Ruchi Soya Industries Limited

Registered Office : 408, Tulsiani Chambers, Nariman Point, Mumbai 400 021

Notice

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Ruchi Soya Industries 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 10.30 A.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 togetherwith the reports of the Directors and Auditors thereon.
2. To confirm dividend on Preference Shares and to declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Kailash Shahra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. B. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 :

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

   "**RESOLVED THAT** Mr. V. K. Jain, who was appointed as an additional director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 148 of the Articles of Association of the Company and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Article of Association of the Company, the approval of the members of the Company be and is hereby accorded for appointment of Mr. V. K. Jain as Director (Commercial) on the terms and conditions as mentioned in the explanatory statement to this resolution.

   RESOLVED FURTHER THAT Mr. A. B. Rao, Director (Legal) and Mr. R. L. Gupta, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, and things as may be necessary in this regard."

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

   "**RESOLVED THAT** Mr. N. Murugan, who was appointed as an additional director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, read with Article 148 of the Articles of Association of the Company and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT Mr. A. B. Rao, Director (Legal) and Mr. R. L. Gupta, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, and things as may be necessary in this regard."

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

   "RESOLVED THAT approval of members of the Company be and is hereby accorded to ratify the payment of remuneration of Rs.3,00,000/- (Rupees Three lacs only) made to Mr. A.B. Rao, Director (Legal) during the financial year 2008-09 as performance pay for the financial year 2007-08."

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

   "RESOLVED THAT approval of members of the Company be and is hereby accorded to ratify the payment of remuneration of Rs.2,00,000/- (Rupees Two lacs only) made to Mr. S.P. Joshi, (Ex-Director) during the financial year 2008-09 as performance pay for the financial year 2007-08."

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

    "**RESOLVED THAT** in terms of applicable provisions of the Companies Act, 1956, the approval of members of the Company be and is hereby accorded to re-classify the existing Authorised Share Capital of the Company of Rs.120,00,00,000/- (Rupees One hundred and twenty crores only) consisting of 30,00,00,000 Equity Shares of Rs. 2/- each and 60,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each, into 50,00,00,000 Equity Shares of Rs.2/- each and 20,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each.

    RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing clause V of Memorandum of Association of the Company be and is hereby amended and substituted by the following clause V :

    V. The Authorised Share Capital of the Company is Rs.120,00,00,000/- (Rupees One hundred and twenty crores only) divided into 50,00,00,000 Equity Shares of Rs.2/- each and 20,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each.

    RESOLVED FURTHER THAT Directors and Company Secretary of the Company be and are hereby severally authorised to file necessary forms etc. with the concerned authorities and to do all such acts, deeds, matters and things as may be considered necessary in this regard."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

    "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, such Act being referred to as the `Act'), the applicable provisions of Foreign Exchange Management Act, 1999 (`FEMA'), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, provisions of Issue of Foreign Currency Convertible Bonds

