RUCHI INFRASTRUCTURE LIMITED

ANNUAL REPORT 2008-2009

Board of Directors

Shri Dinesh Shahra
Shri Naveen Gupta
Shri Dinesh Khandelwal
Shri Kanta Prasad Mandhana
Shri Navamani Murugan
Shri Mahendra Prasad Sharma (w.e.f 30th January, 2009)

Company Secretary

Shri Ashish Mehta

Auditors

M/s. M. M. Singla & Co.,
Chartered Accountants

Bankers

Axis Bank Limited
The Karur Vysya Bank Limited
Development Credit Bank Limited

Registrar & Share Transfer Agent

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

Registered Office

706, Tulsiani Chambers, Nariman Point,
Mumbai - 400 021.

Notice

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Ruchi Infrastructure Limited will be held at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Wednesday, the 30th September, 2009 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March, 2009 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Preference and Equity Shares.
3. To appoint a Director in place of Shri Kanta Prasad Mandhana, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Shri Mahendra Prasad Sharma, who was appointed as Additional Director on 30th January, 2009 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOVED THAT in accordance with the provisions of Sections 198, 309 and 310 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), the consent of the members of the Company be and is here by given for the appointment of Shri Mahendra Prasad Sharma in terms of provisions of Section 269 of the Companies Act, 1956 as Whole-time Director of the Company for a period of three years with effect from 30th January, 2009 on the following terms and conditions with an authority to Board of Directors to give increment under any of the following head from time to time till the tenure of his appointment as whole-time Director of the Company, who shall not be liable to retire by rotation:

1.	Basic pay	:	Rs.26,775/- per month
2.	House Rent Allowance	:	Rs.10,710/- per month
3.	Personal Pay	:	Rs. 8,930/- per month
4.	Ex-gratia	:	Rs. 3,125/- per month

   Re-imbursement of medical, newspapers, magazines, books and periodicals, vehicle maintenance and fuel expenses, entertainment expenses and education expenses as per the rules of the Company.

   Leave travel allowance, performance bonus, leave encashment, contribution to provident fund and family pension fund, bonus, gratuity as per policy of the Company.

   RESOLVED FURTHER THAT Directors of the Company and Company Secretary be and are hereby severally authorised to do all such acts and things as may be considered necessary and expedient in this regard."

By order of the Board of Directors

Registered Office :
Ruchi Infrastructure Limited
706, Tulsiani Chambers, Nariman Point,
Mumbai - 400 021.
August 28, 2009

ASHISH MEHTA
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. An Explanatory Statement pursuant to provisions to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out in Item No. 5 and 6 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 22nd September, 2009 to Wednesday, the 30th September, 2009 (both days inclusive).
4. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
5. Members are requested to bring their copy of Annual Report at the time of attending the Annual General Meeting.
6. All documents referred to in the accompanying Notice is open for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days except Saturdays up to the date of the Annual General Meeting.
7. Members seeking any further information about the accounts are requested to write to the Company at least ten days before the date of the Annual General Meeting so as to enable the management to keep the information ready at the meeting.

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 82(1) of the Articles of Association of the Company, Shri Mahendra Prasad Sharma was appointed as an Additional Director on the Board of Directors of the Company with effect from 30th January, 2009. Being an Additional Director of the Company, he holds office up to the date of this Annual General Meeting. The Company has received a notice along with a deposit in terms of Section 257 of the Companies Act, 1956, from a member, proposing his candidature for the office of Director of the Company.

The Board recommends the Ordinary Resolution for your approval. None of the Directors other than Shri Mahendra Prasad Sharma may be deemed to be interested or concerned in passing of the Ordinary Resolution.

Item No. 6

Shri Mahendra Prasad Sharma is an experienced professional with expertise in accounts, finance and general administration. He is 50 years old and possesses rich experience of 28 years. Considering his extensive knowledge and managerial experience, the Board subject to approval of the members appointed him as Whole-time Director in terms of provisions of Section 269 read with Schedule XIII to the Companies Act, 1956 for a period of three years with effect from 30th January, 2009.

