

TRANSFORMING
INDIA'S LIFELINES

AGRICULTURE



FOOD
PROCESSING



NUTRITION
SECURITY



Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expect’, ‘project’, ‘intend’, ‘plan’, ‘believe’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



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Ruchi Soya is associated with close to 1 crore farmers through soybean, palm, mustard and other crops

TRANSFORMING INDIA'S LIFELINE

Agriculture constitutes the lifeline of the Indian economy and this holds as true today as it was in early and medieval India. With the second largest agriculture land globally, agriculture provides livelihood to around 58% of India's population. But there are still areas which need to be transformed to secure the country's lifeline for an assured future.

At Ruchi Soya Industries, we are acutely aware of the importance of this lifeline and are continually working with our family of over 10 million farmers to strengthen and protect this crucial aspect of the country's economy. In the key oilseed crop of soybean, we impact close to 4 million famers.

Agriculture in India is still dependent on the monsoon with only around 35% of agricultural land covered by irrigation. At Ruchi Soya, we are encouraging and working with our family of farmers to increase the use of drip irrigation techniques to achieve 'per drop more crop'. We also organise camps to educate farmers on the latest developments in agri-technology.

Ruchi Soya believes that its pro farmer initiatives and efforts are in line with the vision of our Hon'ble Prime Minister to double farmers' incomes by 2022.

Farmers need assurance in the face of the vagaries of nature. Ruchi's palm plantation business touches the lives of over 50,000 farmers, with farm inputs, technical assistance and other farming techniques to benefit farmers in achieving better productivity and income growth with the added surety of the offtake arrangement. The farmer count is expected to double with additional area under palm cultivation in a span of 5 years. A similar approach is followed in Ruchi's association with farmers cultivating other crops like soybean, mustard or castor. Ruchi Soya believes that its pro farmer initiatives and efforts are in line with the vision of our Hon'ble Prime Minister to double farmers' incomes by 2022.

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Ruchi Soya has also been an ardent promoter of nutritional security for all Indians since its inception. In line with this vision, our company has undertaken massive fortification programs for our cooking oil products. This micro-nutrient fortification program has helped millions of Indians gain the advantage of good health. As one of the leading manufacturers of soya products, Ruchi Soya has helped ensure high quality vegetarian protein availability for masses.



RUCHI SOYA IN A NUTSHELL

31
Years of corporate existence

19
Manufacturing locations across India

11.5 LAKHS
No. of retail outlets

5,800
No. of Distributors

118
No. of Company Depots

2 LAKHS + HECTARES
Land access in India for palm oil plantations with exclusive procurement rights across six states

India’s No.1 food and agriproducts company as per Fortune India 500 Rankings - 2016

Enjoys leadership position in soy foods category in India and is among India’s largest players in the cooking oils segment

Owns leading brands - Nutrela, Mahakosh, Sunrich, Ruchi Gold and Ruchi Star

Among the pioneers of oil palm plantation in India





Committed to renewable energy, environmental protection and sustainability

One of the leading exporters of value-added soybean products - soy meal, textured soy protein and soy lecithin



EDIBLE OIL BUSINESS IN INDIA

Ruchi Soya's objective has been to cater to Indian consumers across varied price points. To meet this end it has created multiple brands across categories - be it premium, value or mass; covering the entire length and breadth of the country.

Premium	Value	Value	Mass
Nutrela Healthy Oils	Mahakosh Refined Edible Oils	Sunrich	Ruchi Gold
			
<ul style="list-style-type: none">● Sunflower● Soyabean● Mustard	<ul style="list-style-type: none">● Soyabean● Sunflower● Rice Bran● Cotton Seed● Filtered Groundnut Oil● Mustard Oil	<ul style="list-style-type: none">● Sunrich Refined Sunflower Oil	<ul style="list-style-type: none">● Refined Palmolein● Mustard Oil (Kachchi Ghani)
RUCHI SOYA Total Branded Sales ₹ 8,646 Crores (2016-17)	Brand Ambassador Madhuri Dixit	Brand Ambassador Popular South Indian actress, Priyanka Upendra	OTHER PRODUCTS <ul style="list-style-type: none">● Ruchi Star Soyabean Oil● Ruchi No. 1 - Vanaspati

FOOD BUSINESS IN INDIA

Overview

- Presence in both branded and non-branded segments with participation in domestic and international markets
- One of the largest exporters of value-added soy products like Textured Soy Protein, Toasted/ Un-toasted/ White Soy Flakes and Soy Lecithin



