in poultry, cattle and aqua feed, with domestic feed industry growing at 8% CAGR

## Key Brands

### EDIBLE OILS



#### Nutrela Gold

This healthy oil is a blend made with 70% Physically Refined Rice Bran Oil and 30% Physically Refined Sunflower Oil. It contains Oryzanol, Natural Antioxidants, fortified with Vitamin A, D & E. These are ingredients that help in lowering bad cholesterol, and also keep the body healthy and strong.



#### Sunlight

This multi-sourced edible vegetable oil has a blend of 80% palmolein and 20% refined sunflower oil. It is a MUFA, which is fortified with vitamin A and vitamin D.



#### Nutrela

This includes Kachi Ghani Mustard Oil and Refined Edible Oil made from Sunflower and Soyabean.



#### Mahakosh

Refined edible oils made from Soyabean, Sunflower, Mustard, Rice Bran, Cotton Seed as well as Vanaspati, are sold under this brand.



#### Ruchi Gold

Known for its purity and texture, Ruchi Gold Palm Oil is a great choice to deep-fry and cook a variety of dishes. Added Vitamin A & D makes it a healthy oil.



#### Sunrich

It is India's healthier, lighter and clearer version of the refined sunflower oil brand.



#### Ruchi Star

This contains Vitamin E and is known to boost immunity. Food prepared with this oil stays fresh longer.



#### Soyumm

One of our Refined Soyabean oil brands, Soyumm has historically enjoyed strong equity in various parts of north, east, central and west India.



#### Tulsi

A refined Soyabean oil brand, this has historically enjoyed presence in central and some parts of east India as a tactical brand.

## VANASPATI

### Mahakosh, Ruchi No. 1, General, Avanti, Tulsi and Bakefat Vanaspati

It is manufactured in a modern plant without animal extract, and is generally untouched by hand, during the entire process.

## BAKERY FATS

### CakeMo

CakeMo is a quality industrial and bakery margarine, best used for soft, spongy and delicious cakes.

### CookieMo

This aerated bakery shortening is best used for high quality cookies and biscuits.

### PuffMo

This bakery and industrial margarine finds use in making flakier, crispier puffs and khari.

### Tulsi

Tulsi is a quality bakery shortening product.

### MoCreme

MoCreme is a quality aerated bakery shortening best used for toppings, cream fillings, and sandwich cream.

### BakeMo

This interesterified vegetable fat finds extensive use in making biscuits and breads.

### MoSno

A quality bakery and industrial margarine, MoSno is best used for icy cool cream.