The appointment of Shri Mahendra Prasad Sharma as above requires approval of the members. The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the contract of appointment of the Whole-time Director in terms of provisions of Sub-Section (2) of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the proposed resolutions for your approval. None of the Directors, except Shri Mahendra Prasad Sharma is interested in the resolution.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS:

		(Rs. in Crore)
	2008-2009	2007-2008
Sales & Services	**1,173.79**	970.03
Profit before Depreciation, Tax & Exceptional Items	**5.41**	23.65
Less : Depreciation	**20.76**	12.37
Profit before Tax & Extraordinary Income	**(15.35)**	11.28
Less : Provision for Tax	—	1.80
Less : Provision for deferred tax	**2.11**	2.62
Less : Provision for fringe benefit tax	**0.13**	0.12
Profit after Taxation	**(17.59)**	6.74
Add : Extraordinary Income (Net of Tax)	**5.65**	28.82
Net Profit after Tax	**(11.94)**	35.56
Add : Balance brought forward from previous year	**21.32**	6.97
Amount available for appropriation	**9.38**	42.53
APPROPRIATIONS:		
General Reserve	—	15.00
Dividend on Preference Shares	**3.27**	3.28
Dividend on Equity Shares	**1.22**	2.03
Tax on Dividend	**0.76**	0.90
Surplus Carried to Balance Sheet	**4.13**	21.32
	9.38	42.53

DIVIDEND:

Yours Directors are pleased to recommend payment of dividend as under:

			(Rs. in Crore)
		2008-2009	2007-2008
(i)	6% (Rs.6/- per share) on 54,60,613 Redeemable Cumulative Preference Shares of Rs.100/- each	**3.28**	3.28
(ii)	6% (Re.0.06 per share) for the year under review as against 10% (Re.0.10 per share) on 20,29,82,800 Equity Shares of Re.1/- each for the previous year	**1.22**	2.03
	Total:	**4.50**	5.31

The total outgo on account of dividend and tax thereon amounts to Rs.5.25 Crore as against Rs.6.21 Crore in the previous year.

OPERATIONS:

During the year under review, your Company has recorded a total income of Rs.1,173.79 Crore (Rs.970.03 Crore for the Previous Year). Your Company has registered a Gross Profit of Rs.5.41 Crore (Rs.23.65 Crore for the Previous Year). Your Company has posted a Net Loss of Rs.11.94 Crore during the Current Financial Year (Profit of Rs.35.56 Crore for the Previous Year).

The operations of the oil division of your Company during the year under review were adversely affected primarily due to global economic and financial environment, resulting in steep fall in commodity prices and the consequent impact on the domestic business sentiments and the margins.

FUTURE OUTLOOK:

The infrastructure development especially in the fields of Storage facilities and transportation of Edible Oils, Petroleum; Liquid Bulk Chemicals, Agricultural Products etc present a huge growth opportunity in the long run.

Your Company has embarked on Agricultural Warehousing and Agri Marketing Infrastructure Project encompassing setting up of warehousing and marketing infrastructure at strategic rural locations. This will facilitate linking farmers, processors, consumers, supply chain solution providers and other stakeholders and ensure smooth flow of trade with minimal operational and logistics costs. Provision of scientific storage facilities and marketing infrastructure including facilities such as cleaning, grading, packing, testing etc will be beneficial for the farming and rural community in the long term and will result in better realizations of the produce for the farmers and promoting rural income. Your Company has already set up agricultural Warehousing centres in the state of Madhya Pradesh and is in the process of expanding further in the current year to over 20 rural hubs in the near future. Your Company expects to have better utilization of the facilities and margins in the coming years.

With the growing import volumes of edible oil to bridge the domestic demand – supply gap supported by conducive business environment , the capacity utilization of your Company's Edible Oil Refinery Unit at Kakinada, Andhra Pradesh is expected to be higher in the coming years, resulting in higher margins.

DIRECTORS:

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 82(1) of the Articles of Association of the Company, Shri Mahendra Prasad Sharma was appointed as an Additional Director on the Board of Directors of the Company with effect from 30th January, 2009. The Company has received a notice along with a deposit in terms of Section 257 of the Companies Act, 1956, from a member, proposing his candidature for the office of Director of the Company.

Further Shri Mahendra Prasad Sharma has been appointed as a Whole-time Director with effect from 30th January, 2009 in terms of Section 269 of the Companies Act, 1956 and in accordance with the provisions of Sections 198, 309 and 310 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956. He is an experienced professional with expertise in accounts, finance and general administration. He is 50 years old and possesses rich experience of 28 years. He is appointed for a period of 3 years with effect from 30th January, 2009 on the terms and conditions mentioned elsewhere in the Annual Report. The Board recommend his appointment for the approval of the members of the Company.