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and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, Chapter XIIIA of SEBI (DIP) guidelines and other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India (`SEBI') and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India, and all other authorities as may be required, whether in India or outside India, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the `Board' which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized at its absolute discretion to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to one or more persons as the Board may determine at its absolute discretion, whether or not they are members of the Company, including but not limited to domestic investors/foreign investors whether having presence in India or not / institutional investors / foreign institutional investors, members, employees, non-resident indians, companies or bodies corporate whether incorporated in India or abroad, trusts, mutual funds, banks, financial institutions, insurance companies, pension funds, individuals or otherwise, whether shareholders of the Company or not, through a public issue, rights issue, preferential issue and / or private placement, with or without an over-allotment option, with or without reservation on firm and / or competitive basis of such part of the issue for such person or categories of persons as may be permitted, equity shares and/or equity shares through depository receipts including Foreign Currency Convertible Bonds and / or Global depository Receipts and / or American Depository Receipts and / or Qualified Institutions Placement (QIP) and / or any other securities convertible into equity shares at the option of the Company and / or holder(s) of the securities and / or securities linked to equity shares and/ or securities with warrants including any instruments or securities representing either equity shares and / or Foreign Currency Convertible Bonds or convertible securities or securities linked to equity shares or equity shares / fully convertible debentures / partly convertible debentures or any securities, which are convertible or exchangeable with equity shares at a later date (hereinafter, collectively referred to as "Securities"), secured or unsecured, listed on any Stock Exchange inside India, through an offer document and /or prospectus and / or offer letter and / or offering circular and / or information memorandum and / or any other offering document(s) including an umbrella or shelf offering document and / or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, for an aggregate amount not exceeding Rs.1,000 crores (Rupees One thousand crores only), inclusive of such premium from time to time, such issue and allotment to be made at such time or times in one or more tranches, in one or more currencies, at such price or prices in such manner and where necessary in consultation with the lead managers and / or underwriters and / or stabilizing agents and / or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide at the time of issue of Securities with or without any green shoe option, through an offer document and / or information memorandum as the Board in its sole discretion decide.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid offer/issue of securities may have all or any terms or combination of terms in accordance with the prevalent market conditions including but not limited to terms and conditions relating to payment of interest, dividend, premium or redemption at the option of the Company and / or the holders of the securities including terms for offer/issue of additional equity shares or variation of the conversion price or period of conversion of securities in to equity shares or terms pertaining to voting rights or option(s) for early redemption of securities and the Board be and is hereby authorized to determine the form, terms, timing of the offer(s)/issue(s) including the class of investors, number of securities to be issued and / or allotted in each tranche, offer/issue price, face value, premium amount on issue/ conversion of securities, redemption of securities, rate of interest, redemption, period, listing on one or more Stock Exchanges in India or overseas as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities and to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the said offer(s) / issue(s) of securities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to offer, issue and allot such number of ordinary equity shares ranking pari-passu, inter-se, with the then existing ordinary shares of the Company in all respects from time to time as may be required to be issued and allotted upon exercise of conversion option by the holder(s) of the securities in accordance with the terms of the issue of securities.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Act and subject to all necessary approvals, to the Board to secure, if necessary, all or any of the above Securities to be issued by the creation of mortgage and / or charge on all or any of the Company's immovable and / or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board and / or any entity, agency or body authorized and / or appointed by the Board may, upon issue of such Securities, issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations in or under such form and practices as may be prevalent in the international market.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing there from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue /offer or allotment or conversion of the aforesaid Securities, listing thereof with any of the international / domestic stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue/offer, allotment and conversion of any of the

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aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 and other prevailing laws, rules and regulations as applicable from time to time and subject so such consents, sanctions and permissions as may be required from the appropriate authorities, approval of members of the Company be and is hereby accorded to increase the limit of investment by Foreign Institutional Investors (FIIs) in the equity share capital of the Company upto 49% of the paid up equity share capital of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary in this regard."

By order of the Board of Directors

Registered Office :

Ruchi Soya Industries Ltd.
408, Tulsiani Chambers,
Nariman Point,
Mumbai – 400 021
Indore, August 29, 2009

R.L. GUPTA
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 of the Company. 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. Explanatory statements pursuant to provisions of section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under Item No. 6 to 12 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 19th September, 2009 to Wednesday, the 23rd September, 2009 (both days inclusive) to ascertain the entitlement of dividend declared, if any.
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 copies of the Annual Report at the time of attending the Annual General Meeting.
6. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of 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 Annual General Meeting so as to enable the management to keep the information ready at the meeting.

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

Item No. 6 :

Mr. V. K. Jain was appointed as an additional director of the Company on 27th July, 2009 by the Board of Directors of the Company. He is a Bachelor of Science and holds Diploma in Business Management. He is associated with Ruchi group for more than two decades and possesses rich experience in matters related to imports, exports and commercial activities. He is 52 years old.

In accordance with the provisions of Section 260 of the Companies, Act, 1956, the term of Mr. V. K. Jain as the additional director would expire on the forthcoming Annual General Meeting. Notice for his candidature as director has been received from a member of the Company, with a deposit of Rupees five hundred in terms of provisions of Section 257 of the Companies Act, 1956. He may be appointed as director, not liable to retire by rotation.

