

Ruchi Soya Industries Limited

18th annual report 2003-04

Report  Junction.com





Dinesh Shahra - Managing Director

Our Vision

We will strive to become India's No.1 packaged goods company in related businesses of edible oils and soya based food products.

We will constantly explore innovative methods of driving growth & profitability.

We will maintain overall leadership position in the Edible Oil & Soya Food Industry.

Our promise to the consumer is to provide him/her with value for money product at the lowest cost with utmost quality assurance. We will continue our endeavour to fulfill the needs of consumer by continuous and thorough understanding of our consumer.

Finally as a leader in our business we promise to set high standards of conduct towards our company, customers and our country. Along with sustaining our growth & profits, we aim to continue to create better value for our shareholders, employees & customers.

Our Mission

We at Ruchi Soya Industries Limited believe and practice our commitment towards achieving excellence in Technology, Quality, Exports and Consumer Satisfaction. Through this we will maintain and further strengthen leadership in our operations.

CHAIRMAN

Kailash Shahra

MANAGING DIRECTOR

Dinesh Shahra

DIRECTORS

G. D. Bhatt

P. D. Nagar

P. S. Santhanakrishnan

S. P. Joshi

A. B. Rao

COMPANY SECRETARY

R. L. Gupta

AUDITORS

Modha & Pandit (Regd.)

COST AUDITORS

K. G. Goyal & Co.

WORKS

- Mangliagaon, A.B. Road, Indore (M.P.)
- Baikampady Industrial Area, Mangalore (Karnataka)
- Village Esambe, Taluka Khalapur, Distt. Raigad (Maharashtra)
- Haldia Industrial Growth Centre, WBIIDC Road, Durga Chowk, Haldia (West Bengal)

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

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

Dena Bank

Oriental Bank of Commerce

The Bank of Rajasthan Ltd.

Punjab National Bank

Bank of India

UTI Bank Ltd.

United Bank of India

Bank of Maharashtra

Syndicate Bank

Corporation Bank

Canara Bank

UCO Bank

The South Indian Bank Ltd.

The Karur Vysya Bank Ltd.