Shri Kanta Prasad Mandhana retires by rotation in accordance with the provisions of Articles of Association of the Company and being eligible, offers himself for re-appointment.

SUBSIDIARY COMPANIES:

The Report of Directors and Statement of Accounts of subsidiary 'Peninsular Tankers Pvt. Ltd., RIFL Energy Pvt. Ltd. and Ruchi Resources Pte. Ltd.' together with the Auditors' Report thereon, are attached. The requisite statement pursuant to Section 212 of the Companies Act, 1956, related to these subsidiary companies is also attached herewith.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a report on compliance of Corporate Governance is made as a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) the Directors have selected appropriate accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2008-2009 and of the loss of the Company for that period;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES:

Particulars of employees as required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the rules there under, form part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the shareholders of your Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy, may write to the Company Secretary of your Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information required under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public.

AUDITORS:

The Auditors M/s.M.M. Singla & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks and Stakeholders of the Company and look forward to their continued support. Your Directors also express their appreciation for the dedicated and sincere services rendered by the employees of your Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 28, 2009

DINESH SHAHRA
Director

ANNEXURE TO DIRECTORS' REPORT

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

I. CONSERVATION OF ENERGY:

The Company regularly monitors the consumption of energy and had taken effective steps to conserve energy in its manufacturing processes.

	Current Year 2008-2009	*Previous Year 2007-2008*
(A) Power and Fuel Consumption:		
1. *Electricity*		
(a) Purchased:		
Unit	**1,10,97,787**	*98,72,040*
Total Amount (Rs.)	**3,65,70,191**	*3,38,66,036*
Rate/Unit (Rs.)	**3.30**	*3.43*
(b) Own Generation:		
Through Diesel Generator		
Unit (KWH)	**4,39,413**	*1,68,650*
Units per Ltr. of Diesel Oil	**3.50**	*3.21*
Cost/Unit (Rs.)	**9.91**	*10.41*
2. *Fuel*		
(a) Husk:		
Purchased (Units MT)	**28,343**	*24,907*
Total Amount (Rs.)	**6,83,59,386**	*3,87,30,122*
Average Rate (Rs.)	**2,412**	*1,555*
(b) Diesel:		
Purchased (Units Ltr)	**25,723**	*45,156*
Total Amount (Rs.)	**8,91,937**	*14,96,277*
Average Rate (Rs.)	**34.67**	*33.14*
(B) Consumption per unit of production:		
Electricity (Unit)	**57.49**	*64.48*
Husk (MT)	**0.14**	*0.16*
Diesel (Ltrs)	**0.63**	*0.34*

II. TECHNOLOGY ABSORPTION :

(A) Research & Development (R & D)

1. *Specific areas in which R & D carried out by the Company:*

   a) Research & Development was carried out by making certain modifications in process by interesterification for conversion of high melting palm oil into low melting palm oil and finished product to have low trans.

   b) Carried out various experiments to arrive at best composition of blended oils and launched a new product "Soyyumm Gold".

2. *Benefits derived as a result of R & D:*

   a) Low melting point palm oil with low trans values are well accepted by institutions for further use in their bakery products resulting in higher volumes of institution sales.

   b) On successful launch of new product "Soyyumm Gold" market has started accepting the product and demand of this product is now increasing trend.

3. *Future plan of action:*

   a) Installation of heat recovery system through oil to oil heat exchanger in deodorizer for saving useful energy.

   b) Installation of evaporative ammonia condenser to increase the chilling capacity of cold rooms and votator.

   c) Installation of high capacity imported tin filling plant enhancing capacity of tin filling enabling us to meet high market demand of filled tins.

   d) Installation of high speed consumer packing machines to meet the higher demand of branded goods.

4. *Expenditure on R & D:*

   Expenditure incurred on Research & Development are charged under primary heads of Accounts and not allocated separately.

(B) Technology absorption, adaptation & innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation:

   a) Automation of Boiler operations.

   b) Installation of Duct in refinery plant.

   c) Carried out installation of (i) Cryostat Apparatus for D Value, (ii) Turbo Ventilators in Packaging Plant, (iii) New Jar Plant and New Tin Plant adjacent to Filing Section (iv) Newly designed fans in Vanaspati Cold Rooms and (v) Rancimat Apparatus.

