

# **RUCHI INFRASTRUCTURE LIMITED**

## **ANNUAL REPORT 2009-2010**

### **Board of Directors**

Mr. Dinesh Shahra

Mr. Mahendra Prasad Sharma (Whole-time Director)

Mr. Naveen Gupta

Mr. Dinesh Khandelwal

Mr. Kanta Prasad Mandhana

Mr. Navamani Murugan

Mr. Sajeve Deora (with effect from 13th November, 2009)

Mr. Navin Khandelwal (with effect from 13th November, 2009)

### **Company Secretary**

Mr. Ashish Mehta

### **Auditors**

M/s. M. M. Singla & Co.

Chartered Accountants

### **Bankers**

Axis Bank Limited

The Karur Vysya Bank Limited

Corporation Bank

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 Sixth 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 Thursday, the 30th September, 2010 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, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 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 Mr. Dinesh Khandelwal, 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 Mr. Sajeve Deora, who was appointed as Additional Director on 13th November, 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 :

“RESOLVED THAT Mr. Navin Khandelwal, who was appointed as Additional Director on 13th November, 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.”

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

“RESOLVED THAT in terms of provisions of Section 372A of the Companies Act, 1956, the approval of members of the Company be and is hereby accorded to invest, make loan and/or give guarantee in excess of the limits provided under Section 372A, provided that the aggregate of such investments, loans and guarantees shall not exceed Rs.750 Crores.

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

Registered Office :

**Ruchi Infrastructure Limited**  
706, Tulsiani Chambers, Nariman Point,  
Mumbai - 400021.  
August 30, 2010

By order of the Board of Directors

**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 to 7 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 27th September, 2010 to Thursday, the 30th September, 2010 (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 are 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.
8. Pursuant to Section 205A of the Companies Act, 1956, dividend that remains unpaid or unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Section 205C of the Companies Act, 1956 provides that no claims shall lie against the IEPF or the Company in respect of individual amounts which were unclaimed or unpaid for seven years as aforesaid and transferred to the Fund. Therefore, members who have not encashed their dividend warrant for the earlier years are requested to get their dividend warrant revalidated and encash the same.

**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, Mr. Sajeve Deora was appointed as an Additional Director on the Board of Directors of the Company with effect from 13th November, 2009. Being an Additional Director of the Company, he holds office up to the date of this ensuing Annual General Meeting. The Company has received a notice from a member, along with a deposit in terms of Section 257 of the Companies Act, 1956, 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 Mr. Sajeve Deora may be deemed to be interested or concerned in passing of the Ordinary Resolution.

**Item No. 6**

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 82(1) of the Articles of Association of the Company, Mr. Navin Khandelwal was appointed as an Additional Director on the Board of Directors of the Company with effect from 13th November, 2009. Being an Additional Director of the Company, he holds office up to the date of this ensuing Annual General Meeting. The Company has received a notice from a member, along with a deposit in terms of Section 257 of the Companies Act, 1956, 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 Mr. Navin Khandelwal may be deemed to be interested or concerned in passing of the Ordinary Resolution.

**Item No. 7**

Having regard to the growth plans, the Company in its ordinary course of business may have to invest in high value infrastructure and related projects through special purpose vehicle companies or otherwise. The Company may have the business need of having investment in excess of the limits prescribed under Section 372A, which requires approval of members of the Company by way of Special Resolution. The Board recommends to pass the resolution as Special Resolution.

None of the directors of the Company is interested in the resolution.

Registered Office :

**Ruchi Infrastructure Limited**

706, Tulsiani Chambers, Nariman Point,

Mumbai - 400021.

August 30, 2010

By order of the Board of Directors

**Ashish Mehta**  
Company Secretary

# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2010.

## FINANCIAL RESULTS :

	2009-2010	(Rs. in Crore) 2008-2009
<b>Sales &amp; Services</b>	<b><u>1,463.95</u></b>	<b><u>1,173.28</u></b>
Profit before Depreciation, Tax & Exceptional Items	52.82	5.41
Less: Depreciation	23.98	20.76
<b>Profit before Tax &amp; Extraordinary</b>	<b>28.84</b>	<b>(15.35)</b>
Less: Provision for Tax	4.60	—
Less: Provision for deferred tax	(0.56)	2.10
Less: Provision for fringe benefit tax	—	0.13
<b>Profit after Taxation</b>	<b>24.80</b>	<b>(17.58)</b>
Add: Extraordinary Items (Net of Tax)	9.75	5.65
<b>Net Profit after Tax</b>	<b>34.55</b>	<b>(11.93)</b>
Add: Balance brought forward from previous year	4.13	21.32
Amount available for appropriation	<b><u>38.68</u></b>	<b><u>9.39</u></b>
<b>APPROPRIATIONS :</b>		
General Reserve	10.00	—
Dividend on Preference Shares	3.28	3.28
Dividend on Equity Shares	1.63	1.22
Tax on Dividend	0.83	0.76
Surplus Carried to Balance Sheet	<b><u>22.94</u></b>	<b><u>4.13</u></b>
	<b><u>38.68</u></b>	<b><u>9.39</u></b>

## DIVIDEND :

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

	2009-2010	(Rs. in Crore) 2008-2009
(i) 6% (Rs.6/- per share) on 54,60,613 Cumulative Redeemable Preference Shares of Rs.100/- each	3.28	3.28
(ii) 8% (Re.0.08 per share) on 20,36,59,942 Equity Shares of Re. 1/- each for the financial year under review as against 6% (Re.0.06 per share) on 20,29,82,800 Equity Shares of Re.1/- each for the previous year	1.63	1.22
Total:	<b><u>4.91</u></b>	<b><u>4.50</u></b>

The total outgo on account of dividend and tax thereon amounts to Rs.5.74 Crore as against Rs.5.26 Crore in the previous year.

## OPERATIONS :

During the year under review, the sales and services of your Company have increased to Rs.1,463.95 Crores from Rs.1,173.28 Crores in the previous year, recording a growth of 25%. The Company's Profit before depreciation, tax and exceptional items increased to Rs.52.82 Crores from Rs.5.41 Crores in the previous year reflecting a healthy growth. Your Company has posted a Net profit of Rs.34.55 Crore during the current financial year (Net loss of Rs.11.93 Crore for the Previous Year). Increase in profit is mainly due to improved performance of the Oil Division.

**FUTURE OUTLOOK :**

The company is optimally utilising the refining facilities at Kakinada, A.P., strengthening the sales and distribution channel and improved retail sales volume. In view of the current economic and rural income growth, coupled with expected increase in oil consumption patterns, the future seems lucrative potential for the value added products of the Company.

The Company is looking at active participation & focus with respect to development of modern warehousing & construction of silos for storage of various agri-commodities as well as augmenting storage facilities for liquid cargo at ports & potential inland locations.

Growth in Infrastructure is critical for the rapid economic growth of India. The Company has engaged itself in this direction of growth by showing more active participation in Real Estate business / township development / commercial & residential premises.

**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, Mr. Sajeve Deora was appointed as an Additional Director on the Board of Directors of the Company with effect from 13th November, 2009. The Company has received a notice from a member, along with a deposit in terms of Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 82(1) of the Articles of Association of the Company, Mr. Navin Khandelwal was appointed as an Additional Director on the Board of Directors of the Company with effect from 13th November, 2009. The Company has received a notice from a member, along with a deposit in terms of Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company.

Mr. Dinesh Khandelwal retires by rotation in accordance with the provisions of Articles of Association of the Company and being eligible, offers himself for re-appointment. As per clause (IV)(G) of the Listing Agreement, the information in detail about Mr. Dinesh Khandelwal is included in the Corporate Governance Report.

**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, 2010 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 2009-2010 and of the profit 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, 2010 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.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure forming part of the Directors' 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 30, 2010

**Dinesh Shahra**  
**Director**

## ANNEXURE TO DIRECTORS' REPORT

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 for the year ended 31st March, 2010.

### I. CONSERVATION OF ENERGY :

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

During the year the manufacturing unit of the Company located at Kakinada (Andhra Pradesh) has been awarded the first prize in the Edible Oil/ Vanaspati Sector for the National Energy Conservation Awards – 2009 for initiatives taken in Energy Conservation. The award reflects the continuing commitment of the Company towards the Energy Conservation.

	2009-2010	2008-2009
<b>(A) Power and Fuel Consumption :</b>		
1. <i>Electricity</i>		
(a) Purchased :		
Unit	1,11,48,545	1,10,97,787
Total Amount (Rs.)	3,73,46,253	3,65,70,191
Rate/Unit (Rs.)	3.35	3.30
(b) Own Generation :		
Through Diesel Generator		
Unit (KWH)	7,67,076	4,39,413
Units per Ltr. of Diesel Oil	3.53	3.50
Cost/Unit (Rs.)	10.06	9.91
2. <i>Fuel</i>		
(a) Husk :		
Purchased (Units MT)	27,550	28,343
Total Amount (Rs.)	6,53,64,398	6,83,59,386
Average Rate (Rs.)	2,373	2,412
(b) Diesel:		
Purchased (Units Ltr)	15,432	25,723
Total Amount (Rs.)	5,48,513	8,91,937
Average Rate (Rs.)	35.54	34.67
<b>(B) Consumption per unit of production :</b>		
Electricity (Unit)	49.85	57.49
Husk (MT)	0.12	0.14
Diesel (Ltrs)	0.91	0.63

## II. TECHNOLOGY ABSORPTION :

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

1. Several experiments has been carried out for better quality tests of Poly films used for packing and certain more tests like Tensile, Opacity, Dart Impact, Kinetic co-efficient & Friction tests has been further introduced and made mandatory for all incoming Poly films to be used for Oils & Vanaspati packing. This has resulted to maintain better consistency of quality of packing goods.
2. Time & Motion study has been carried out at manufacturing and shifting of empty plastic jars to packing machines, accordingly the lay out of Jar manufacturing machine has been modified with installation of Spiral Chute so as to reach the empty jars at the mouth of Jar filling machine involving extra man power.
3. An innovative idea has been put to use for making best use of discharged cold water from chiller by diverting it to separators engaged in dewaxing of soft oils.

### (B) Benefits derived as a result of R & D :

1. Consistency in Quality of Packed goods well appreciated and accepted by market resulting in higher volumes of packed goods.
2. Cost involved in transportation and handling of empty jars eliminated.
3. Cost of power involved in reducing temperatures of water for separators reduced.

### (C) Future plan of Action :

1. Installation of Vaccum pump replacing Steam operated Booster Ejector system, results in substantial reduction in consumption of steam & power.
2. Installation of Balder Motors to replace the gear boxes resulting in saving of Operation & Maintenance cost much lower than presently used gear boxes.