Brands

Premium

Nutrela

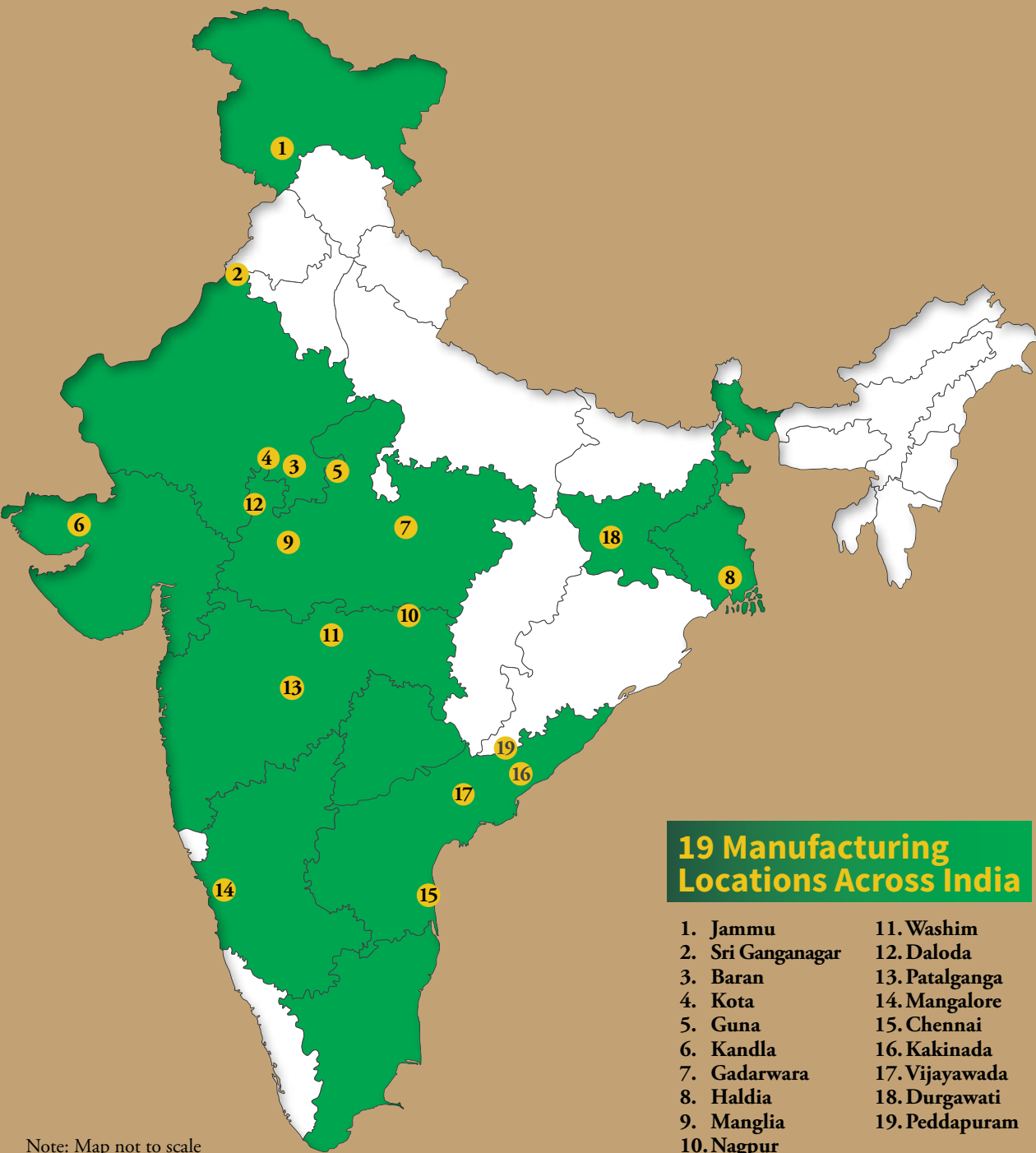
Value

Mahakosh Hunky Chunky

- Nutrela – 70% market share in India in premium soya chunks
- Commands a premium of 50% to other popular brands
- Mahakosh Hunky Chunky – Fighter brand to convert loose users into branded consumers

MANUFACTURING LOCATIONS

- ☑ Proximity to Ports
- ☑ Proximity to strategic inland locations for sourcing and distribution
- ☑ Pan-India Manufacturing Footprint



