



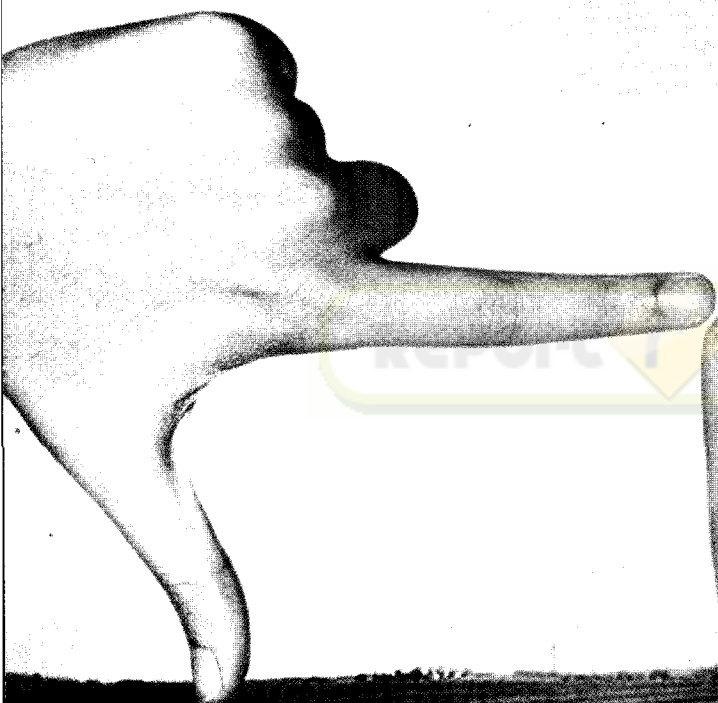
"Smile"



**RUCHI SOYA INDUSTRIES LTD.**

19th Annual Report 2004-2005

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India's fastest growing  
health food company is  
**F**OCUSED ON YOU

Walk. Run. Laugh. Laze. Sing. Dance.

Work. Love. Jump. Climb. Relax. Drive.

Leisure. Swim. Paint. Fly. Ride. Sail. Jog.

Sit. Swing. Tease. Giggle. Think. Meditate.

Accomplish. Succeed. Grow. Live. Enjoy...

We are focused on your health.

So you can focus on life.

We are **F+OCUSED ON GROWTH. HEALTHY GROWTH."**



**Dinesh Shahra**

Managing Director

Report  Junction.com

## Vision Statement

We will strive to become India's no.1 packaged goods company in related business of edible oils and soya based food product.

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 a value for money product at the lowest cost with utmost quality assurance. We will continue our endeavor to fulfill the needs of consumer by continuous & thorough understanding of our consumer.

Finally, as a leader in our business we promise to set high standards of conduct towards our company, customers & 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.



## Address from the Chairman



Dear Shareholders,

Growth is the sign of life. The growth, which is driven by new ventures, innovations, strategic restructuring and re-engineering the internal & external value chain, is the sustainable growth. There are words of wisdom which I recollect when I analyze the year gone by "Your ability will make you reach the top but it is your character which will decide if you can remain at the top." And how true it has been for Ruchi Soya Industries Ltd. Ruchi Soya has acquired new heights by becoming the fastest growing FMCG company in India. This year marks the arrival of Ruchi in dynamic world of fast moving consumer goods.

Your company has put up the glide path to further enhance this growth and leadership position in edible oils & soya based food products. Our deep roots in local cultures and markets give us our strong bonding with consumers and are the foundation of our growth. Asset sweating, maximising operational efficiencies and tight rein on the costs wherever possible continue to be the hallmark of your company. To amplify the bottom line your company has acquired extraordinary standards for Quality Adherence, Productivity and Consumer insights. This has enabled us to deliver value added products that provide innovative consumer offering.

The macro economic performance of India as growing economy has turned out to be stronger than anticipated. Upsurge of economic reforms is resulting into increased propensity to consume. Natural upgradation is happening from oil commodity to consumer pack labels, from labels to Brands, from Brands to value added products. This is further fuelled by the increasing health and wellness awareness amongst consumers in every

THE PRIMARY FOCUS WILL BE TO UNDERSTAND WHAT ADDS GREATEST VALUE TO CUSTOMERS.