## III. FOREIGN EXCHANGE EARNINGS & OUTGO :

	2009-2010	(Rs. in Crore) 2008-2009
(A) Foreign Exchange Earnings	3.03	1.36
(B) Foreign Exchange Outgo	458.71	422.67

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 30, 2010

**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 & dry commodities such as edible oils, petroleum products, wheat, soybean & its value added products, cotton, sugar etc., Infrastructure Development and Refining of Edible oils and manufacture of Vanaspati.

In view of the growing linkages of India with the global economy, and as a consequence of liberalization measures and proactive policies of the government, the volumes of external trade have been showing significant uptrend. The demand for bulk liquid storage handling facilities, more particularly in port based areas, has been rising. The main commodities involved in the sea trade include petroleum products, edible oils and liquid chemicals.

Keeping in view the focus of the Indian Government on the rural economy and the farm sector, the demand for storage facilities in rural areas is also increasing. Agricultural marketing has assumed increasing importance in the wake of ushering in second Green Revolution, improving the living standards of farm families, making India hunger-free and turning poverty into history in the shortest possible time. The new policies for setting up storage infrastructure under PPP mode with long term commitments for use of infrastructure will facilitate development in this sector. In this backdrop the company would look at setting up silos & modern warehouses in the high demand & growth areas.

The Per capita consumption of Vegetable oils in India is low leaving ample scope for expansion in the market. Despite the unprecedented rise in prices of agricultural commodities witnessed in the past year, the demand for these products has been increasing steadily. The consumption of edible oils would rise to 18.1 million tonnes, 19 percent higher than 2008-2009 leading to domestic demand rising to 15 million tonnes a year. As edible oil has mass consumption, the growing disposable income 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 has on the other sectors of the economy.

Based on analysis of the existing Agriculture Marketing System, Policies and Trade Dynamics, there is scope for improving the efficiency through avoidable wastage, value addition, developing alternate markets, segregation of produce according to the quality and increasing quality consciousness amongst the farmers and other stake holders along the value chain. Also, efficient storage and handling facilities will ensure minimal wastage and spillage and improve productivity. This will enable the farming community to improve the realization of the produce and reap the benefits on account of growth and efficiencies.

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 in near future.

## 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 had forayed into the field of Agricultural Warehousing and Rural Business Hubs, which was 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. The first phase of the project has been completed & there is full utilization of the storage infrastructure.

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. Your Company has a significant market share in the states of Andhra Pradesh, Orissa and Chhatisgarh for Edible Oils and Vanaspati.

## RISKS AND CONCERNS

In the Edible Oil business, the Company has exposures to commodity and currency fluctuations on its major raw materials, a significant portion of which is imported. The 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 announced 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

The 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 the Company. The internal control systems are designed to ensure the safety of all assets of the Company and 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.

## ENERGY CONSERVATION

During the year the manufacturing unit of the Company located at Kakinada (Andhra Pradesh) has been awarded the first prize in the Edible Oil/ Vanaspati Sector for the National Energy Conservation Awards – 2009 for initiatives taken in Energy Conservation. The award reflects the continuing commitment of the Company towards the Energy Conservation.

## FINANCIAL REVIEW AND ANALYSIS

	2009-2010	(Rs. in Crore) 2008-2009
<b>Sales &amp; Services</b>	<b>1,463.95</b>	1,173.28
Operating Profit (PBDIT)	<b>51.53</b>	1.11
Depreciation	<b>23.98</b>	20.76
Interest & Finance Charges	<b>(1.29)</b>	(4.30)
<b>Profit before Taxation (PBT)</b>	<b>28.84</b>	(15.35)
Less: Provision for tax	<b>4.04</b>	2.23
<b>Profit after Taxation</b>	<b>24.80</b>	(17.58)
Add: Exceptional Items (Net of Tax)	<b>9.75</b>	5.65
Net Profit after Tax	<b>34.55</b>	(11.93)

## REVENUE AND PROFIT

During the year Sales and Services of the Company grew by 25%. Sales of Edible Oils Division grew by 25 % to Rs.1,429.41 Crore as compared to Rs.1,141.76 Crore in 2008-2009. Sales of Infrastructure division grew marginally to Rs. 29.14 Crore as compared to Rs. 29.02 Crore in 2008-2009. Profit before Depreciation, Interest & Taxation (PBDIT) was Rs.51.53 Crore as against Rs.1.11 Crore in 2008-2009. Net profit for the year stood at Rs.34.55 Crore as compared to Net loss of Rs.11.93 Crore in 2008-2009.

## 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.

# Corporate Governance

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Ruchi Infrastructure Limited (RIL) believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. The salient features of the philosophy on Company's Corporate Governance hinges upon transparency and ethical practices in professional working environment conducive to optimal performance with focus on achieving stakeholder's long term value growth through constant innovation, commitment to quality and customer satisfaction whilst exploring new avenues of growth.

## 2. BOARD OF DIRECTORS

The Board of Directors monitors Company performance, approves and reviews policies/strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting to ensure that the long-term objectives of maximising profit and enhancing stakeholder value are met with.

### (a) Composition

The Board of RIL consists of Seven Non-Executive Directors and one Executive Director. Out of the Seven Non-Executive Directors four are Independent Directors.

Mr. Sajeve Deora was appointed as an Additional Director with effect from 13th November, 2009. He is B. Com. and FCA. He is a practising Chartered Accountant having expertise in Financial re-constructions, acquisitions, mergers and corporate re-structuring. He is also a Director with Integrated Capital Services Limited, Bholanath International Limited, Ruchi Soya Industries Limited, Vippy Industries Limited, Jai Mata Glass Limited, Jyoti Overseas Limited and Sun Links Limited (a company incorporated in the UK).

Mr. Navin Khandelwal was appointed as an Additional Director with effect from 13th November, 2009. He is B. Com. and FCA. He is also a Director with Ruchi Soya Industries Limited, Ruchi Strips and Alloys Ltd. and National Steel and Agro Industries Limited.

Mr. Dinesh Khandelwal is B.SC, D.M.I.T and B.L. retires by rotation and offer himself for re-appointment. He has 29 years experience in Pvt. Sector in the field of Electronic equipments and components. Besides this he has six years experience in Research & Development in Govt. Defence Laboratory.

### (b) Board procedures

The Board of Directors met eleven times during the year on 30th April, 2009, 29th May 2009, 4th July, 2009, 31st July, 2009, 28th August, 2009, 24th September, 2009, 30th October, 2009, 13th November, 2009, 19th December, 2009, 15th January, 2010 and 29th January, 2010. The gap between any two meetings did not exceed four months, as mandated in Clause 49 of the Listing Agreement. The dates of the meetings were generally decided in advance.

### (c) Attendance record of Directors of Boards and Committees in which each Director is a Member or Chairman

The following table gives the attendance record of all the Directors at the board meetings held during the financial year 2009-2010 and at the last Annual General Meeting held on 30th September, 2010.

The table also gives the number of Boards and Committees of other Companies on which each Director is a Member/Chairman. Private limited and Section 25 companies, if any, where our Directors of the Company are Directors have been excluded for the above purpose. Further, as per the Listing Agreement, only Audit Committee and Shareholders Grievance Committee are considered for the purpose of Committee positions.

Name of Director	Category	Number of Meetings attended	Whether Attended last AGM	No. of other Boards in which he is Member or (Chairman)	No. of other Committees in which he is Member or (Chairman)
Mr. Dinesh Shahra	Promoter Non-Executive	11	Yes	6(0)	1(0)
Mr. Mahendra Prasad Sharma	Executive Whole-time Director	-	No	0(0)	0(0)
Mr. Naveen Gupta	Non-Executive	1	No	1(0)	0(0)
Mr. Dinesh Khandelwal	Non-Executive	11	Yes	0(0)	0(0)
Mr. Navamani Murugan	Independent Non-Executive	-	Yes	0(0)	1(0)
Mr. Kanta Prasad Mandhana	Independent Non-Executive	8	Yes	0(0)	0(0)
*Mr. Sajeve Deora	Non-Executive Independent	-	No	6(0)	8(5)
*Mr. Navin Khandelwal	Non-Executive Independent	-	No	5(0)	6(4)

\*Mr. Sajeve Deora & Mr. Navin Khandelwal have been appointed as Additional Director of the Company with effect from 13th November, 2009.

**(d) Remuneration of Directors**

(i) Remuneration of Whole-time Director :

During the financial year 2009-2010, Mr. Mahendra Prasad Sharma, Whole-time Director was paid Rs. 8,23,467/- as salary, allowances and perquisites.

(ii) Non-Executive Directors' Compensation :

During the financial year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

The following table shows the amount of sitting fee paid to Non-Executive Directors for attending meetings of board of directors and committee thereof held during the financial year 2009-2010 and their shareholding as on 31st March, 2010 :

Name of director	Sitting Fees (Rs.)	No. & percentage of shares held on 31st March 2010	
Mr. Dinesh Shahra	27,000/-	10,000	0.00
Mr. Naveen Gupta	2,000/-	–	–
Mr. Kanta Prasad Mandhana	26,000/-	–	–
Mr. Dinesh Khandelwal	32,000/-	–	–

**(e) RIL Code of Conduct**

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and Senior Management, who have affirmed the compliance thereof for the period ended 31st March, 2010. The Code has been posted on the website of the Company.

**3. AUDIT COMMITTEE**

The objective of the Audit Committee is to keep a vigil on the Management's financial reporting process with a view to ensure timely and transparent disclosure in the financial statements.

The terms of reference of the Committee are extensive and include all the requirements as mandated in clause 49 of the Standard Listing Agreement read with Section 292A of the Companies Act, 1956. The role of the Committee includes overseeing and monitoring the financial reporting system within the Company and considering/re-viewing un-audited and audited financial results, as may be applicable, for the relevant quarters and year before being adopted by the Board. The Committee also focused its attention on topics such as review of internal audit reports, legal compliance reporting system, presentation of segment-wise reporting, review of internal control systems, major accounting policies and practices, compliance with accounting standards and risk management. The Committee also continued to advise the management on areas where greater internal audit focus was needed and on new areas to be taken up for audit purpose.

**a) Constitution and Composition**

The central objective of the Audit Committee ("Committee") of RIL is to keep a close vigil and potent oversight on the management's financial reporting process with a view to ensure timely and transparent disclosure of financial statements.