The Board of Directors also appointed Mr. V. K. Jain as Director (Commercial) in terms of provisions of Section 269 of the Companies Act, 1956, for a period of three years with effect from 27th July, 2009 on the following terms and conditions :

1.	Basic salary	:	Rs. 38,610/- per month.
2.	Personal Pay	:	Rs. 18,250/- per month.
3.	House Rent Allowance	:	Rs. 18,750/- per month.
4.	Medical expenses	:	Reimbursement of expenses incurred for self and family are subject to a maximum of Rs.1,250/- per month.
5.	Education expenses	:	Reimbursement of expenses incurred for children's education subject to a maximum of Rs. 500/- per month.
6.	Leave travel expenses	:	As per policy of the company subject to a ceiling of two months salary in a year.
7.	Provident Fund	:	Company's contribution towards Provident Fund as per the policy of the Company for the time being in force.
8.	Gratuity	:	As per policy of the Company but shall not exceed one half months salary for each completed year of the service.
9.	Bonus	:	As per policy of the company but shall not exceed Rs. 3,216/- per month.

10. Reimbursement of entertainment expenses subject to a maximum of Rs. 5,000/- per month.
11. Reimbursement of magazine expenses subject to a maximum of Rs. 1,500/- per month.
12. Reimbursement of vehicle maintenance expenses subject to a maximum of Rs. 12,500/- per month.
13. Ex-gratia subject to a maximum of Rs. 4,506/- per month.

The appointment of Mr. V. K. Jain as a Director (Commercial) and his remuneration is in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and 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 Director (Commercial) 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 Mr. V. K. Jain is interested in the resolution.

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Item No. 7 :

Mr. N. Murugan was appointed as an additional director of the Company on 27th July, 2009 by the Board of Directors of the Company. He is an M.Sc. and MBA. He is retired I. A. S. officer and has headed different departments in Central Government, State Government and PSUs. He is 63 years old.

In accordance with the provisions of section 260 of the Companies, Act, 1956, the term of Mr. N. Murugan as the additional director would expire on the forthcoming Annual General Meeting. Notice for his candidature as Director has been received from a member of the Company, with a deposit of Rupees five hundred in terms of provisions of section 257 of the Companies Act, 1956. The Board of Directors recommends the proposed resolution as mentioned in item no.7 for your approval.

None of the Directors, except Mr. N. Murugan is interested in the resolution.

Item No. 8 :

The members of the Company had approved remuneration of Mr. A. B. Rao, Director (Legal) at their Annual General Meeting held on 30th September, 2008. However, a payment of Rs. 3,00,000/- (Rupees three lacs only) was made to him as performance pay in excess of the remuneration approved by the members of the Company. Approval of members of the Company is solicited to ratify such excess payment of remuneration to him. The Board of Directors recommends the proposed resolution for your approval.

None of the Directors, except Mr. A.B. Rao is interested in the resolution.

Item No. 9 :

The members of the Company had approved remuneration of Mr. S. P. Joshi (Ex - Director) at their Annual General Meeting held on 30th September, 2008. However, a payment of Rs. 2,00,000/- (Rupees two lacs only) was made to him as performance pay in excess of the remuneration approved by the members of the Company. Mr. S. P. Joshi has resigned from the Board with effect from 27th July, 2009, however, approval of members of the Company is solicited to ratify such excess payment of remuneration to him. The Board of Directors recommends the proposed resolution for your approval.

None of the Directors is interested in the resolution.

Item No.10 :

Presently the authorised share capital of the Company is Rs.120,00,00,000/- (Rupees One hundred and twenty crores only) divided into 30,00,00,000 Equity Shares of Rs. 2/- each and 60,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each.

It is proposed to re-classify the authorised share capital of the Company as mentioned in the resolution in agenda item no.10 to facilitate potential issue of securities, being proposed for approval of members in agenda item no.11 of this Notice.