Vijaya Bank



Our Vision and Mission

Address From The Chairman

The World of Soya

World of Healthy Cooking Oils

Nutrela Bakery Services

Address From the Chairman

Dear Shareholders,

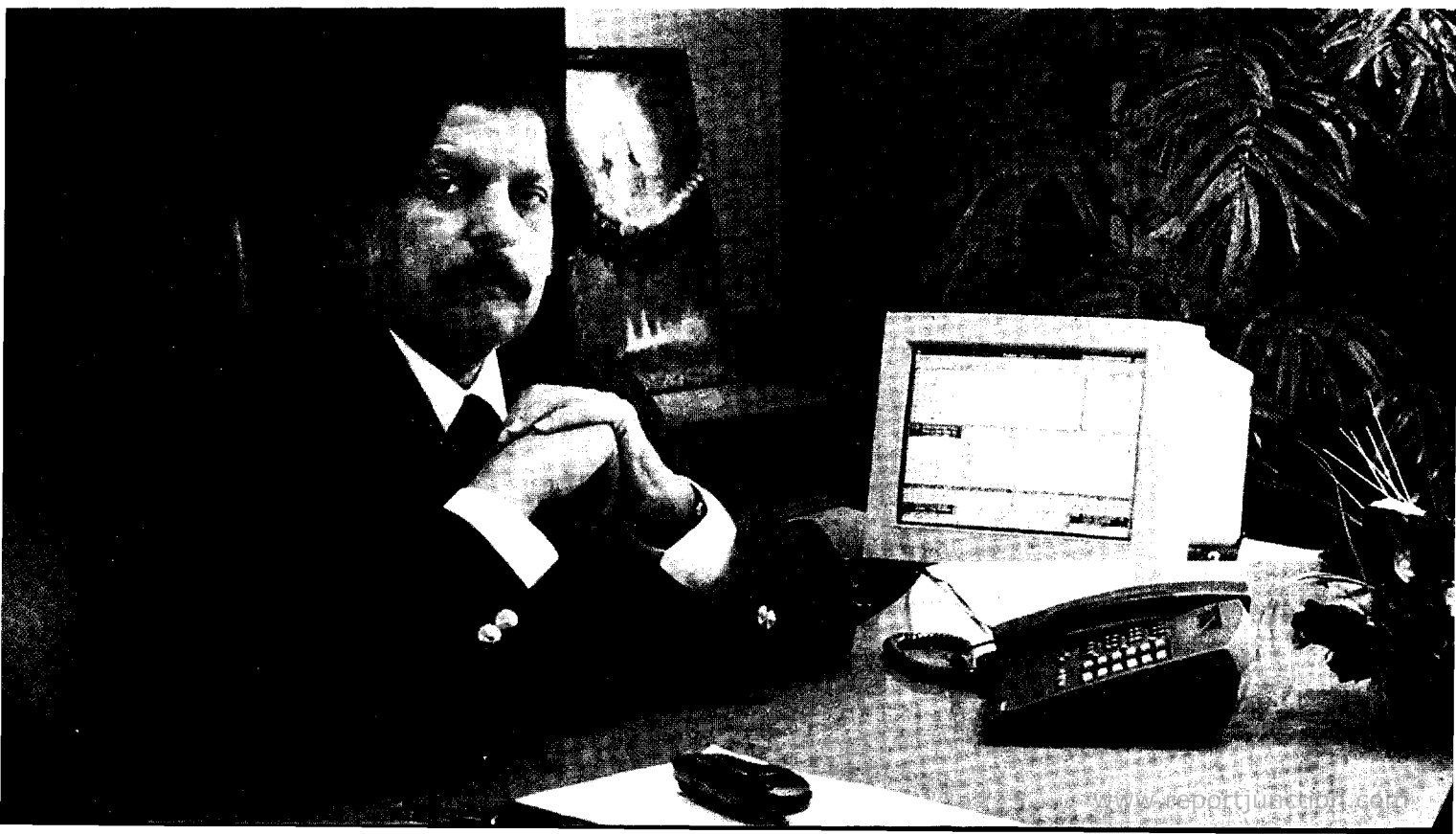
When I dwell on the year gone by, the only word I can think of is - CHALLENGING.

When winds of change are blowing some build shelter, we at Ruchi Soya Industries Limited build windmills. Such is the attitude, which will always ensure high altitude for your company.

So was the year gone where market has become more dynamic and competitive, has witnessed sea change in terms of changing consumer attitude and usage habits.

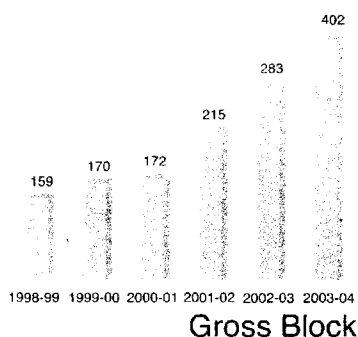
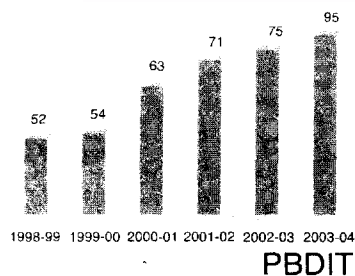
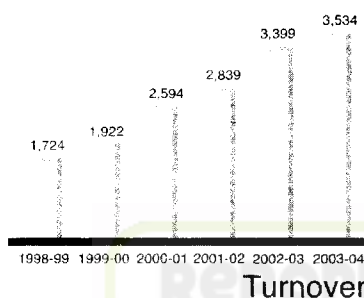
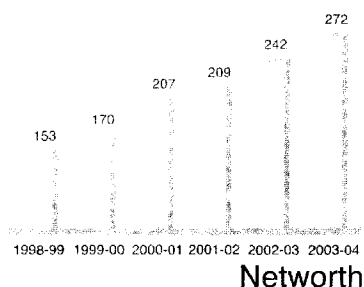
I am pleased to inform you in most humble words that we have progressed rapidly towards achieving our corporate vision and objectives. Your company has not only maintained its overall leadership in vegetable oils and Soya foods industry but has also devised a glide path for consistency in performance. Your company has implemented several initiatives encompassing marketing, product development, quality assurance, innovative packaging in order to further consolidate the leadership.