The Audit Committee consists of three Non-Executive Directors namely Mr. Kanta Prasad Mandhana, Mr. Dinesh Khandelwal and Mr. Navamani Murugan. Mr. Kanta Prasad Mandhana, the Chairman of the Committee is an Independent Director who is a qualified Chartered Accountant by profession. Two out of the three Non-Executive Directors are Independent. Statutory Auditor and General Manager (Company Accounts & Taxation) are invited by the Audit Committee to be present at the meetings of the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

**b) Meetings and Attendance**

The Audit Committee met five times during the year on 30th April, 2009, 31st July, 2009, 28th August, 2009, 30th October, 2009 and 29th January, 2010. The meetings were scheduled in advance. In addition to the Members of the Audit Committee, these meetings were attended by Statutory Auditor and Head of Finance.

**4. INVESTORS GRIEVANCE COMMITTEE**

The Committee has the mandate to look into the shareholders and investors' requests on matters relating to transfer of shares and dematerialization of shares. The term of reference of the Committee also includes attending to complaints of non-receipt of annual report, non-receipt of dividend etc. In addition, the Committee also looks into matters which can facilitate better investor services and relations. Keeping these objectives in mind the Board of Directors of RIL constituted the "Investors Grievance Committee" of the Directors, which comprises Mr. Dinesh Khandelwal, Chairman, Mr. Kanta Prasad Mandhana and Mr. Dinesh Shakra. Mr. Ashish Mehta has been nominated as the Compliance Officer to ensure the due compliance of SEBI requirements and to look into shareholders' grievances on a day-to-day basis and to liaise with SEBI in the matter of investors' complaints.

During the period under review committee members met to discuss and review reports on investors queries, complaints regarding transfer, dividend, annual reports etc and the status of investors services rendered. Share transfers as approved by the Committee are notified to the Board at regular intervals and are taken on record by the Board at their meetings.

The Committee met four times during the year on 10th April, 2009, 10th July, 2009, 10th October, 2009 and 8th January, 2010. Chairman along with the Committee members attended all the four meetings.

During the financial year 2009-2010, the Company duly resolved to the satisfaction of the shareholders, the complaints received for transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend, etc. No complaint was pending for more than 30 days as on 31st March, 2010.

**5. MANAGEMENT**

**(a) Management discussion and analysis**

This is given as a separate chapter in this annual report.

**(b) Disclosures**

- i. *Transactions with related parties* : The Company has not entered into any transaction of material nature with related parties that may have any potential conflict with the interest of the Company.
- ii. *Compliance by the Company* : The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during last three years. No penalties, strictures have been imposed on the Company by any Stock Exchange or SEBI or any other authorities relating to capital markets.

*Risk Management* : The Board of Directors regularly review the risk management strategy of the Company to ensure the effectiveness of risk management policy and procedures.

**6. MEANS OF COMMUNICATION**

The quarterly and half-yearly un-audited financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India are generally published in Free Press Journal & Navashakti. The Shareholders can visit the Company's website [www.ruchiinfrastructure.com](http://www.ruchiinfrastructure.com) for important Corporate Announcements and Board Meeting Information. The website also contains financial and shareholding information of the Company. Besides being placed on the website, all the financial, vital and price sensitive official news releases are also properly communicated to the concerned stock exchanges.

## 7. GENERAL SHAREHOLDER INFORMATION

### (a) General Body Meetings

- I. The last three Annual General Meetings of the Company were held at the following addresses and on the following dates and time :

AGM	Date	Time	Address
23rd	29th September, 2007	1.00 P.M.	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
24th	30th September, 2008	12.30 P.M.	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
25th	30th September, 2009	12.30 P.M.	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

- II. Approval of shareholders was obtained through the means of postal ballot for amendment in the Object Clause of Memorandum of Association of the Company (Resolution No.1), Commencement of New Business (Resolution No.2) and Further Issue of Capital (Resolution No.3). The postal ballot process was conducted, as provided under the provisions mentioned under Section 192A of the Companies (Amendment) Act, 2000. Mr. Prashant D. Diwan, a Company Secretary in whole-time practice was appointed as scrutinizer to conduct the postal ballot voting process. The results of postal ballot were declared on 26th August, 2010. All the three resolutions were passed as special resolution.

### (b) Annual General Meeting

Date : 30th September, 2010  
Time : 12.30 P.M.  
Venue : Sunville Deluxe Pavilion, Sunville Building,  
9, Dr. Annie Besant Road, Worli,  
Mumbai - 400 018.

### (c) Financial Calendar of the Company

Adoption of quarterly result within 45 days from the end of quarter.

Book Closure Date – Monday, the 27th September, 2010 to Thursday, the 30th September, 2010 (both days inclusive)

Dividend Payment Date - On or before 30th October, 2010

### (d) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company confirms that it has paid the requisite annual listing fees to such Stock Exchanges for the year 2010-2011.

Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Exchange Securities Trading Limited (SGX-ST), 2 Shenton Way , # 19-00 SGX Centre 1, Singapore 068804, Tel : (65) 6236 8888 Fax : (65) 6535 6994.

### (e) Stock Code

Stock Exchange	Stock Code	ISIN Code	Security Listed
Bombay Stock Exchange Limited	509020	INE413B01023	Equity Shares
National Stock Exchange of India Limited	RUCHINFRA	INE413B01023	Equity Shares
Singapore Exchange Securities Trading Limited	3CAB	XS0284362620	Bonds

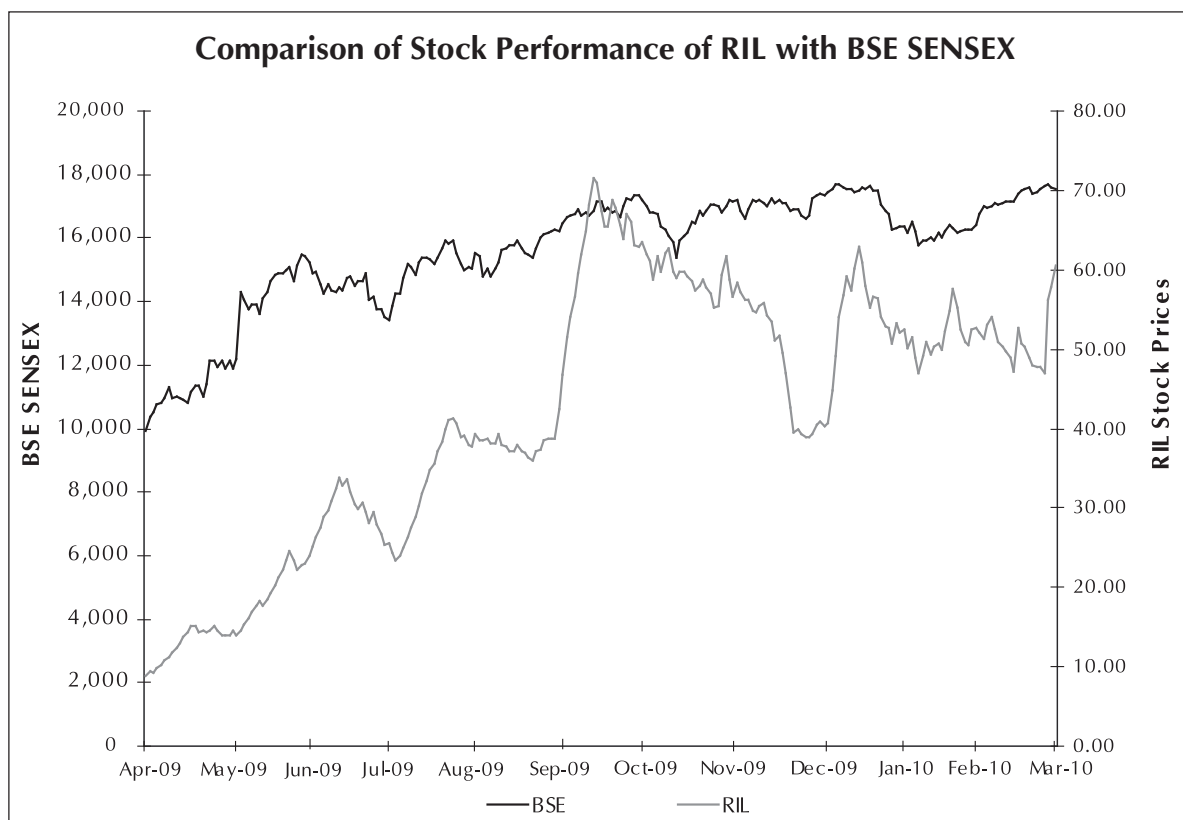
**(f) Market Price Data**

The monthly high and low quotations and volume of shares traded at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited during the financial year 2009-2010 are given as under :

Period	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly Volume
April, 2009	15.85	8.50	48,311	16.00	8.45	43,764
May, 2009	19.34	13.24	70,072	19.25	12.35	58,604
June, 2009	34.85	20.10	4,75,214	35.75	19.25	1,74,50,967
July, 2009	38.95	22.65	2,06,124	39.05	22.80	26,70,753
August, 2009	43.00	35.35	1,69,373	42.50	35.40	96,33,192
September, 2009	74.95	33.95	21,16,451	73.55	35.50	87,89,407
October, 2009	72.10	56.20	12,64,390	73.05	57.10	19,25,334
November, 2009	62.10	51.35	2,63,948	63.95	52.00	4,63,812
December, 2009	61.90	37.00	9,64,911	63.15	37.10	26,10,841
January, 2010	64.05	44.75	1,20,41,185	64.00	41.00	1,08,27,067
February, 2010	59.70	46.60	45,74,492	58.80	46.55	40,66,883
March, 2010	62.20	42.10	1,14,37,594	62.35	45.40	71,93,728

**(g) Stock Price Performance - RIL vis-a vis BSE SENSEX**

Performance of stock prices of the Company during the financial year 2009-2010 vis-a vis BSE SENSEX is given below :



**(h) Registrar and Share Transfer Agents**

Sarthak Global Limited of 170/1 0, R.N.T. Marg, Film Colony, Indore - 452 001 is the Registrar and Share Transfer Agent of the Company.

**(i) Share Transfer System**

Shares lodged in physical form with the Company/its Registrar and Share Transfer Agent are processed and returned, duly transferred within 30 days normally, except in cases where litigation is involved.

In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee at the depository participant(s) through which electronic debit/credit of the accounts are involved.