Note: Map not to scale

CAPACITY BREAK-UP

OILSEED EXTRACTION

Annual Capacity
3.72 million metric tonnes

Facility Locations
10

EDIBLE OIL REFINING

Annual Capacity
3.30 million metric tonnes

Facility Locations
13

PALM FRUIT PROCESSING

Annual Capacity
0.90 million metric tonnes

Facility Locations
02

VANASPATI & BAKERY FATS

Annual Capacity
0.59 million metric tonnes

Facility Locations
08

SOYA MEAL EXTRACTION

Annual Capacity
3.05 million metric tonnes

Facility Locations
10

WIND POWER GENERATION

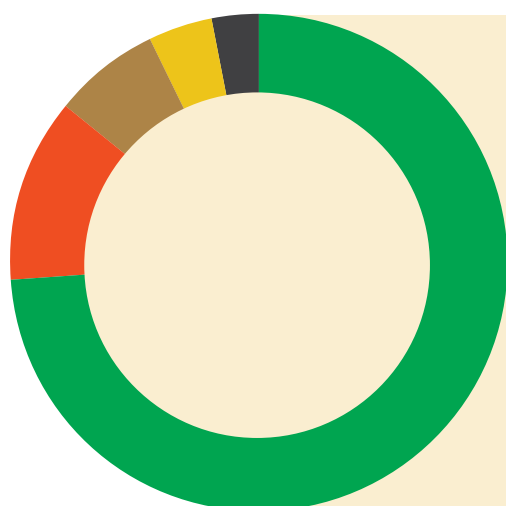
Annual Capacity
85.30 Megawatt

Facility Locations
11

FINANCIAL PERFORMANCE

₹ in Crores

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue	18,620	27,805	28,412	24,601	26,485
Branded Sales	8,646	9,094	8,357	6,965	6,218
Export Sales	1,052	1,754	3,360	3,599	4,321
EBITDA	(687)	114	626	734	942
Gross Fixed Assets	6,042	6,040	3,877	3,692	3,519
Long-term Debt Equity Ratio	0.58	0.31	0.50	0.60	0.56



2016-17 Revenue Mix

(%)

- Oils 74
- Others 12
- Extractions 7
- Vanaspati 4
- Food Products 3

MESSAGE FROM THE MANAGING DIRECTOR



But in these trying times, it has been the trust of our customers and stakeholders that have seen us emerge stronger to face tomorrow with faith and conviction. Our strength in these difficult times has come from our relentless focus on quality to make us the most reliable edible oil and soy foods manufacturer today.

DEAR SHAREHOLDERS,

We entered 2016-17 hoping for a good monsoon, but an erratic monsoon did not allow agribusiness the opportunity to fully recover from the effects of the previous years of bad weather. It would be pertinent to point out that after the floods in 2013 the back to back failure of the monsoons in 2014 and 2015 occurred only for the third time in the last 143 years. The brunt of this drought was faced mainly by the farmers and agri-commodity industry, and the effects spilled over leading to our reporting losses for the second time.

But in these trying times, it has been the trust of our customers and stakeholders that have seen us emerge stronger to face tomorrow with faith and conviction. Our strength in these

difficult times has come from our relentless focus on quality to make us the most reliable edible oil and soy foods manufacturer today.

TAKING ACTION

We have not stood silently but have faced the challenges with a clear strategy. As an integrated agribusiness leader with a presence from farm to fork, we have worked on the various aspects of our business to limit the negatives and enhance the positives. We undertook consolidation of our operations and rationalised production in line with availability of raw materials and market demand. We also implemented certain austerity measures and cost-cutting initiatives. These include implementation of



The future is bright and promising. India's large population backed by rising urban and rural incomes is a key to increasing demand for agricultural products. The government is operationalising many schemes to ensure that agriculture gets the right stimulus to meet future demand.



A conscious decision was taken to reduce exposure to the low margin trading businesses. Instead, we have focussed on strengthening our manufacturing, brands and distribution with an eye on operational efficiency to emerge leaner and stronger.

energy efficient technologies at the plant level, optimisation of crushing capacities and plant operations,

A conscious decision was taken to reduce exposure to the low margin trading businesses. Instead, we have focussed on strengthening our manufacturing, brands and distribution with an eye on operational efficiency to emerge leaner and stronger. This is reflected in the increased contribution of our branded FMCG business to the topline. Our brands Nutrela, Mahakosh and Ruchi Gold continue to be leaders in their areas and hold great promise for the future. Our value-added food products, Textured Soy Protein (TSP) under the brands Nutrela and Mahakosh, displayed strong growth. A positive note was an increase in the export of Oil Seed Extractions to the tune of over 50%.