The vegetable oil industry is going through the shake outs where MNCs are aggressively expanding their foothold, which has resulted in ouster of small and local domestic refiners and crushers. Your company envisioned this years back and has built the largest infrastructure Pan India to counter the competition. In today's scenario of "survival of the fittest" our basic fundamental of cost efficiency, an urge to be adaptive to the modern practices, quality adherence and consumer focus have continued to pay back handsomely.



FINANCIAL HIGHLIGHTS

(Rs. in Crores)



Indigenous Soya food industry and domestic vegetable oil industry is cyclic in nature and offers low margin. However, the sustainability of superior corporate results in 2003-04 in this business is the reflection of endurance and progressive measures company has envisaged.

I am pleased to mention that during financial year 2003-04 your company has registered a turnover of Rs.3534 crores; against that of Rs.3399 crores during the previous financial year. The detailed operational and financial performance is furnished in the following pages.

With immense pleasure and pride I may mention that your company has been awarded the following excellence awards by SOPA (Soyabean Processors Association of India) for the second consecutive year.

1st Highest Manufacturer exporter, 1st Highest processor and 1st highest sale of textured vegetable protein (soya nuggets) and lecithin.

Your company firmly believes that *"To accomplish great things, we must not only dream, but act"*. In this year your company has further consolidated its marketing, logistics and distribution efforts and created a significant impression in consumer packs business of edible oils. Your company has responded to the growth in this segment by introducing Ruchi Gold and other Umbrella brand range of products in consumer packs; which we are sure will become the company's future growth drivers. This has been continually supported with incremental infrastructure initiatives in the form of portal refineries and crushing units at key locations.

Success comes to the person who does TODAY what you were thinking about doing tomorrow.

All these years our teams across the group have stretched incessantly to make the Ruchi Soya Industries Limited a great place to work in. Your company has truly dedicated employees at all levels across work functions. With your good wishes and faith in them we will continue to deliver long-term shareholder value.

The best way to predict future is to invent it. The inherent capabilities of our company to change with time assure sustained growth in years to come.

Kailash Shahra
Chairman



Soyabean has been acknowledged around the world as the unmatched leader amongst oil seeds for its nutritive qualities. It is acknowledged as the Protein King for its highest protein content besides having an abundance of mineral salts and vitamins. Soya is easy to grow, very nutritious and highly versatile. It not only provides protein rich balanced food for various categories of people of various age groups but also a healthy, nutritive alternative to number of food materials.

"According to Health Claim, 25gms of soya protein daily, lowers cholesterol levels, helping to avoid heart disease, and helps in reducing the risk of several types of cancer."

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Soya has many health benefits. It helps improve bone health (prevent osteoporosis), relieve menopausal symptoms, control diabetes among other benefits. Nutrela enjoys complete market leadership in the Soya product segment. The Nutrela range of Soya Foods include Nutrela Soya Chunks, Nutrela Soya Mini Chunks, Nutrela Soya Granules, Nutrela Proflo Defatted Soya Flour etc.

Nutrela - Delight of the kitchen

A 100% vegetarian product of high protein value, Nutrela could be easily used in a variety of dishes such as Stuffed Parathas, Kababs, South Indian Upma, Pulao, Peas Curry, Dahi Vada, Soup, Kheer, Sombrero Spread, Patties, Crispy Samosas, Burgers etc., thereby enhancing their nutritional value. It is also used as an excellent meat extender, enabling the non-vegetarians to beat the high cost of raw/cooked meat products. It has also been proved that Nutrela used as a meat substitute is more nutritious and healthy than meat.



Nutrela High Protein Soya Chunks and Granules

Nutrela High Protein Soya Chunks and Granules are hundred percent vegetarian. Made from 100% pure NON-GMO soyabeans. It is a protein rich diet for complete nutrition and a healthy food for young and old. It is perfect for preparing multiple dishes with appetizing flavour. It is also ideal for diabetics and heart patients. Nutrela Soya Chunks and Granules are available in bulk and consumer packs.