**(j) Shareholding Pattern and Distribution of Shareholding**

i. Shareholding pattern as on 31st March, 2010 :

Category of Shareholder	No. of Shareholders	Total No. of Shares	Percentage of Shareholding
<b>(A) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>			
<b>(1) Indian</b>			
(a) Individuals/ Hindu Undivided Family	18	5,99,21,581	29.42
(b) Bodies Corporate	6	4,94,02,079	24.26
<i>Sub-Total</i>	<u>24</u>	<u>10,93,23,660</u>	<u>53.68</u>
<b>(2) Foreign</b>	—	—	—
<i>Sub-Total</i>	—	—	—
<b>Total Shareholding of Promoter and Promoter Group</b>	<b>24</b>	<b>10,93,23,660</b>	<b>53.68</b>
<b>(B) PUBLIC SHAREHOLDING</b>			
<b>(1) Institutions</b>			
(a) Foreign Institutional Investors	3	2,66,19,783	13.07
<i>Sub-Total</i>	3	2,66,19,783	13.07
<b>(2) Non-institutions</b>			
(a) Bodies Corporate	388	6,25,95,653	30.74
(b) Individual Shareholders holding nominal share capital up to Rs.1 lakh.	4,494	36,70,399	1.80
(c) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	4	8,76,646	0.43
(d) Clearing Members	166	5,73,801	0.28
<i>Sub-Total</i>	<u>5,052</u>	<u>6,77,16,499</u>	<u>33.25</u>
<b>Total Public Shareholding</b>	<b>5,055</b>	<b>9,43,36,282</b>	<b>46.32</b>
<b>TOTAL (A)+(B)</b>	<b>5,079</b>	<b>20,36,59,942</b>	<b>100.00</b>
<b>(C) SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>	—	—	—
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5,079</b>	<b>20,36,59,942</b>	<b>100.00</b>

ii. Distribution of shareholding as on 31st March, 2010 :

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 2,500	4,649	91.53	16,78,759	0.82
2,501 – 5,000	177	3.49	6,94,029	0.34
5,001 – 10,000	94	1.85	7,02,488	0.34
10,001 – 20,000	50	0.98	7,78,649	0.38
20,001 – 30,000	23	0.45	5,60,412	0.28
30,001 – 40,000	14	0.28	4,82,911	0.24
40,001 – 50,000	11	0.22	5,33,146	0.26
50,001 – 1,00,000	11	0.22	7,69,727	0.38
1,00,001 & Above	50	0.98	19,74,59,821	96.96
<b>TOTAL</b>	<b>5,079</b>	<b>100.00</b>	<b>20,36,59,942</b>	<b>100.00</b>

**(k) Dematerialisation of Shares and Liquidity**

The shares of the Company are compulsorily traded in the dematerialized form and are available for trading under both the Depository Systems in India-NSDL and CDSL. As on 31st March, 2010, 11,56,99,743 equity shares of the Company were in dematerialised form. As on 30th August, 2010, 13,64,79,743 equity shares were dematerialised.

**(l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely on equity**

Out of 125 Foreign Currency Convertible Bonds (FCCBs) outstanding at the beginning of the financial year, the Company has bought back 60 FCCBs during the year pursuant to RBI Circular dated December 8, 2008 on buy back of FCCBs. These bought back FCCBs were cancelled thereafter. During the year one FCCB holder had exercised its option to convert 3 FCCBs into equity shares. As on 31st March, 2010, 62 FCCBs were outstanding. As on date 55 FCCBs are outstanding, which if converted; would result in issuing of 124,14,270 Equity Shares of Re.1/- each fully paid up.

**(m) Plant Locations of the Company**

Ruchi Infrastructure Ltd,  
Beach Road, Dummulpet,  
Kakinada,  
Andhra Pradesh - 533 008.

Ruchi Infrastructure Ltd,  
Village Sejwaya, Ghatabhillod,  
Distt. Dhar,  
Madhya Pradesh - 454 773.

**(n) Address for Communication**

The shareholders may address their communications, queries, suggestions and grievances to :

The Company Secretary & Compliance Officer

Ruchi Infrastructure Limited

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

Tel.No: (022) 22824851/66560600, Fax No: (022) 22023160

e-mail: ashish\_mehta@ruchigroup.com; tapan\_c@ruchigroup.com

The shareholders may also e-mail their queries, suggestions and grievances at 'ruchiinfrasecretarial@ruchigroup.com

**(o) Certificates by Whole-time Director and General Manager (Corporate Accounts and Taxation)**

The Board of Directors has received certificate issued by the Whole-time Director and General Manager (Corporate Accounts and Taxation) as envisaged under Clause 49(V) of the Listing Agreement.

**(p) Report on Corporate Governance**

This chapter, read together with the information given in the chapter entitled as 'Management Discussion and Analysis Report', constitutes a detailed compliance report on Corporate Governance during 2009-2010. This report is annexed to the Directors' Report for the year 2009-2010 in terms of Clause 49 of the Listing Agreement.

**(q) Auditor's certificate on Corporate Governance**

The Company has obtained the Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. This Certificate will be sent to the Stock Exchanges, along with the Annual Report to be filed by the Company.

**(r) Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, we affirm that the Board Members and Senior Management personnel of the Company have confirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2010.

For Ruchi Infrastructure Limited

Place: Mumbai  
Date : August 30, 2010

**Mahendra Prasad Sharma**  
**Whole-time Director**

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**CERTIFICATE**

To the Members of  
**RUCHI INFRASTRUCTURE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Ruchi Infrastructure Limited for the year ended 31st March 2010 as stipulated in Clause 49 of the Standard Listing Agreement of the said Company with Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As informed to us, the records relating to investors grievances pending against the Company, if any is maintained by the Registrar of the Company, who have certified that as at 31st March, 2010, no grievances were unattended/pending for redressal.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.M. SINGLA & CO.**  
Chartered Accountants

**(MURLI M. SINGLA)**  
**Proprietor**  
Membership No. 40366

Place : Mumbai  
Date : August 30, 2010

# Auditors' Report

TO  
THE MEMBERS  
**M/S. RUCHI INFRASTRUCTURE LIMITED**

We have audited the attached Balance Sheet of Ruchi Infrastructure Ltd. as at 31st March, 2010 and also the Profit & Loss Account for the year ended on that date, annexed thereto and Cash Flow Statement for the year on that date. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conduct our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
5. The Balance Sheet ,Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
6. In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
7. On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that no Directors are disqualified as at March 31st, 2010 from being appointed as Director in terms of clause(g) of Sub-Section(I) of section 274 of the Act 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement read with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i) In so far as it relates to the Balance Sheet of the State of affairs of the Company as at 31st March, 2010
  - ii) In so far as it relates to the Profit & Loss Accounts of the Profit for the year ended on that date and
  - iii) In so far as it relates to the Cash Flow Statement of the Cash Flows for the year ended on that date.

For **M.M.Singla & Co.**  
**Chartered Accountants**

(**MURLI M.SINGLA**)  
**Proprietor**  
Membership No 40366

Place : Mumbai  
Date : August 30, 2010

## ANNEXURE TO THE AUDITOR'S REPORT

1.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies between books records and physical inventory were noticed.
  - b) There was no substantial disposal of fixed assets during the year.
2.
  - a) In respect of inventory, physical verification has been conducted by the management at reasonable intervals. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
  - b) The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
3.
  - a) The Company has not taken loan any loan from companies listed in the Register maintained under section 301 of the Companies Act, 1956.
  - b) The terms and conditions of loans granted by the Company to companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956 are prima facie not prejudicial to the interests of the Company.
4. There is an adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of raw materials, stores, fixed assets and for sale of goods.
5.
  - a) In our opinion and according to the information and explanations given to us, the transactions that needed to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b) In our opinion and according to the information and explanations given to us, having regard to the explanation that many of the items are of a special nature and their prices cannot be compared with alternative quotations, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act. 1956 and exceeding the value of Rupees five lacs in respect of any party during the year have been reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us the Company has not accepted any deposit from public to which provision of section 58A and 58 AA of the Companies Act, 1956 and the rules made thereunder apply.
7. In our opinion the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9.
  - a) According to the records of the Company, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and other statutory dues applicable to it with the appropriate authorities. There are no undisputed statutory dues outstanding as on 31st March, 2010 for a period of more than six months from the date they became payable.

- b) The following disputed amount as of 31st March, 2010 aggregating to Rs.10,50,81,787/- on account of matters pending before the appropriate authorities.

Name of the statute	Nature of dues	Forum where dispute is pending	Years to which dispute relate	Amount disputed Rs.
Customs Duty	Customs Duty	High Court	2001-2002	2,11,90,804
Customs Duty	Customs Duty	Appellate Authority	2002-2003	3,51,975
Sales Tax	Sales Tax	High Court	2002-2003	6,91,53,119
Sales Tax	Sales Tax	Appellate Commissioner	2002-2003 } 2003-2004 } 2005-2006 }	70,06,285
Sales Tax	Sales Tax	Assessing Officer	2003-2004 } 2004-2005 }	
Excise Duty	Excise Duty	Appellate Commissioner	2004-2005	
Excise Duty	Excise Duty	High Court	2004-2005	5,42,045

10. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks or financial institutions.
12. In our opinion and according to the explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company does not deal or trade in shares, securities, debentures and other investments. Accordingly the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by a subsidiary from a bank are, prima facie, not prejudicial to the interests of the Company.
16. In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, paragraph 4(xviii) of the Order is not applicable.
19. The Company did not issue any debentures during the year.
20. We have verified the end use of money raised by way of issue of Foreign Currency Convertible Bonds as disclosed in the Notes to the Accounts
21. According to the information and explanations given by the Management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March,2010.