Necessary changes in the capital clause of Memorandum of Association of the Company are also envisaged in the resolution proposed in agenda item no.10. Such re-classification in capital clause and corollary changes in capital clause of Memorandum of Association require approval of shareholders of the Company in accordance with the provisions of Section16 of the Companies Act, 1956.

The Board of Directors recommends the resolutions for your approval. None of the directors is interested in the resolution.

Item No. 11 :

To achieve over-all objective of sustained growth and wealth maximisation, the Company requires funds in order to part finance backward integration, acquisitions of production facilities, inorganic and organic business plans, brand initiatives including acquisition of brands, capital expenditures, working capital purposes and general operational and corporate needs of the Company from time to time.

Considering the funding needs, it is proposed to offer, issue and allot, equity shares and / or other equity linked securities and / or securities convertible into equity shares, at later date, and / or Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Foreign Currency Convertible Bonds (FCCBs) and / or Qualified Institutions Placement (QIP), up to a sum not exceeding Rs.1,000 crores (Rupees One thousand crores only) in one or more tranches on such terms and conditions as the Board may decide, subject to compliance of the applicable laws, rules and regulations.

In terms of the requirements of Section 81(1A) of the Companies Act, 1956, the said offer and issue of equity shares and / or securities with conversion option for converting the said securities into equity shares would require consent and approval of the shareholders of the Company. In terms of Section 293 (1)(a) of the Companies Act, 1956 the approval of shareholders of the Company is also solicited for creation of charge/mortgage over assets of the Company, if necessary for the purpose.

None of the Directors of the Company is, in any way, concerned or interested in the resolution except in the capacity of the Shareholder(s) of the Company.

Item No. 12 :

The provisions of FEMA (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 allow Foreign Institutional Investors (FIIs) to invest in equity shares of an Indian Company, including their sub-accounts upto 24% of the Company's paid up equity share capital. This limit of 24% may be increased by way of passing a special resolution at the general meeting of the Company. The members of the Company had approved such investment upto 40% of the paid up capital of the Company vide their special resolution passed in an earlier general meeting of the members.

Owing to the trust bestowed by FIIs in the Company, it is proposed to increase the said limit upto 49% of the paid up equity share capital of the Company. Participation by FIIs in the shareholding will be beneficial for the Company having regard to the business growth plans drawn by the Company across the globe. The Board recommends the members to pass the resolution as a Special Resolution.

None of the Directors is interested or concerned in the said resolution.

By order of the Board of Directors

Registered Office:
Ruchi Soya Industries Ltd.
408, Tulsiani Chambers,
Nariman Point,
Mumbai – 400 021

R.L. GUPTA
Company Secretary

Indore, August 29, 2009

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Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Statement of accounts of your company for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	2008-09 (Rs. in crore)	2007-08 (Rs. in crore)
Sales and other income	**12,209.51**	11,068.81
Profit before depreciation and tax	**236.51**	328.47
Depreciation	**85.76**	74.73
Profit before taxation	**150.75**	253.74
Provision for taxation	**52.30**	86.11
Provision for tax for earlier years	**5.17**	8.40
Profit after taxation	**93.28**	159.23
Balance brought forward from previous year	**291.18**	170.29
Amount available for appropriation	**384.46**	329.52
APPROPRIATION		
General Reserve	**25.00**	25.00
Debenture Redemption Reserve	**—**	0.18
Proposed dividend - Preference	**1.81**	1.81
- Equity	**10.94**	9.44
Tax on dividend	**2.16**	1.91
Surplus carried to Balance Sheet	**344.55**	291.18
	384.46	329.52

DIVIDEND :

Your Directors have paid interim dividend of 4% amounting to Rs.1.81 crore (Previous year final dividend being Rs.1.81 crore) on 45,24,285 Redeemable Cumulative Preference Shares of Rs.100/- each for the financial year under review. Such shares were redeemed on 22nd June, 2009 along with payment of pro-rata interim dividend of Rs.0.41 crore for the financial year 2009-10.