Nutrela PROFLO Protein Rich Soya Flour

Nutrela Proflo protein defatted Soya Flour was launched in July 2003. Only choicest golden soyabeans go into our ultra modern plant to make a superior quality Nutrela Proflo soya flour. Protein content (52%) in Proflo is the highest amongst all food items. Proflo is a good source of vitamins and is abundant in minerals like Zinc, Calcium, Phosphorus and Magnesium, which are essential for strong bones. It contains almost all essential amino acids for forming body tissues repairing damages and providing vigour.



World of Healthy Cooking Oils

Besides being the market leader in soya food brands, Ruchi offers a variety of top quality cooking oils, to meet your every need. Ruchi Soya has also been named 'India's No. 1 Vegetable Oil Company' (CMIE 2003), for three consecutive years.



Besides its undisputed leadership in bulk oil sales Ruchi has made aggressive strides in the consumer packs category. The company has used its market understanding to develop an effective marketing and communication mix to further its brands. It has also innovated and experimented with pack sizes by introducing value for money 200ml pouches in select markets to get loose oil users into the Ruchi Quality fold. The brand portfolio includes leading edible oil and vanaspati brands like Soyumm Soyabean Oil, Sunrich Sunflower Oil, Mandap Mustard Oil and Ruchi Gold range of Oils.

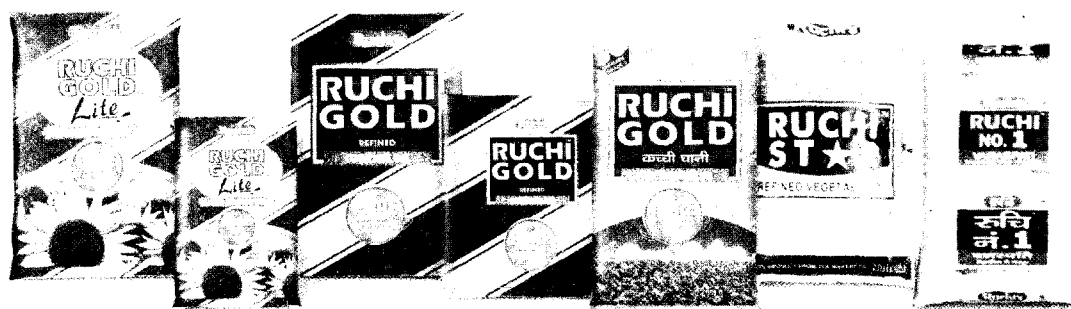
Soyumm, our refined soyabean oil brand has been revamped with refreshingly new high-quality laminated packaging. From the window on the pouch, the consumer can look at Ruchi's 'Seal of Quality' through the crystal clear oil. The bright and attractive outer package also gives better visibility to the product.

Sunrich refined sunflower oil is light in taste and appearance. It supplies more Vitamin E, than any other vegetable oil. Since it has zero cholesterol levels, it is an excellent choice as a cooking oil and its versatility is recognised by consumers and chefs alike. Sunrich is valued for its light taste, frying performance and health benefits.