For **M.M.Singla & Co.**  
**Chartered Accountants**

(**MURLI M.SINGLA**)  
**Proprietor**  
Membership No 40366

Place : Mumbai  
Date : August 30, 2010

# Balance Sheet

AS AT 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	74,97,21,242	74,90,44,100
Reserves and Surplus	2	137,22,05,708	101,02,69,459
		<u>212,19,26,950</u>	<u>175,93,13,559</u>
Loan Funds			
Secured Loans	3	107,31,18,200	62,71,00,000
Unsecured Loans	4	231,08,36,055	274,76,02,525
		<u>338,39,54,255</u>	<u>337,47,02,525</u>
Deferred Tax Liability		760,13,596	8,16,49,785
		<u>558,18,94,801</u>	<u>521,56,65,869</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	5		
Gross Block		415,26,12,124	351,11,00,703
Less: Depreciation		152,74,74,690	128,78,46,233
Net Block		<u>262,51,37,434</u>	<u>222,32,54,470</u>
Capital Work-In-Progress		4,46,52,825	26,62,66,740
		<u>266,97,90,259</u>	<u>248,95,21,210</u>
Investments	6	104,32,88,050	65,85,74,184
Current Assets, Loans & Advances	7		
Inventory		150,64,49,090	104,80,60,379
Sundry Debtors		65,91,04,525	99,51,02,552
Cash & Bank Balances		163,14,44,547	146,75,00,325
Loans & Advances		104,31,67,467	137,22,83,272
		<u>484,01,65,629</u>	<u>488,29,46,528</u>
Less: Current Liabilities & Provisions	8		
Liabilities		274,20,97,957	266,31,20,620
Provisions		24,52,36,762	17,68,84,685
		<u>298,73,34,719</u>	<u>284,00,05,305</u>
Net Current Assets		185,28,30,910	204,29,41,223
Miscellaneous Expenditure (to the extent not written off or adjusted)	9	1,59,85,582	2,46,29,252
		<u>558,18,94,801</u>	<u>521,56,65,869</u>
Notes to the Accounts	15		

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

# Profit & Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>INCOME</b>			
Sales & Services	10	1463,94,89,366	1173,27,67,802
Other Income		2,67,43,933	51,16,035
Increase/(Decrease) in Stock	11	1,27,78,333	(9,23,56,899)
		<u>1467,90,11,632</u>	<u>1164,55,26,938</u>
<b>EXPENDITURE</b>			
Purchases		408,95,92,080	254,59,77,049
Material Consumed	12	916,34,41,085	833,74,58,960
Manufacturing & Other expenses	13	89,91,02,364	75,09,98,944
Interest	14	(12,87,093)	(4,30,08,718)
Depreciation		23,97,96,359	20,75,77,030
		<u>1439,06,44,795</u>	<u>1179,90,03,265</u>
Profit Before Taxation And Extraordinary Income		28,83,66,837	(15,34,76,327)
Less: Provision for Taxation - Current Tax		4,60,00,000	—
Provision for Taxation - Deferred Tax		(56,36,189)	210,89,314
Provision for Taxation - Fringe Benefit Tax		—	13,50,000
Profit After Taxation		<u>24,80,03,026</u>	<u>(17,59,15,641)</u>
Extraordinary Income (Net of Tax)		9,75,25,570	5,65,43,859
Net Profit After Tax		34,55,28,596	(11,93,71,782)
Add: Balance as per last Balance Sheet		4,12,88,395	21,32,40,826
Profit Available for Appropriation		<u>38,68,16,991</u>	<u>9,38,69,044</u>
<b>APPROPRIATION</b>			
General Reserves		10,00,00,000	—
Proposed Dividend - On Preference Shares		3,27,63,678	3,27,63,678
Proposed Dividend - On Equity Shares		1,62,92,795	1,21,78,968
Tax On Proposed Dividend		83,37,148	76,38,003
Balance carried to Balance Sheet		22,94,23,370	4,12,88,395
		<u>38,68,16,991</u>	<u>9,38,69,044</u>
Basic Earning Per Share - Rs.		1.51	(0.59)
Diluted Earning Per Share -Rs.		1.41	1.08
Notes to the Accounts	15		

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extraordinary items	38,58,92,407	(9,69,32,468)
Adjustments for :		
Depreciation	23,97,96,358	20,75,77,030
Interest paid	6,14,04,720	7,97,50,031
Misc. expenditure	86,43,670	86,43,670
Interest received	(6,26,91,813)	(12,27,58,749)
Premium on FCCB written back	5,35,08,282	11,32,16,906
Dividend received	(28,01,665)	(23,04,730)
Gain on Mutual Fund Redemption	(91,85,518)	
Extraordinary Income (Net of Taxes)	(9,75,25,570)	(5,65,43,859)
Operating profit before adjusting for changes in working capital	19,11,48,464	22,75,80,299
Adjustments for:		
Increase in inventory	(45,83,88,711)	59,13,10,215
Decrease in debtors	33,59,98,027	10,50,57,139
Decrease in other current assets	32,91,15,805	(43,59,90,666)
Increase in liabilities	9,38,21,132	(7,47,83,507)
Cash flow from operations	87,75,87,124	31,62,41,013
Taxes paid	4,60,00,000	13,50,000
Cash Flow from Operating Activities... A	83,15,87,124	31,48,91,013
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	6,26,91,813	12,27,58,749
Increase in fixed assets	(42,00,65,407)	(56,26,76,214)
Increase in investments	(38,47,13,866)	(14,07,81,338)
Extraordinary Income (Net of Tax)	9,75,25,570	5,65,43,859
Dividend received	28,01,665	23,04,730
Gain on Mutual Fund Redemption	91,85,518	
Cash Flow from Investing Activities... B	(63,25,74,707)	(52,18,50,214)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	6,77,142	—
Share Premium Received	2,58,66,824	—
Addition (withdrawal) in Reserves	4,79,34,450	19,96,91,767
Increase in borrowed funds	92,51,730	1,57,88,432
Dividend paid	(5,73,93,621)	(5,25,80,649)
Interest paid	(6,14,04,720)	(7,97,50,031)
Cash flow from Financing Activities... C	(3,50,68,195)	8,31,49,519
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>16,39,44,222</b>	<b>(12,38,09,682)</b>
Cash & Cash Equivalents as at 01-04-09	146,75,00,325	159,13,10,007
Cash & Cash Equivalents as at 31-03-10	163,14,44,547	146,75,00,325
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16,39,44,222</b>	<b>(12,38,09,682)</b>

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
50,00,00,000 Equity Shares of Re.1/- each (Previous Year 50,00,00,000 Shares of Re.1/- each)	50,00,00,000	50,00,00,000
2,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 2,00,00,000 Shares of Rs.100 /- each)	200,00,00,000	200,00,00,000
	<u>250,00,00,000</u>	<u>250,00,00,000</u>
<b>Issued, Subscribed and Paid up</b>		
20,36,59,942 Equity Shares of Re.1/- each Fully Paid Up (Previous Year 20,29,82,800/- shares of Re.1/- each)	20,36,59,942	20,29,82,800
54,60,613 6 % Cumulative Redeemable Preference Shares of Rs.100/- each (Previous Year 54,60,613 Shares of Rs.100/- each)	54,60,61,300	54,60,61,300
	<u>74,97,21,242</u>	<u>74,90,44,100</u>

**Note :**

- i) The Company had allotted 6% Cumulative Redeemable Preference shares as under :
  - 17,33,345 Shares were allotted on 31st March 2006
  - 37,27,268 Shares were allotted on 9th October 2006
- ii) The Preference Shares are redeemable as under :
  - Rs. 33/- to be redeemed after 12 years from date of allotment
  - Rs. 33/- to be redeemed after 13 years from date of allotment
  - Rs. 34/- to be redeemed after 14 years from date of allotment
- iii) The Company at its sole discretion has an option to prematurely redeem the preference shares in full or in part after completion of three years from date of allotment
- iv) During the year, the Company has allotted 6,77,142 equity shares of Re.1/- each following exercise of conversion option by holders of Foreign Currency Convertible Bonds.

### SCHEDULE - 2 : RESERVES & SURPLUS

<b>General Reserve</b>		
Balance as per last Balance Sheet	63,57,92,053	73,27,59,286
Add : Transfer from Profit & Loss A/c	10,00,00,000	—
	<u>73,57,92,053</u>	<u>73,27,59,286</u>
Less : Foreign Exchange Fluctuation of earlier year written back pursuant to adaption of AS-11 (Revised)	—	9,69,67,233
	<u>73,57,92,053</u>	<u>63,57,92,053</u>
Share Premium Account	5,75,48,024	3,16,81,200
Export Allowance Reserve	23,38,077	23,38,077
Profit & Loss Account	22,94,23,370	4,12,88,395
Capital Subsidy	25,10,734	25,10,734
Capital Reserve (Refer Note 7 to Schedule 15)	33,78,73,450	29,66,59,000
Foreign Currency Monetary Items Translation Reserve	67,20,000	—
	<u>137,22,05,708</u>	<u>101,02,69,459</u>

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE - 3 : SECURED LOANS</b>		
Term Loan from Karur Vysya Bank Ltd (Note 1 below)	4,00,00,000	8,00,00,000
Term Loan from Axis Bank Ltd (Note 2 below)	—	2,60,00,000
Corporate Loan from State Bank of India (Note 3 below)	5,53,00,000	12,53,00,000
Term Loan from State Bank of India (Note 4 below)	61,55,78,200	39,58,00,000
External Commercial Borrowing from Axis Bank Ltd (Note 5 below)	36,22,40,000	—
	<u>107,31,18,200</u>	<u>62,71,00,000</u>

**NOTE:**

**1. Term Loan from Karur Vysya Bank Ltd :**

The loan is secured by (a) first charge on the movable and immovable fixed assets of the Company at Kakinada refinery site & (b) personal guarantee of a Director of the Company. Amount repayable within 1 year Rs.4,00,00,000/- (Previous year Rs.4,00,00,000/-)

**2. Term Loan from Axis Bank Ltd :**

The loan is secured by (a) first charge on specific storage facilities at Kochi & (b) personal guarantee of a Director of the Company Amount Repayable within 1 year Rs.Nil /- (Previous year Rs.2,60,00,000)

**3. Corporate Loan from State Bank of India :**

The loan is secured by (a) Pledge of Equity shares of the Company held by a promoter of the Company (b) personal guarantee of a Director of the Company. Amount Repayable within 1 year Rs.5,53,00,000/- (Previous year Rs.7,00,00,000/-)

**4. Term Loan from State Bank of India :**

The loan is secured by (a) exclusive first charge on the fixed assets of the Company created at various locations under the Rural Warehouses & Agri Marketing Infrastructure Facility project of the Company (b) personal guarantee of a Director of the Company Amount Repayable within 1 year Rs.7,61,00,000/- (Previous Year Rs.9,54,00,000/-) (c) the loan includes sum of Rs.7,64,62,952/- disbursed as interest free loan in lieu of capital subsidy. Since the disbursal of Capital subsidy is back ended, this amount will be converted to Capital subsidy once the balance amount of term loan amounting to Rs.53,91,15,248/- is repaid in full.