Your directors recommend dividend of 25% (Re.0.50 per share on face value of Rs.2/-) on equity capital of Rs. 43.76 crore (including the increase in the share capital of Rs.6 crore during the month of July, 2009) for the year under review as against 25% (Rs.0.50 per share on face value of Rs.2/-) paid on equity capital of Rs.37.76 crore for the previous year. The total cash outgo on account of dividend and tax thereon amounts to Rs.14.91 crore as against Rs.13.16 crore in the previous year.

OPERATIONS :

During the year under review, the sales and other income of your Company have increased to Rs.12,209.51 crore from Rs.11,068.81 crore in the previous year, recording a growth of over 10%. Your Company recorded Profit before depreciation and tax of Rs.236.51 crore against Rs. 328.47 crore in the previous year. Profit after tax of Rs.93.28 crore was recorded during the year against that of Rs.159.23 crore in the previous year.

The profits during the year have declined primarily due to global economic and financial crisis, adversely impacting the commodities prices, the business sentiments and operations of the industry.

EXPANSION IN PRODUCTION FACILITIES :

In view of the long term encouraging business trend for Company's products, your Company has set up /enhanced production capacities at Baran (Rajasthan), Washim (Maharashtra) and Daloda (Madhya Pradesh) aggregating 8,25,000 TPA of oil seed processing facilities and further expansion of Company's presence in the Mustard growing area is also in progress. We believe that the enhanced facilities will facilitate towards catering to the growing demand of Company's products, enhance its market presence and support growth in profits.

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CONTRIBUTION TOWARDS INCLUSIVE GROWTH :

Oil seed is an important farm product and significant feedstock for your Company's operations. It is therefore, engaged in dealing, directly and indirectly, with farming community for procurement of edible oil seeds. Your Company is in the process of setting up/increasing procurement centers, arranging storage facilities with inbuilt facilities for grading, sorting, testing etc. and facilitating the supply chain linkages to enable farmers to supply the seeds to the nearest procurement centers. Prompt payment, transparent weighment of the seeds, market oriented pricing, facilitation of resources and other related factors encourage farmers to deal with your Company directly. In the process, they save logistics and intermediation costs, apart from ensuring smooth flow of supply. Your Company is stepping its efforts towards strengthening direct relationship with farmers for mutual and long term benefits. Your company also provides /makes arrangements for providing welfare activities for the improvement of the community and the location.

RENEWABLE ENERGY AND CONSERVATION OF ENERGY :

The world is seriously concerned with the matter of global warming and the consequential impact on the global economy and the environment. It would be, therefore, necessary for your Company to undertake initiatives to support the global movement combating the adverse impact. As a responsible corporate citizen, your Company has, as at March 31, 2009, set up 34.8 MW Wind Turbine Generators for generation of power by harnessing wind energy for environmental friendly production of clean power, thereby contributing towards climate change mitigation effects.

Two of the manufacturing units of your Company have bagged awards for energy conservation in edible oil/vanaspati sector for the year 2008. The process has positively trigered co-operative and competitive atmosphere amongst all the manufacturing units of your Company. Necessary steps in this regard are being encouraged and proactively taken on a continuous basis to promote energy conservation measures in the operations.

EXPORTS :

Despite challenging business environment witnessed during the peak season for soya seed processing operations, your Company registered a growth of over 24% in exports during the financial year under review as compared to that of previous year. It exported products of Rs.1,710.00 crore during the year under review as compared to Rs. 1,371.93 crore in the previous year.

FUTURE OUTLOOK :

The challenging environment faced by the Industry, the global business trend and the volatile commodity prices during the year under review have impacted the domestic industry, having a large number of small players. It is expected that, given the changing business dynamics, the need for integrated operations, economies of scale etc., the industry is poised for greater consolidation in the years to come. It is believed that there is a great scope for organized players to strengthen the presence in future.

The domestic edible oil growth in retail segment is growing faster than the overall growth. Raw material sourcing has become important in the context of short supplies and spiraling prices. Integration of complete value chain will facilitate capturing the growing business opportunities with better margins.

Your Company is thus focusing on expansion of branded business, backward integration, broad basing of product port-folio, introduction of health based products, improvement of its presence in domestic oil segments such as Mustard. Active consideration is being accorded to promote cost optimisation, to aim for optimum utilisation of production facilities to provide opportunities to develop skills across levels, to identify business opportunities in a challenging environment and to formulate integrated approach in the decision making process.