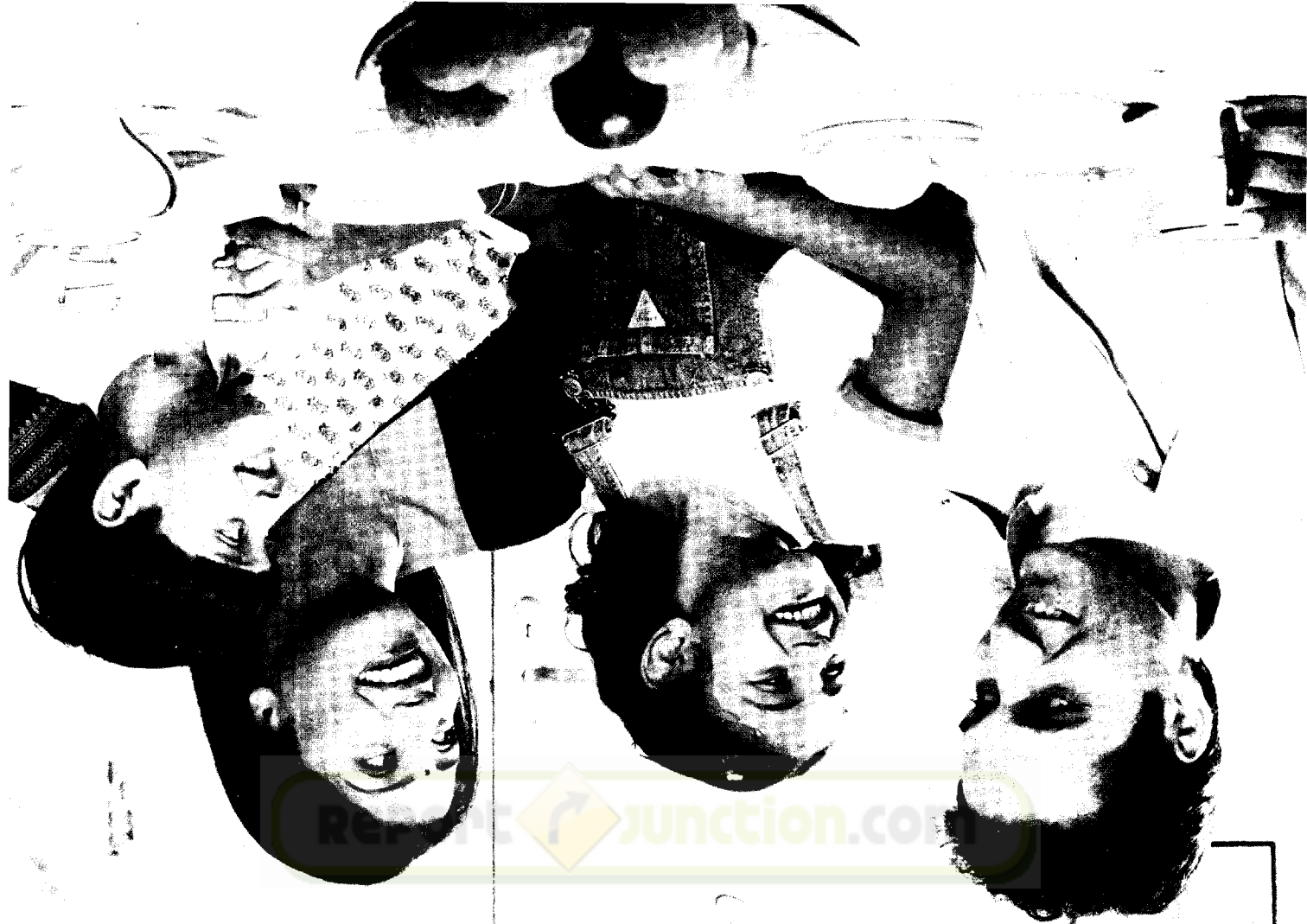
Mandap Mustard Oil (Kachchi Ghani) is made from the first press of the finest mustard seeds, preserving their aroma and flavour. Besides being used to cook delicious mouth-watering food Mandap also works well as preservative and is used for flavouring pickles and chutneys. It is also used for flavouring both Indian and western recipes. Mandap is also very reasonably priced and has a long shelf-life.

Nutrela Vanaspati is the popular choice for homes, hotels and food industries. Nutrela Vanaspati is manufactured in an ultra-modern highly sophisticated plant to ensure the highest quality and delicious taste for which it is known. It is available in consumer packs as well as bulk packs.

Ruchi No. 1 Vanaspati is the trusted choice for your nutrition and taste. It is a true multi-purpose cooking medium that contains vitamins A and D among other healthy ingredients. The light vanaspati adds taste to the food.



Ruchi Gold: The company has developed "Ruchi Gold" as an umbrella brand for its popular range of cooking oils and has launched several variants under the brand name. The Ruchi Gold popular range includes, Ruchi Gold Refined cooking oil, Ruchi Gold Lite Refined Sunflower oil and Ruchi Gold pure mustard oil. It is positioned on the purity promise "As Pure as 24 Carat Gold". Ruchi Gold has already acquired a leadership position in the market. In fact it is the largest selling refined palmolein oil brand today. As a part of the umbrella expansion, Ruchi Gold has made inroads in other oil categories including light oils. Major developments include the introduction of attractive transparent laminate packaging for Ruchi Gold Lite as a proof of our confidence in the quality of the product.



Nutrela Bakery Services