**5. External Commercial Borrowing from Axis Bank Ltd :**

The loan is secured by pari passu first charge on the Fixed Assets of the Company at Kakinada Refinery. Amount repayable within 1 year Rs.18,11,20,000/- (Previous Year Rs. Nil)

**SCHEDULE - 4 : UNSECURED LOANS**

	Rs.	Rs.
Inter Corporate Deposits	4,68,61,790	4,68,61,790
Overdraft from Banks	94,13,010	5,95,18,864
Buyers Credit from Banks (Refer Note 6 to Schedule 15)	134,53,40,122	97,34,88,889
Sales Tax Deferrment	19,19,42,262	19,19,42,262
Zero Coupon Unsecured Foreign Currency Convertible Bonds (Refer Note 7 to Schedule 15)	71,72,78,871	147,57,90,720
	<u>231,08,36,055</u>	<u>274,76,02,525</u>

## SCHEDULE - 5: FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS AT 01.04.09 Rs.	ADDITIONS Rs.	DEDUCTIONS Rs.	BALANCE AS AT 31.03.10 Rs.	As At 01.04.09 Rs.	FOR THE YEAR Rs.	ADJUSTMENT Rs.	UP TO 31.03.10 Rs.	AS AT 31.03.10 Rs.	AS AT 31.03.09 Rs.
	LAND (FREEHOLD)	51,42,01,572	93,07,085	5,38,24,143	46,96,84,514	—	—	—	—	46,96,84,514
LAND (LEASEHOLD)	3,24,10,206	—	—	3,24,10,206	—	—	—	—	3,24,10,206	324,10,206
BUILDINGS	42,92,35,710	64,73,03,934	19,39,363	107,46,00,281	11,73,90,498	4,57,54,552	—	16,31,45,050	91,14,55,231	31,18,45,212
JETTY	13,16,88,796	—	—	13,16,88,796	8,05,55,534	51,13,326	—	8,56,68,860	4,60,19,936	5,11,33,262
PLANT & MACHINERY	236,26,26,361	7,71,09,649	7,67,75,437	236,29,60,573	106,41,60,747	18,38,12,703	1,23,361	124,78,50,089	111,51,10,484	129,84,65,614
FURNITURE & FIXTURES	2,19,95,798	3,29,35,024	2,76,997	5,46,53,825	1,24,35,327	27,15,172	—	1,51,50,499	3,95,03,326	95,60,471
VEHICLES	1,89,42,260	81,79,917	5,08,248	2,66,13,929	1,33,04,127	24,00,606	44,541	1,56,60,192	1,09,53,737	56,38,133
<b>TOTAL</b>	<b>351,11,00,703</b>	<b>77,48,35,609</b>	<b>13,33,24,188</b>	<b>415,26,12,124</b>	<b>128,78,46,233</b>	<b>23,97,96,359</b>	<b>1,67,902</b>	<b>152,74,74,690</b>	<b>262,51,37,434</b>	<b>222,32,54,470</b>
PREVIOUS YEAR	303,80,63,229	57,05,52,118	9,75,14,644	351,11,00,703	108,03,69,769	20,75,77,030	1,00,566	128,78,46,233	222,32,54,470	195,76,93,600
CAPITAL WORK-IN-PROGRESS									4,46,52,825	26,62,66,740
<b>TOTAL...</b>									<b>266,97,90,259</b>	<b>248,95,21,210</b>

(Refer Note 9 to Schedule 15)

## SCHEDULE - 6 : INVESTMENTS

### A. Quoted Investments (At Cost) (other than trade)

Quoted at Stock Exchanges Equity Shares Fully paid up	Face Value Rs.	2009-2010 Quantity	2009-2010 Rs.	2008-2009 Quantity	2008-2009 Rs.
National Steel & Agro Industries Ltd.	10	12,54,675	48,03,500	12,54,675	48,03,500
Ruchi Strips & Alloys Ltd.	10	9,500	1,11,155	9,500	1,11,155
Ruchi Soya Industries Ltd	2	48,35,077	20,21,64,584	40,15,410	13,49,57,353
Sub Total Rs.			<b>20,70,79,239</b>		<b>13,98,72,008</b>

### B. Unquoted Investments (At Cost) (other than trade)

i) Investment in Subsidiary Companies					
Peninsular Tankers Pvt Ltd	10	37,77,500	3,77,75,000	37,77,500	3,77,75,000
RIFL Energy Pvt Ltd	10	60,000	6,00,000	60,000	6,00,000
Ruchi Resources Pte Ltd	1 USD	5,000	2,26,400	5,000	2,55,800
Investment in Partnership firm					
Narang & Ruchi Developers			12,50,14,101	—	10,41,88,590
ii) Other Investments					
Ruchi Acroni Industries Ltd.	10	7,00,000	70,00,000	7,00,000	70,00,000
Ruchi Global Ltd	10	1,25,000	12,50,000	1,25,000	12,50,000
Mangalore Liquid Impex Pvt Ltd	10	3,600	36,000	3,600	36,000
Indian Steel Corporation Ltd	10	29,95,100	14,97,55,000	29,95,100	14,97,55,000
Arandi Investments Pvt Ltd	10	11,97,804	12,88,52,310	11,97,804	12,88,52,310
Preference Shares - Sunshine Oleochem Pvt Ltd	100	2,00,000	2,00,00,000	2,00,000	2,00,00,000
Preference Shares-Ruchi Realty Pvt Ltd	100	34,50,000	36,57,00,000	—	—
iii) Investment in Mutual Fund					
Reliance Money Manager Fund Institutional Option			—	63,361	6,89,89,476
<b>TOTAL...</b>			<b>104,32,88,050</b>		<b>65,85,74,184</b>

**Note:** Market Value of Quoted Investments Rs.50,01,05,441/- (Previous Year Rs.10,16,71,611/-)

**SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES**

	2009-2010 Rs.	2008-2009 Rs.
<b>A. Current Assets</b>		
(1) Inventory (At cost or market value whichever is lower, as valued and certified by the management)		
Raw material & Packing Material	73,17,75,722	28,70,35,685
Consumables	5,71,01,002	5,62,30,662
Finished & Semi Finished Goods	71,75,72,366	70,47,94,032
	<u>150,64,49,090</u>	<u>104,80,60,379</u>
(2) Sundry Debtors (Unsecured & Considered good)		
Debts outstanding for period exceeding six months	3,98,14,546	2,45,65,214
Other debts	61,92,89,979	97,05,37,338
	<u>65,91,04,525</u>	<u>99,51,02,552</u>
(3) Cash & Bank Balances		
Cash on hand	25,27,376	31,03,629
Balance with Scheduled Banks		
In Current Accounts - in India	19,12,11,711	11,67,47,546
In Current Accounts with Foreign Branch of Scheduled Banks	—	18,30,193
In Deposit Accounts in India (Refer Note 6 to Schedule 15)	143,77,05,460	122,00,84,248
In Deposit Accounts in Foreign Branches of Scheduled Banks	—	12,57,34,709
	<u>163,14,44,547</u>	<u>146,75,00,325</u>
<b>B. Loans &amp; Advances</b> (Unsecured & Considered Good)		
Advance Recoverable in cash or kind or for value to be received	63,16,96,029	102,59,68,728
Deposit with others	3,03,71,068	1,35,24,109
Inter Corporate Deposits	11,05,77,419	9,65,32,797
Advance Income Tax and Tax Deducted at Source	27,05,22,951	23,62,57,638
	<u>104,31,67,467</u>	<u>137,22,83,272</u>

**SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS**

<b>A. Current Liabilities</b>		
Sundry creditors	264,58,81,675	257,11,69,432
Other liabilities	7,71,36,275	6,49,56,579
Advances from customers	1,90,80,007	2,69,94,609
	<u>274,20,97,957</u>	<u>266,31,20,620</u>
<b>B. Provisions</b>		
Provision for taxation	18,54,14,207	12,18,75,102
Provision for Fringe benefit Tax	24,28,934	24,28,934
Proposed Dividend	4,90,56,473	4,49,42,646
Tax on Dividend	83,37,148	76,38,003
	<u>24,52,36,762</u>	<u>17,68,84,685</u>

**SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Opening balance	2,46,29,252	3,32,72,922
Less : Amount Written off	86,43,670	86,43,670
Balance carried forward	<u>1,59,85,582</u>	<u>2,46,29,252</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE - 10 : SALES &amp; SERVICES</b>		
<b>Sales &amp; Services</b>	<b>1466,56,12,797</b>	<b>1175,28,13,478</b>
Less : Excise Duty	<u>264,88,427</u>	<u>2,10,78,982</u>
	<b>1463,91,24,370</b>	<b>1173,17,34,496</b>
Other Operating Income	<u>3,64,996</u>	<u>10,33,306</u>
	<u><b>1463,94,89,366</b></u>	<u><b>1173,27,67,802</b></u>
<b>Other Income</b>		
Dividend	<b>28,01,665</b>	<b>23,04,730</b>
Profit on Sale of Assets	<b>54,96,398</b>	<b>20,134</b>
Foreign Currency Monetary Translation Difference (Gain)	<b>67,20,000</b>	<b>—</b>
Miscellaneous Income	<b>25,40,352</b>	<b>—</b>
Gain on Redemption of Mutual Fund Units	<u>91,85,518</u>	<u>27,91,171</u>
	<u><b>2,67,43,933</b></u>	<u><b>51,16,035</b></u>
<b>SCHEDULE - 11 : INCREASE/(DECREASE) IN STOCKS</b>		
	2009-2010 Rs.	2008-2009 Rs.
<b>A. Closing Stock</b>		
Finished Goods	<b>60,00,24,872</b>	<b>61,03,99,832</b>
Semi Finished Goods	<u>11,75,47,494</u>	<u>9,43,94,200</u>
	<u><b>71,75,72,366</b></u>	<u><b>70,47,94,032</b></u>
<b>B. Opening Stock</b>		
Finished Goods	<b>61,03,99,833</b>	<b>51,57,87,854</b>
Semi Finished Goods	<u>9,43,94,200</u>	<u>28,13,63,077</u>
	<u><b>70,47,94,033</b></u>	<u><b>79,71,50,931</b></u>
Increase/(Decrease) In Stocks	<u><b>1,27,78,333</b></u>	<u><b>(9,23,56,899)</b></u>
<b>SCHEDULE - 12 : MATERIALS CONSUMED</b>		
Opening Stock	<b>28,70,35,685</b>	<b>80,34,14,301</b>
Add: Purchases	<u>960,81,81,122</u>	<u>782,10,80,344</u>
	<b>989,52,16,807</b>	<b>862,44,94,645</b>
Less: Closing Stock	<u>73,17,75,722</u>	<u>28,70,35,685</u>
Materials Consumed	<u><b>916,34,41,085</b></u>	<u><b>833,74,58,960</b></u>

	2009-2010	2008-2009
	Rs.	Rs.
<b>SCHEDULE - 13 : MANUFACTURING AND OTHER EXPENSES</b>		
Stores Consumed	11,32,72,065	9,56,07,768
Processing Charges	25,61,750	61,734
Packing Expenses	5,38,48,301	3,87,77,190
Power and Fuel	11,28,89,273	10,35,54,269
Salaries, Wages & Bonus	4,07,50,921	3,35,41,510
Contribution to PF & ESIC	16,60,927	14,19,412
Staff Welfare	23,08,150	18,85,240
Rent	1,44,40,711	1,30,18,052
Rates & taxes	6,79,38,072	4,90,36,345
Excise Duty	5,01,692	
Repairs & Maintenance - Machinery	2,31,29,142	2,11,88,613
Repairs & Maintenance - Others	99,64,009	65,87,016
Bank Charges & Commission	2,89,02,621	2,98,98,315
Insurance	33,75,636	39,91,949
Brokerage & Commission	1,18,35,791	81,04,118
Postage & Telephone	30,12,716	32,89,553
Cartage, Freight	22,50,95,093	15,86,27,985
Oil Handling Expenses	4,77,70,863	84,83,915
Premium on FCCB	5,35,08,282	11,32,16,906
Miscellaneous Expenditure Written off	86,43,670	86,43,670
Miscellaneous Expenses	7,36,92,679	5,20,65,384
	<u>89,91,02,364</u>	<u>75,09,98,944</u>
<b>SCHEDULE - 14 : INTEREST</b>		
Interest	6,14,04,720	7,97,50,031
Less : Interest Received	6,26,91,813	(12,27,58,749)
	<u>(12,87,093)</u>	<u>(4,30,08,718)</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE - 15 : NOTES TO THE ACCOUNTS**

**1. Statement of Accounting Policy**

**a. Basis of Accounting**

The accounts have been prepared on the basis of historical cost convention on accrual basis.