DIRECTORS :

Mr. Kailash Shahra and Mr. A.B. Rao retire by rotation in accordance with the provisions of Articles of Association of your Company and being eligible, offer themselves for re-appointment. Mr. Ashok Dhingra resigned from the Board of Directors with effect from 9th March, 2009. Mr. P. D. Nagar and Mr. S.P. Joshi resigned from the Board of Directors with effect from 27th July, 2009. The Board has placed on record the valuable contribution made by Mr. Ashok Dhingra, Mr.P.D.Nagar and Mr. S. P. Joshi during their tenures with your Company.

Mr. N. Murugan and Mr. V.K. Jain were appointed as Additional Directors with effect from 27th July, 2009. In terms of Articles of Association, they hold office upto the forthcoming Annual General Meeting. Your Company has received notice from members proposing their candidature for the office of director in accordance with the provisions of section 257 of the Companies Act, 1956.

ISSUE OF EQUITY SHARES :

Your Company has allotted 3,00,00,000 equity shares of Rs. 2/- each at a premium of Rs. 33/- per equity share on 27th July, 2009 on preferential basis to Foreign Institutional Investors pursuant to approval of members accorded at their Extra-ordinary General Meeting held on 16th June, 2009.

ISSUE OF EQUITY WARRANTS :

Your Company has allotted 7,00,00,000 warrants, each convertible into one equity share of Rs. 2/- at a premium of Rs. 33/- per share on 27th July, 2009 on preferential basis to promoters, their relatives and associates, pursuant to approval of members accorded at their Extra-ordinary General Meeting held on 16th June, 2009.

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EMPLOYEES STOCK OPTION SCHEME (ESOS) :

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in regard to Employee Stock Option Scheme – 2007 of your Company are enclosed herewith as Annexure A forming part of this report. The Compensation Committee has revised the exercise price of such options from Rs.77.50 to Rs.35.00 per option in accordance with the provisions of said Guidelines, in the month of June, 2009.

SUBSIDIARY COMPANY :

The Report of Directors and Statement of Accounts of subsidiary 'Ruchi Worldwide Limited' together with the Auditors' Report thereon, are attached. The requisite statement pursuant to Section 212 of the Companies Act, 1956 is also attached herewith.

CORPORATE GOVERNANCE :

Your Company has in practice a comprehensive system of corporate governance. A separate Report on Corporate Governance forms part of the Annual Report. A certificate of your Company's Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT :

As stipulated under Section 217 (2AA) of the Companies Act, 1956, your directors subscribed to the "Directors' Responsibility Statement" and confirm as under :

(i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;

(ii) that the Directors had selected appropriate accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of the financial year 2008-09 and of the profit of your company for that period;

(iii) that 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 your company and for preventing and detecting fraud and other irregularities; and

(iv) that 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 thereunder, 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, TECHNOLOGY & FOREIGN EXCHANGE :

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

FIXED DEPOSITS :

Your company has not accepted any deposits from the public during the year under review.

AUDIT REPORT :

The observations in the Auditors' Report are adequately addressed in the notes to the Accounts, wherever necessary.

AUDITORS :

The Auditors M/s. P.D. Kunte & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT :

Your directors place on record their gratitude for the valued support and assistance extended to your company by the Shareholders, Banks, Financial Institutions and Government Authorities and look forward to their continued support. Your directors also express their appreciation for the dedicated and sincere services rendered by employees of your company.