2. *Benefits derived:*

   a) Reduction of fuel for generation of steam.

   b) Resulting in reduction of temperature in plant to the extent of 4-5^{0}C without consumption of power.

   c) (i) Installation of Cryostat apparatus for D value facilitated the Company to minimize the time along with maximum accuracy. (ii) Installation of turbo ventilators in packaging plant reduced ambient temperature resulting in healthy working and comfortable atmosphere. (iii) Installation of new jar plant and new tin plant adjacent to filling section has resulted in avoiding additional logistic, reduction of material movement and man hours. (iv) Installation of newly designed fans in Vanaspati cold rooms improved the Cooling capacity of Cold Rooms and reduced power consumption. (v) Installation of Rancimat Apparatus has reduced the time to study the shelf life period of the oil and analyze the finished product quality.

III. FOREIGN EXCHANGE EARNING & OUTGO :

(A)	**Foreign Exchange Earnings**	**(Rs.)**	**1,36,55,254**	*11,27,18,823*
(B)	**Foreign Exchange Outgo**	**(Rs.)**	**422,66,37,658**	*300,76,78,016*

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 28, 2009

DINESH SHAHRA
Director

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company is primarily engaged in the businesses of Storage infrastructure for handling bulk storage of liquid commodities such as edible oils, petroleum etc, Infrastructure Development and Refining of Edible oils and manufacture of Vanaspati.

In view of the growing linkages of India with the global economy, the volumes of external trade have been impacted due to global economic crisis, more particularly in the second half of the year 2008. The fluctuating demand and the intense competition also affected the revenues and margins of storage business. Keeping in view the focus of the Indian Government on the rural economy and the farm sector, the demand for storage facilities is expected to increase in future.

Commodity markets in general and agricultural commodities in particular have witnessed an unprecedented volatility with downward bias towards the last quarter of the year 2008. The fall in edible oil prices led to increase in per capita consumption and the absence of import duty on edible oils gave rise to rise in volumes of imports to meet the growing demand-supply gap. The domestic consumption of edible oil is estimated around 14.50 Million MT and approximately over a half of the same is met by imports. As edible oil has mass consumption, the growing disposable income also will entail higher consumption of edible oil in future.

INDUSTRY OUTLOOK

The existing infrastructure for storage of agricultural commodities has the propensity to scale up in the long run. The long term potential for growth in infrastructure and agriculture sectors is, therefore, promising and the demand for infrastructural requirements is likely to grow in future. The Government is making all measures to maintain growth momentum and to facilitate investments in infrastructure. Rural Infrastructure, in particular, has been identified as one of the priority sectors in view of the positive cascading impact that the growth in this sector entails on the other sectors of the economy.

Planning for expanding the procurement and storage platform is under way for the forthcoming Kharif season harvest. Utilisation of Agricultural Warehousing space is going to get a fillip with the proposed implementation of the Food Security Act. This will generate a demand for modern warehousing during the next 3-4 years. Food Security and Standard Authority of India has been established under the Food Safety and Standards Act. This Authority will lay down Regulations for manufacturing, storage and distribution of food on scientific lines. Compliance of these Regulations by Industry will call for scientific storage and the Project would have effective use

The Indian Edible oil sector is, by and large, a price conscious and price sensitive market as a substantial part of consumption takes place at the bottom end.of the pyramid. The propensity to consume also changes with the changes in prices of edible and availability of disposable income. With rising incomes, food remains an important item of expenditure to warrant large share of incremental spending. Edible oil is and will remain an important constituent of dietary plan despite varied eating habits and methods of cooking all over the country. The demand for edible oil in India is expected to grow to 21 million MT by the year 2015.

BUSINESS STRATEGY

Your Company believes that infrastructure development especially in the fields of Storage facilities for storage and transportation of Edible Oils, Petroleum; Liquid Bulk Chemicals present a huge growth opportunity for the future. Your Company has a presence in six ports, strategically located to cater to all major states in India. Further your Company also has storage terminals in five inland locations. Your Company has been operating in this field for over a decade a well established reputation in the industry. Our storage facilities are well connected to the railways to enable long distance supply and the port based facilities are integrated with ports to facilitate transportation by pipelines. We provide comprehensive and competitive supply chain solutions to our customers. We are one of the few companies in the bulk liquid infrastructure industry having operations across India.