**b. Fixed Assets**

Fixed assets are stated at cost less depreciation. Costs comprise the purchase price and any attributable cost of bringing the asset to working condition for its intended use.

**c. Depreciation**

The depreciation is provided on Written Down Value method, at the rate specified in Schedule -XIV of the Companies Act, 1956 on pro rata basis

**d. Inventories**

Inventories are valued at cost or market value, whichever is lower. Cost is arrived at on Moving Average Price basis.

**e. Sales**

Sales are exclusive of excise duty & sales tax.

**f. Foreign Exchange Transactions**

Foreign Currency Transactions are accounted at the exchange rate prevailing on the date of the transaction. Year end receivables and payables are translated at year end rate of exchange except for transactions covered by forward foreign exchange contracts which are translated at the contracted rate. In line with the notification dated 31st March, 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard AS-11 "Effects of Changes in Foreign Exchange Rates", the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.

Accordingly, exchange differences on long term monetary items related to Foreign Currency Liabilities and Assets in so far as they are related to acquisition of Fixed Assets has been added/deducted from the cost of the relevant fixed assets and depreciation has been charged in the books of accounts after taking the effect of such changes.

In respect of long term Foreign Currency Monetary Items relating to other than acquisition of Fixed Assets, the exchange differences are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortised over the life of the monetary item but not beyond 31st March 2011.

**g. Taxation**

Provision for current tax is made on the current tax rates based on assessable income.

Deferred Tax is provided for by computing the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating current tax provision.

**h. Employee Benefits**

Employee benefits are recognised in accordance with revised Accounting Standard 15 as under :

(a) Short term employee benefits are recognised as expense in the profit and loss account of the year in which service is rendered.

(b) Contribution to defined contribution schemes such as Provident Fund, Family Pension Fund and Superannuation Fund are charged to the profit and loss account.

(c) The defined benefit obligations in respect of gratuity and leave encashment are recognised on the basis on valuation done by an independent actuary applying Project Unit Credit Method. The actuarial gain / loss arising during the year are recognised in the profit and loss account of the year.

**i. Investments**

Current Investments are valued at lower of cost or market value. Long term investments are valued at cost. No provision is made for diminution in value of long term investments if in the opinion of the Board of Directors, such diminution is temporary.

**j. Expenses on issue of shares**

Expenses on issue of shares are either charged to the Profit & Loss Account or charged to the Share Premium Account.

**k. Expenses on issue of Foreign Currency Convertible Bonds**

Expenses on issue of Foreign Currency Convertible Bonds is charged to the Profit & Loss Account over the life of the bonds.

**l. Premium on Foreign Currency Convertible Bonds (FCCB's)**

As a prudent accounting policy, premium payable on the FCCB's even though contingent upon non conversion of the FCCBs into Equity Shares, is proportionately charged to the Profit and Loss Account on pro-rata basis over the life of the FCCBs, and the corresponding amount is included in the outstanding amount of FCCBs shown under Unsecured Loans. In the event of conversion of FCCBs into Equity Shares the proportionate amount will be written back on pro-rata basis.

2. In the opinion of the Board, Current Assets, Loans and Advances and deposits are of the value stated in the Balance Sheet, is realisable in the ordinary course of business.
3. The balance in the accounts of the debtors, loans, advances deposits and current liabilities are partly confirmed.
4. Contingent Liabilities not provided for :
  - a. Guarantees issued by bank Rs.17,18,00,686 /- (Previous Year Rs.10,35,24,186/-)
  - b. Corporate Guarantee given on behalf of a Subsidiary - Rs.24,87,23,070/- (Previous Year Rs.33,18,12,128/-)
  - c. Liability on account of Customs duty if export Commitments given for import of Machinery at concessional rate of duty are not met - Rs.2,15,60,301/- (Previous Year Rs.1,48,42,460/-)
  - d. No Provision has been made for the following demands against which the company has filed appeals with the concerned authorities

	<b>2009-2010</b>	<i>2008-2009</i>
i) Customs Duty	<b>2,15,42,779</b>	<i>3,05,40,822</i>
ii) Excise Duty	<b>20,31,064</b>	<i>14,89,019</i>
iii) Service Tax	—	<i>1,97,445</i>
iv) Sales Tax	<b>8,15,07,944</b>	<i>1,57,38,563</i>

- e. Matters decided by appellate authorities in favour of the company against which the Customs/ Excise Department have gone in appeal - Rs.1,89,86,285/- (Previous Year Rs.1,84,43,840/-).
5. In accordance with the Accounting Standard - 22 " Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the company has written back an amount of Rs.56,36,189/- (Previous year Provision of Rs.2,10,89,314/-) in the Profit & Loss Account as deferred tax provision for the year.
6. The Company had availed Buyers Credit from Banks during the year. The outstanding amount as on 31st March, 2010 of Rs.134,53,40,122 /- (Previous Year Rs.97,34,88,889/-) shown under Unsecured loans (Schedule - 4) is guaranteed by Banks against Fixed Deposits amounting to Rs.137,16,00,000/- (Previous Year Rs.98,55,00,000/-) shown in Deposit Account under Cash & Bank Balances (Schedule - 7).
7. a) The Company had issued Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) amounting to USD 40 Million on 5th February 2007. The FCCBs have a maturity of five years and 1 day from the date of issue. The holders of the FCCBs have a right to convert the FCCBs into Equity Shares of the Company of Re. 1 each at a conversion price of Rs.39.20/- per share. (Previous Year Rs.39.20/- per share) The conversion price is subject to adjustment / reset under certain circumstances as per the Terms & Conditions of the FCCBs. Unless previously converted, redeemed or purchased and cancelled, the FCCBs will be redeemed on the Maturity date at 144.50 per cent of their principal amount.
- b) The proceeds of the FCCB issue (net of expenses) are being used for the approved purposes. The unutilised amounts as of 31st March 2010 of Rs.2,04,188/- (Previous Year Rs.19,69,34,302/-) have been included under the following heads:

	<b>2009-2010</b>	<i>2008-2009</i>
	<b>Rs.</b>	<i>Rs.</i>
Bank Balance with Scheduled Banks in Current Accounts	<b>2,04,188</b>	<i>22,10,117</i>
Fixed Deposit with Banks outside India	—	<i>12,57,34,709</i>
Investment in liquid schemes of Mutual Funds	—	<i>6,89,89,476</i>

- c) Unsecured Loans includes Rs.15,58,47,311/- being premium payable on redemption of FCCBs (Previous Year Rs.23,31,22,248/-).
- d) In accordance with the Reserve Bank of India circular dated 8th December 2008 on buy back of FCCBs the Company has during the year ended 31st March 2010, bought back FCCBs of the face value of USD 4 Million at a discount. (Previous Year USD 15 Million).  
The said FCCBs having been issued for the purpose of financing various capital expenditure, the difference between the face value and the amount at which the Bonds were bought back amounting to Rs.4,12,14,450/- (Previous Year Rs.29,66,59,000/-) being of capital nature, has been credited to 'Capital Reserve' and included under 'Reserves & Surplus'. The FCCBs have been accordingly cancelled and recorded in the books of account.
- e) The premium on redemption attributable to the FCCBs bought back and provided in the books of account in the earlier year amounting to Rs.9,75,25,570/- (net of taxes) (Previous year Rs.5,65,43,859/- net of taxes) has been reversed and credited to the Profit and Loss account as extraordinary income.

#### 8. Employee Benefits

Effective 1<sup>st</sup> April 2007, the Company has adopted revised Accounting Standard 15 (AS-15)(revised 2005) Employee Benefits issued by the Institute of Chartered Accountants of India. Disclosure as required by AS-15 are as under:

## GRATUITY

	2009-2010 Rs.	2008-2009 Rs.
<b>Change in obligation during the year ended 31st March 2010</b>		
Obligation at the beginning of the year	29,66,895	23,03,502
Service cost	5,33,919	3,12,379
Interest Cost	2,11,293	1,95,846
Actuarial (Gains)/Losses	(2,32,651)	4,90,777
Benefits payments	(3,06,167)	(3,35,609)
Obligations at the end of the year	29,32,751	29,66,895
<b>Change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	32,28,779	17,92,177
Expected return on plan assets	2,58,302	2,57,011
Contributions	1,52,909	15,88,270
Benefits paid	(3,06,167)	(3,35,609)
Actuarial Gains/(Losses)	33,606	(73,070)
Fair value of plan assets at the end of the year	33,67,429	32,28,779
<b>Amount recognised in Balance Sheet</b>		
Present value of defined benefit obligation at the end of the year	29,32,751	29,66,895
Fair value of plan assets at the end of the year	33,67,429	32,28,779
Net (Liability)/Asset recognized in balance sheet	4,34,678	2,61,844
<b>Balance Sheet Reconciliation</b>		
Net Liability at the beginning of the year	(5,02,422)	5,11,325
Expenses recognized during the year	2,20,653	8,15,061
Contributions during the year	(1,52,909)	15,88,270
Net (Liability)/Asset recognized in balance sheet	4,34,678	29,32,751
<b>Amounts recognised in the profit and loss account</b>		
Current service cost	5,33,919	3,12,379
Interest cost	2,11,293	1,95,846
Expected return on plan assets for the year	(2,58,302)	(2,57,011)
Actuarial (Gains)/Losses	(2,66,257)	5,63,847
Expenditure recognized in the profit and loss account	2,20,653	8,15,061
<b>Actual return on plan assets</b>		
Expected return on plan assets for the year	2,58,302	2,57,011
Actuarial Gains/(Losses) on plan assets	33,606	(73,070)
Actual return on plan assets	2,91,908	1,83,941
<b>Percentage of each category of plan assets to fair value of plan assets</b>		
Insurer managed funds	33,67,427	32,28,779
<b>Actuarial assumptions</b>		
Discount Rate Current	8.25%	8%
Salary escalation Current	5.00%	6%
Rate of return on plan assets Current	8.00%	8%