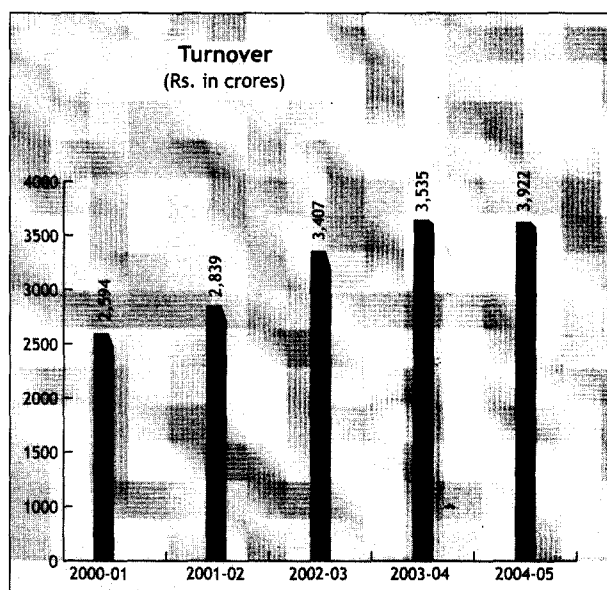
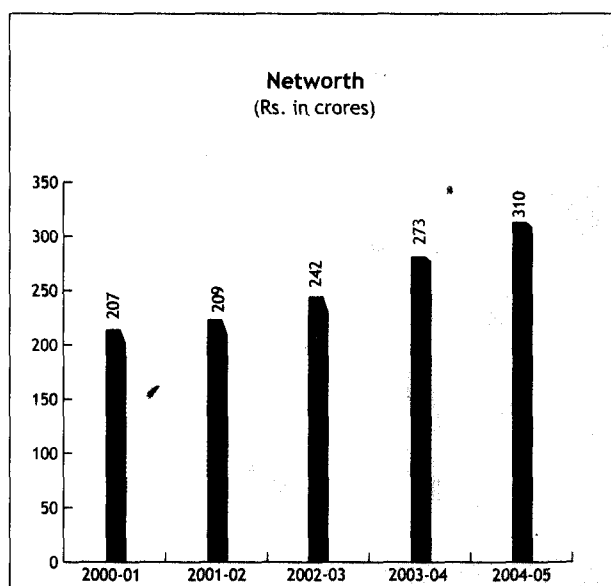
sphere of life with edible oil not being an exception. Ruchi envisioned this few years back and has responded with range of products catering to each segment and tailor made products to suit each of the consumer needs. Your company very well knows "Trends are like horses, are easier to ride in the direction they are going" This has ensured that even in the phase of transition from commodities to branded goods, Ruchi remains the strongest player in terms of Growth, Market share & Profitability. I am pleased to mention that during the financial year 2004-05, your company has registered a turnover of Rs. 3922 Crores; reporting a growth of 10.95% over 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 second consecutive year. 1st Highest processor, 1st highest seller of Textured Vegetable Protein (Soya nuggets) and 1st Highest seller of Soya oil in consumer pack. Ruchi Soya has been adjudged the fastest growing company in Refined oil consumer packs by AC Nielsen Org Retail Audit data for the year April'04 to March'05 (March'05 M.A.T. All India U+R). Ruchi Soya has been awarded GLOBOIL GOLD Award by Globoil India for its outstanding performance in export of Oilmeals for year 2004. Ruchi Gold refined Palmolein oil has consolidated its leadership within Refined Palmolein oil category with 80% market share for the year ended March 05.

Ruchi Soya Industries Ltd took a leap ahead in the premium segment of edible oils by introduction of healthy cooking oils under Nutrela brand umbrella, wherein Nutrela Refined Sunflower & Soyabean oils are the first & only oils in India, which are enriched with Vitamins A, D & E. Nutrela has remained the most consumed & trusted brand within packaged soya based foods with undisputed leadership.

The vegetable oil industry has witnessed ouster of small and local domestic refiners and crushers after invasion of MNCs which has led to polarization within the industry.

## FINANCIAL HIGHLIGHTS



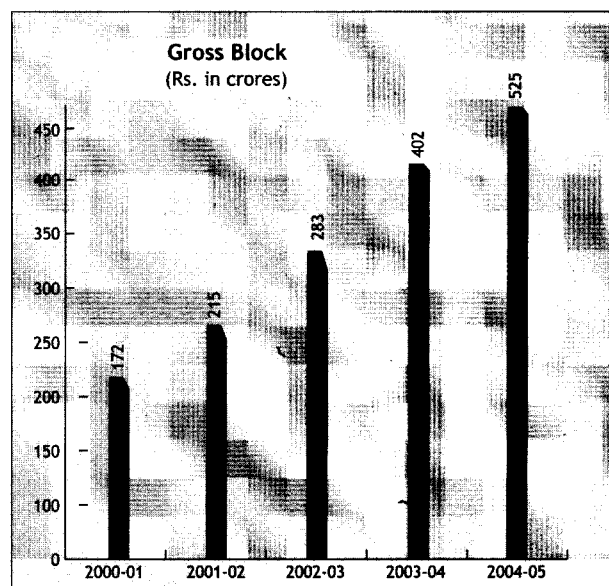
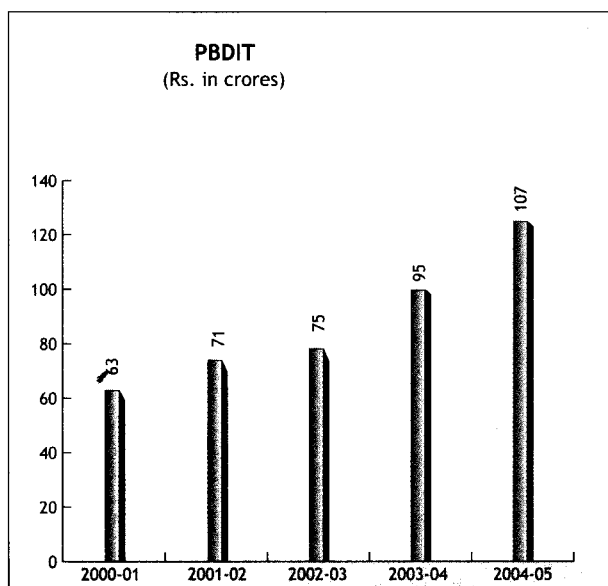
Don't fix the roof when it rains is the wisdom we preach. We paid attention to fixing our roof & foundation few years back. When going gets tough, the tough gets going; the mantra followed by your company has made us a player with the largest refinery base pan India.