For and on behalf of the Board of Directors

Place : Indore
Date : 29th August, 2009

KAILASH SHAHRA
Chairman

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ANNEXURE A

INFORMATION REGARDING THE EMPLOYEE STOCK OPTION SCHEME, 2007
(as on 31-03-2009)

A)	Number of Stock Options granted	12,37,000
B)	Pricing formula	Based on the market value as per SEBI (DIP) Guidelines, 2000
C)	Number of Options vested	Nil
D)	Number of Options exercised	Nil
E)	Number of shares arising as a result of exercise of options	Nil
F)	Number of Options lapsed	Nil
G)	Variation of terms of options	Not Applicable
H)	Money realized by exercise of options	Nil
I)	Number of Options in force	12,37,000
J)	Employee wise details of Options granted to	
	(i) Senior managerial personnel :	The following employees have been granted 28,000 options each : Mr. Ashutosh B. Rao Mr. Pradeep Koolwal Mr. Pramod Koolwal Mr. Naveen Gupta Mr. V. Suresh Kumar Mr. Mahesh Agrawal Mr. Harish Singla Mr. R.L. Gupta
	(ii) Employees who were granted Options amounting to 5% or more of the Options granted during the year 2008-09	None
	(iii) Employees who were granted Options in any one year equal to or exceeding 1% of the issued capital of the Company	None
K)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20- 'Earnings per share'	No option has been exercised. Further since the market value of shares is less than the exercise price of the option, there is no dilutive effect.

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ANNEXURE B

Information 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 :

Your company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilisation of energy and regular monitoring of its consumption etc. The adoption of these measures to conserve energy have resulted in saving of the same.

(A) Power and Fuel Consumption			
1. Electricity :		**2008-09**	2007-08
(a) Purchase			
Unit		**11,36,60,728**	13,73,45,170
Total Amount (Rs.)		**53,12,90,373**	62,02,27,806
Rate / Unit		**4.67**	4.52
(b) Own generation			
Through Diesel Generator			
Unit (KWH)		**55,30,875**	56,25,727
Units per litre of Diesel Oil		**3.18**	2.29
Cost/Unit (Rs.)		**11.07**	13.22
2. Coal :			
Quantity (Metric ton)		**2,35,942**	2,66,152
Total Cost (Rs.)		**84,59,23,497**	82,15,27,429
Average Rate (Rs.)		**3,585.30**	3,086.69
3. Others (Diesel/SKO) :			
Qty. (Litre)		**33,15,221**	24,55,991
Total Amount (Rs.)		**10,90,93,001**	7,43,56,794
Average Rate (Rs.)		**32.91**	30.28
(B) Consumption per unit of production :			
Electricity (Unit)		**43.54**	43.56
Coal (Metric ton)		**0.08**	0.08
Diesel (Litre)		**1.07**	0.77

II. TECHNOLOGY ABSORPTION :

(A) Research & Development (R&D) :

1. Specific areas in which R&D carried out by your Company :
   Your company is striving continuously in developing new products and technologies through Research and development centres. Company is also trying to increase yields and improve quality of the existing products.
2. Benefits derived as a result of R&D :
   The continuous improvement in the process to manufacture different products has helped your company to market the quality products and expand its market. The products have gained consumer affinity because of improvement in quality.
3. Future plan of action :
   Your company will continue to pursue R&D work for textured soya protein, soya snack and to develop new products. Company is also striving to improve quality of Soya lecithin to increase its export.
4. Expenditure on R&D :
   Expenditure incurred on research and 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 :
   Your company has through its R&D, developed the process of textured soya protein and soya products which has already been absorbed and adapted.
2. Benefits derived as a result of the above efforts :
   The Company is benefited in terms of improved yields and quality. Export of its products is also increaing resultantly.

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

Your company has already established an export market for its products and has been taking keen interest for developing new export market for its products and to increase exports.

During the year, the foreign exchange earned was Rs.2,341.81 crores (Previous year Rs. 1,846.43 crores) and the foreign exchange outgo was Rs. 4,511.80 crores (Previous year Rs.3,585.06 crores).