Edible Oil Processing and Packaging as per the agreements with Patanjali Ayurved began and we are sure that this will contribute to improving Ruchi Soya's capacity utilisation, efficiency and profitability. The fruits of our labour will be visible in the coming years.

The demonetisation in November 2016 was a step to benefit the nation in the long run. Farmers faced problems in the immediate aftermath of demonetisation due to cash being their primary mode of transaction. To support the farmers through this difficult period, Ruchi Soya launched the 'Kisan Kalyan Ayojan' digital banking initiative to educate and guide farmers to the transition to a digital economy. Through this initiative, we have helped over 30,000 farmers to make the move to cashless transactions.

The recent increase in import duty on edible oils is a big positive for organised edible oil players. The increase in duty differential from 7.5% to 10% between refined and crude palm oil will bring down the quantum of refined palm oil imports and give an impetus to the domestic refining industry by encouraging import of crude palm oil. This is in line with the 'Make in India' credo as we move towards nutritional security.

LOOKING AHEAD

The future is bright and promising. India's large population backed

by rising urban and rural incomes is a key to increasing demand for agricultural products. The government is operationalising many schemes to ensure that agriculture gets the right stimulus to meet future demand. The schemes launched include the Pradhan Mantri Fasal Bima Yojana for crop insurance, Pradhan Mantri Krishi Sinchayee Yojana for promoting investment in irrigation, the Paramparagat Krishi Vikas Yojana to promote organic farming and the setting up of the Agricultural Technology Management Agency for delivering services and information to farmers.

The Hon'ble Prime Minister's announcements on the eve of 2017 have also shone a positive light on the farmer's future with a long-term vision to provide farmers better access to loans from co-operative banks and societies through a fund infusion into NABARD. Even small farmers will have access to credit with the incorporation of 'Kisan Credit Cards' into the 'RuPay' fold.

India's agricultural sector provides more jobs and sustainable incomes than all other sectors put together. India's agricultural products fetch higher earnings than even trade in services or manufacturing. With proactive support, India can further enhance its farm exports and contribute to the nation's prosperity and development. Progress in agriculture will also address other glaring social problems like village and town planning, urban migration and access to basic health care and nutrition in rural areas. Better access to credit for farmers will help them gain sustainable incomes and invest in assets for growth and better returns.

DINESH SHAHRA

Managing Director

ENABLING COMMUNITY GROWTH

As a corporate citizen, we consider community as an integral part of our growth strategy. And thus, undertake significant initiatives to improve the quality of life of marginalised communities. We make earnest efforts to bring significant and lasting change among socially and economically backward communities by promoting education, healthcare, livelihoods, and rural and urban infrastructure, among others.

At Ruchi Soya, we constantly align our business priorities with social responsibility, which help us move towards a sustainable future.

We undertake interventions in the areas of sports, disaster relief, conservation of environment and so on. Majority of our CSR activities and programmes are carried out by our CSR arm - Shri Mahadeo Shahra Sukrat Trust.

We organise self-help group (SHG) training and IGP Workshops for women empowerment, and are involved with Gau Shakti project, Village Quality Education Programme, among others. Besides, we support self-learning centres, computer training programmes, science exhibition to promote education and so on. We also conduct health check-up camps, cataract camps and facilitate surgeries.

Kisan Kalyan Ayojan

In the aftermath of demonetisation, we embarked on a nationwide initiative



'Navi Disha' Women's Empowerment Planning Workshop conducted by Ruchi Soya in Patalganga (near Navi Mumbai)

– 'Kisan Kalyan Ayojan'. This activity is an effort to train farmers and induct them into the digital ecosystem. In many ways, it was an extension of the foundation laid by us in Andhra Pradesh - about two decades back we introduced cashless transactions by helping palm farmers open bank accounts.

Through this programme, we engaged with thousands of farmers across India including Nagpur in Maharashtra, Indore in Madhya Pradesh and Lunglei in Mizoram, among others. We conducted this digitalisation drive with the support of nationalised banks including State Bank of India.



Mr. Rajesh Sonkar, MLA (centre) with Mr. Sushil Doshi (to his left), followed by Mr. Varad Murti Mishra, Additional Collector & CEO Zila Panchayat and Pradeep Koolwal, Global Head of Crushing, Ruchi Soya Industries Limited at the launch of 'Kisan Kalyan Ayojan' in Indore (MP)



Farmers from Indore and surrounding areas participating in Ruchi Soya's digital banking drive in partnership with SBI