We have added crushing and refining capacity at Nagpur in Maharashtra and Sujalpur in Madhya Pradesh. This is an endeavor to further consolidate the logistics and back value chain. Our existing refineries too have been modernized to be more responsive to meet consumer demand and to ensure stringent quality norms. These incremental infrastructure initiatives, operational & strategic decisions will ensure a long-term growth in this highly cyclic & low margin industry of edible oils & soya based food products.

The wealth of the company is created by the patronage of consumers. The primary focus will be to understand what adds greatest value to them. We will understand & respond to changing needs & latent desires of the consumers and translate these into marketable products which will create ever-expanding base of loyal consumers. The future of the organisation rests on willingness to experiment. Extra ordinary people don't do extra ordinary things but they do things extra ordinarily, devise uncommon ways and take calculated risks. Our teams across all functions are guided & motivated to deliver innovations and in process deliver long-term shareholder value.

I am sure that a healthy dissatisfaction with status quo and making our own rules will propagate the growth. No matter how big or small our contributions, we will continue to learn, to share and to touch new horizons. For your best wishes and faith shown in our capabilities, profitable growth has become and will remain a continuous process at Ruchi Soya Industries Limited.

**Kailash Shahra**  
Chairman





## FOCUSED ON GROWTH

*G*rowth has always been synonymous with Ruchi. Since its inception, the company has constantly surged ahead of its times spreading nationally as well as globally, with its array of world - class products that have made Ruchi the fastest growing FMCG company in India (AC Nielsen ORG Retail Audit data for the year April'04 to Mar'05). Today, with its innate manufacturing and logistic advantages and knack of doing the right thing at the right time, Ruchi is moving fast forward into the branded sector. One of the key areas that is opening new avenues of growth is the Palmolein oil category.



so you can...

# FOCUS ON LIFE

## The Healthy and Nutritious World of Palm Oil



Palm oil is obtained from the flesh ("mesocarp") of the oil palm fruit. Like olive oil, palm oil is a fruit oil and each palm fruit produces about 90% palm oil and 10% palm kernel oil. It has a balanced composition of both saturated and unsaturated fatty acids, coupled with nature's gift of high vitamin E content, the oil is naturally very stable.

Palm oil is particularly rich in saturated palmitic acid (44%), with substantial amounts of the mono-unsaturated oleic acid (40%), and smaller amounts of poly-unsaturated fatty acids (10%). It provides a valuable source of beta-carotene and Vitamin E.

Palm oil has had a history of food use of over 5,000 years and this major oil is currently consumed in over 130 countries worldwide.

After fractionation of the palm oil, the liquid portion is called "palm olein" which is commonly packed and sold as cooking oil. As the consumption pattern is shifting from loose oil to consumer packs of edible oil, refined palmolein oil will fuel growth of the category.

## Ruchi Gold...Leading the Way

Undisputed leader in refined palmolein oil, Ruchi Soya Industries Ltd revolutionised the category with its brand "Ruchi Gold". Ruchi Gold Refined Palmolein Oil has right balance of saturated and unsaturated fatty acids that make it an ideal choice for a healthy and sumptuous meal. It is rich with the benefits of natural vitamins which blend taste to the food without compromising on health. It truly represents the "symbol of purity" and is available in its landmark glistening golden colour.

Ruchi Gold has 80% market share in the refined palmolein oil category, a leadership that has remained unchallenged over the past four years.

Ruchi Gold is the fastest growing brand in refined oil consumer packs and has become the growth driver not only for the company but the ROCP category. In order to leverage equity of Ruchi Gold it has been extended to other categories such as mustard and sunflower. Ruchi Gold Lite Sunflower Oil and Ruchi Gold Mustard Oil, are two value for money offerings from Ruchi that are rapidly gaining recognition among consumers.

Whether it is with consumers or vendors, Ruchi Gold has succeeded to make a mark and be the most preferred choice in oils, due to its assurance of purity, quality and taste.







## FOCUSED ON INNOVATION

*I*nnovation we believe is more than a new method. It is a new way of thinking and a reform that can help create a better future. Therefore it is this power of innovation that we have tried to harness at Ruchi to bring changes for the better.

When we launched Soya chunks and granules, it was an innovative, first-of-its-kind product. Now our focus is on edible oils with a unique proposition of enriching them with vitamins.