Your Company has forayed into the field of Agricultural Warehousing and Rural Business Hubs, which would be guided by principles of Direct Sourcing from farmers, Cleaning, Grading, Packing, Processing, Scientific Storage and pro-actively promoting grading and standardization through capacity building and infrastructure creation. This project covers the entire gamut of activities like procurement, warehousing and aggregation of major agricultural commodities along with supporting services. The Main thrust areas have been identified as follows:

- Construction of modern and scientific Rural Business Hubs in the heart of agricultural production regions.
- Developing backward interaction with the farmers, to build a dedicated supply chain.
- Procurement of various agricultural commodities like soya, wheat, mustard, pluses for manufacturers, processors, crushers, millers and retailers.
- Value addition through grading, sorting and packaging.
- Providing a vital link in agricultural finance.
- Building a robust supply chain for Modern Format Stores - Providing various services to farmers such as soil testing, quality testing, and spreading awareness among the farming community by disseminating market prices, weather forecasts, information on soil, cropping and irrigation status.

The state of the art production facility of your Company for refining of Edible Oils and manufacture of Vanaspati is located at Kakinada in Andhra Pradesh State. This facility has the distinction of having certification of ISO 9001-2000 certifying the achievement of stringent quality parameters. Further we also have received certifications of ISO 14001-2004 for having established an environmental management system that is in compliance with the International Environment Management Standard and OHSAS 18000:1999 for establishing health and safety management system that is in compliance with these standards. These certifications reflect the continuing commitment of your Company to provide highest quality products at competitive terms while maintaining world class standards in Environment Protection and ensuring a safe working environment for all its stakeholders. Your Company has a significant market share in the states of Andhra Pradesh, Orissa and Chhatisgarh for Edible Oils and Vanaspati.

RISKS AND CONCERNS

The volatility in market conditions may increase the project cost for Infrastructure initiatives. However, your Company, drawing on its decade long experience in setting up of storage terminals across the length and breadth of India, will employ considerable skill in identifying the opportunities well in advance for acquiring /setting up the facilities at strategic locations in time, acquiring land at reasonable prices.

In the Edible Oil business, your Company has exposures to commodity and currency fluctuations on its major raw materials, a significant portion of which is imported. Your Company will continue to adopt proactive hedging strategies and utilize appropriate hedging mechanisms and instruments, on an ongoing basis.

Government policies play an important role in the business of your company. However, the policies announces by the Government have been progressive and are expected to remain so in future considering various factors including the infrastructural needs, inflation, economic growth and equitable view towards various stakeholders.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company continues to recognize the importance of risk management. Systems have been put in place at all levels to ensure optimum usage of resources and to minimize risks across all activities undertaken by your Company. The internal control systems are strengthered further in line with the operation of your Company to ensure that all transactions are carried out as per the documented policies, guidelines and procedures. The management reviews the potential risk factors on an ongoing basis and appropriate measures are taken to mitigate the risks.

FINANCIAL REVIEW AND ANALYSIS

		(Rs.in Crore)
	2008-2009	2007-2008
Sales & Services	**1,173.79**	970.03
Operating Profit (PBDIT)	**1.11**	16.92
Depreciation	**20.76**	12.37
Interest & Finance Charges	**(4.30)**	(6.73)
Profit before Taxation (PBT)	**(15.35)**	11.28
Less: Provision for tax	**2.24**	4.54
Profit after Taxation	**(17.59)**	6.74
Add: Extraordinary Income (Net of Tax)	**5.65**	28.82
Net Profit after Tax	**(11.94)**	35.56

REVENUE AND PROFIT

Sales and Services recorded a growth of 21%. Sales of Edible Oils Division grew by 21% to Rs.1,141.76 Crore as compared to Rs.945.19 Crore in 2007-2008. Sales of Infrastructure division grew by 80% to Rs. 29.02 Crore as compaired to Rs. 16.16 Crore in 2007-2008. Profit before Depreciation, Interest & Taxation (PBDIT) was Rs.1.11 Crore as against Rs.16.92 Crore in 2007-2008. Net Loss for the for the year stood at Rs.11.94 Crore as compared to Profit after Tax of Rs.35.36 Crore in 2007-2008.

The operations of your Company during the year under review were adversely affected primarily due to global economic and financial environment, resulting in steep fall in commodity prices and the consequent impact on the domestic business sentiments and the margins.

SEGMENT PERFORMANCE

The various segments Identified by your Company are Oils (Crude Oils, Refined Oils and Vanaspati), Infrastructure (Storage, Agri Warehousing, Real Estate and Wind Energy). The detailed Segment-wise Performance is given in Note 20 to Schedule 15 to the Audited Annual Accounts of the Company.