For and on behalf of the Board of Directors

Place : Indore
Date : 29th August, 2009

KAILASH SHAHRA
Chairman

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Management Discussion and Analysis Report

INDUSTRY STRUCTURE & DEVELOPMENT

The primary business of your Company is processing of Oil Seed Extraction and Refining of Crude Oil for Edible use. The Company also produces oil meal, food products from soya and value added products from downstream processing. The size of Indian edible oil seed industry is estimated to be around Rs. 96,000 crore (approx. USD 20 billion). The domestic edible oil consumption has been steadily growing and is estimated to be over around 15 million MT in the current year with Palm and soya oil, in which your Company has a dominant presence, contributing over 60%. In view of the demand- supply gap, over 55% of the domestic edible oil consumption is met by imports, with Palm and Soya accounting for over 90% of the imported volume. The oil meal is essentially consumed as poultry, fish and cattle feed and a substantial part of soya meal is exported to the Asian region.

Commodity markets in general, and agricultural commodities in particular, have witnessed an unprecedented volatility in prices during the year ended March, 2009 on account of various factors, including global economic crisis followed by unprecedented global financial crisis. These factors impacted the business sentiments, the environment and the margins. Also, the counter party risks and country risks heightened during the year leading to risk aversions and shook the business confidence. However, as the commodity prices have remained more or less steady with a moderately firm bias since November, 2008, the business confidence is on its way to recovery. The prices of domestic commodities are also influenced by the demand – supply gap, weather factors etc.

Edible oil is an item of mass consumption and the consumption is sensitive to price dynamics. The Government has realized the need for bringing down the prices as a part of inflation control. The fall in global edible oil prices during the second half of the financial year ended 31st March, 2009 led to a pick-up in per capita consumption and the absense of import duty on edible oils increased volume of imports to meet the demand supply gap. Thus, the Government's steps on the inflation containment measures have positively impacted the consumption level.

The domestic soya crop production of around 8.3 million M.T. during the year was lower than the preceding year's highest ever crop production of 9.5 million M.T., which also resulted in lower crushing capacity utilisation for the solvent extraction industry including your company.

INDUSTRY OUTLOOK

The Indian edible oil sector is, by and large, a price conscious and price sensitive market, as a substantial part of higher consumption takes place at the bottom end of the pyramid. The propensity to consume is correlated with the changes in prices of edible oil and the quantum 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 varied methods of cooking across the different states/regions in the country. Also, the growth of edible oil in packed form has far exceeded the overall growth rate. In the foreseeable future, it is envisaged that the quantum of edible oil consumption will continue to grow significantly in the packed segment, with the pattern of consumption shifting from unpacked to packed form due to factors, amongst others, rising incomes coupled with changes in household demographics, improving health consciousness, growing organized retail improving reach of the products across the country.

Demand for protein rich meal in Asia is growing in recent past and India is better placed in the Asian region from the point of logistics and customer servicing. Also, the Indian soya meal being processed from Non Genetically Modified soya seed, gives a value advantage as compared GMO products in the international markets.

The area under Soyabean crop cultivation in India is estimated to be marginally up from 91.3 lac hectare last year to 93.7 lac hectare during the current season. However, despite recent reports indicating insufficient rainfall across the country, it appears that the soya oilseed growing areas in the country have not been much affected. The current indications augur well for the solvent extraction industry in the current year from the standpoint of crop availability.

The edible oil industry is in consolidation phase. Enterprises having strong business capabilities in terms of integration, risk mangement, working capital mangement, efficiencies in procurement, logistics and distribution, manufacturing presence at strategic locations across the country and strong consumer focus, that have undertaken expansion of their market share through organic and inorganic route coupled with introduction of new and innovative products including presence through branded products will enjoy the gains in terms of market share and margin in the times to come.

BUSINESS STRATEGY

To meet the challenges amidst growing industry size and the need to consolidate, your Company has initiated several measures on proactive basis, which will allow your Company to build-on its current presence and market share in the edible oil and soya segment. Your Company is thus poised to undertake the business opportunities arising from leadership position in the industry. Your Company is making inroads at new locations within the country which are strategic in nature. The focus on driving cost and operational efficiencies by use of latest and modern technology confirming to global standards will provide an edge to itself and its business partners and place it at a better pedestal as compared to its peers. Your Company will continue to strengthen itself in areas of sourcing raw materials from points of origin, reducing inefficiencies in supply chain and logistics, capabilities to process at multiple locations, improvements in product quality and increased sales of branded products in retail segment.

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