9. In line with the notification dated 31st March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard AS-11 'Effects of Changes in Foreign Exchange Rates', the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.
- A. Accordingly the exchange differences on long term monetary items related to Foreign Currency Liabilities and Assets in so far as they are related to acquisition of Fixed Assets has been added / deducted from the cost of the relevant fixed assets and depreciation has been charged in the books of accounts after taking the effect of such changes.
- Arising from the above the Company has deducted an amount of Rs.12,54,13,302/- from fixed assets being the exchange differences on long term monetary items relating to the acquisition of fixed assets. (Previous Year addition of Rs.17,67,39,598/- to fixed assets.)
- B. In respect of exchange differences on long term monetary items related to Foreign Currency Liabilities in so far as they are not related to the acquisition of Fixed Assets, the Company has accounted the exchange difference in Foreign Currency Monetary Item Translation Difference Account and has amortised the same over the life of the monetary item but not later than 31st March 2011. Accordingly Exchange Gain amounting to Rs. 67,20,000/- has been amortised during the year. (Previous Year Rs. Nil)
10. The Company has not received any memorandum (as required to be filed by the Suppliers with the notified authorities under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March 2010 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is Nil.

11. Details of Investment in Capital Account of Partnership Firm Narang & Ruchi Developers:

Name of Partners	2009-2010		2008-2009	
	Balance in Capital/ Current Account Rs.	% age of share in Profit / Loss	Balance in Capital/ Current Account Rs.	% age of share in Profit / Loss
Ruchi Infrastructure Ltd	12,50,14,101	70	10,41,88,590	70
Narang Developers Pvt Ltd	1,47,15,872	30	1,15,76,510	30
Total	<u>13,97,29,973</u>	<u>100</u>	<u>11,57,65,100</u>	<u>100</u>

12. The following Revenue Expenses incurred prior to commissioning of Assets have been capitalised:

	2009-2010 Rs.	2008-2009 Rs.
Salaries, Wages & Bonus	68,41,439	1,31,91,801
Contribution to PF, ESIC	3,23,229	6,02,562
Staff Welfare	28,342	18,470
Rent	—	3,76,341
Rates & Taxes	—	2,10,609
Repairs & Maintenance - Others	31,452	3,57,799
Bank Charges & Commission	—	24,25,806
Postage & Telephone	1,65,724	2,44,314
Miscellaneous Expenses	13,77,695	60,19,472
Insurance	35,931	—
Brokerage	—	9,000
Interest	1,80,95,437	1,46,21,170
Total	<u>2,68,99,249</u>	<u>3,80,77,344</u>

13. No. Non Resident Shareholders

	2009-2010	2008-2009
No. Shares held by them	4	3
Dividend Remitted	1,12,83,413	54,60,613
	3,31,13,046	3,27,63,678

14. (a) Expenditure In Foreign Exchange

	2009-2010	2008-2009
Import of Goods	455,36,33,101	419,36,58,761
Dividend Remitted	3,31,13,046	3,27,63,678
Premium on Foreign Currency Convertible Bonds	5,35,08,282	11,32,16,906
Other Expenses	3,42,120	2,15,219

(b) Earning in Foreign Exchange

	2009-2010	2008-2009
Export of Goods	2,83,14,000	—
Interest	20,82,672	1,36,55,254

15. Auditor's Remuneration

	2009-2010	2008-2009
(a) Statutory Audit	1,20,000	1,20,000
(b) Tax Audit	30,000	30,000
(c) Other Services	2,06,082	1,15,956

16. Previous year's figures have been regrouped/recast wherever necessary to make them comparable with the current year's figures.

17. Earning per Share

	2009-2010	2008-2009
i) Basic Earning per Share		
Net Profit after tax	34,55,28,596	(11,93,71,782)
Less : Preference Dividend including tax thereon	3,83,31,865	—
Profit after tax available for Equity Share Holders	30,71,96,731	(11,93,71,782)
No. Equity Shares Outstanding	20,36,59,942	20,29,82,800
Basic Earning per Share (Rs.)	1.51	(0.59)

ii) Diluted Earning per Share		
Profit after tax available for Equity Share Holders	<b>30,71,96,731</b>	(11,93,71,782)
No. Equity Shares Outstanding	<b>20,36,59,942</b>	20,29,82,800
Add : Dilutive Impact of FCCB's	<b>1,39,94,268</b>	2,82,14,286
No. Equity Shares Outstanding	<b>21,76,54,210</b>	23,11,97,086
Diluted Earnings per Share (Rs.)	<b>1.41</b>	(0.52)

**18. A) Details of Raw Material Consumed**

	2009-2010		2008-2009	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
Oils	<b>2,43,233</b>	<b>855,64,24,863</b>	2,01,904	789,49,36,109
Raw Material for Soap	<b>1,313</b>	<b>1,67,33,072</b>	1,542	1,97,38,192
<b>Note :</b> i) Raw material consumed is net of following quantities sold :				
Oils		<b>3325</b>		2461
ii) a) Value of imported and indigenous raw material consumed & percentage thereof to total consumption:				
	<b>Value (Rs.)</b>	<b>% to total</b>	<b>Value (Rs.)</b>	<b>% to total</b>
	<b>2009-2010</b>	<b>Consumption</b>	<b>2008-2009</b>	<b>Consumption</b>
Imported	<b>421,78,31,371</b>	<b>49</b>	382,18,90,715	48
Indigenous	<b>438,39,75,974</b>	<b>51</b>	409,27,83,586	52
b) Details of Packing Material Consumed				
Imported	<b>1,22,18,058</b>	<b>2</b>	—	—
Indigenous	<b>54,94,15,682</b>	<b>98</b>	42,05,64,530	100
c) Details of Stores & Spares Consumed				
Imported	<b>46,28,659</b>	<b>4</b>	45,75,744	5
Indigenous	<b>10,86,43,406</b>	<b>96</b>	9,13,49,197	95
d) Details of Purchases (Items Traded)				
	<b>Qty</b>	<b>Value</b>	<b>Qty</b>	<b>Value</b>
	<b>M.T</b>	<b>Rs.</b>	<b>M.T</b>	<b>Rs.</b>
Oils	<b>1,09,480</b>	<b>405,77,93,164</b>	65,321	254,38,29,785
Vanaspati	<b>52</b>	<b>18,98,916</b>	56	21,47,264
DOC	<b>1,350</b>	<b>2,99,00,000</b>	—	—

**19. DETAILS OF LICENSED AND INSTALLED CAPACITY, PRODUCTION, SALES AND STOCKS**

	2009-2010	2008-2009
	Qty (M.T /PA)	Qty (M.T /PA)
<b>LICENSED CAPACITY</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>INSTALLED CAPACITY</b>		
Oils		
Vanaspati	<b>2,40,000</b>	2,40,000
Textured Soya Proteins	<b>1,20,000</b>	1,20,000
Soap	<b>15,000</b>	15,000
G.P.Sheet & C.R. Coils	<b>6,000</b>	6,000
Power Generation (Mwh)	<b>20,000</b>	20,000
	<b>10.8</b>	10.8
<b>PRODUCTION</b>		
Oils		
Vanaspati	<b>1,94,667</b>	1,58,005
Soap	<b>34,130</b>	33,037
By products	<b>898</b>	980
Power Generation (Units)	<b>12,729</b>	9,967
	<b>2,18,67,121</b>	2,38,13,869

**Note :** Production does not include Quantities produced for others on job work basis but includes the following items produced by others for the Company

Oils (M.T.)	<b>2,307</b>	1,150
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SALES	2009-2010		2008-2009	
	Mt	Rs.	Mt	Rs.
Oils	3,06,602	1260,73,15,615	2,17,416	954,92,46,704
Vanaspati	34,129	129,49,62,336	33,091	145,69,66,710
Soaps	884	2,44,02,149	1,006	2,68,65,066
By products	12,716	31,40,79,702	9,944	23,98,47,025
DOC	1,350	2,83,14,000	—	—
Infrastructure & Others		37,00,50,568		45,88,08,991
OPENING STOCK				
Oils	14,283	55,00,23,764	8,330	41,72,76,259
Vanaspati	1,623	5,67,66,077	1,621	8,39,44,800
Soaps	31	7,24,840	57	11,09,070
By products	158	28,85,151	405	1,34,57,725
CLOSING STOCK				
Oils	11,828	52,88,94,413	14,283	55,00,23,764
Vanaspati	1,676	6,69,86,345	1,623	5,67,66,077
Soaps	45	12,09,250	31	7,24,840
By products	171	29,34,864	158	28,85,151

**Note:** Sales & Purchase quantity include shortage / excess if any.

**20.** Segment information required to be disclosed in accordance with Accounting Standard 17 on Segment Reporting

The Company has identified segments on basis of products, risks and returns.

The various segments identified by the company are as under :

Oils — Crude Oils , Refined Oils, Vanaspati

Infrastructure — Storage, Agri Warehousing, Real Estate and Wind Energy

Segment Revenue, segment results, segment assets and segment liabilities include amounts directly identified with the segment. Amounts not directly identifiable with segments are allocated to segments on a reasonable estimated basis. Other amounts which are not relatable to segments are shown as unallocated items.

Particulars	Oils		Infrastructure		Others		Unallocated		Total	
	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.
Revenue	1429,41,23,010	1141,76,38,334	29,14,35,212	28,74,36,902	5,35,66,149	2,76,92,566	—	28,11,305	1463,91,24,371	1173,55,79,107
Segment result before interest & tax	27,92,76,738	(16,81,91,270)	6,89,11,292	9,01,15,113	(1,70,27,433)	6,40,383	(4,40,80,852)	(11,90,49,271)	28,70,79,745	(19,64,85,045)
Less: Interest									(12,87,093)	(4,30,08,718)
Profit before Tax									28,83,66,838	(15,34,76,327)
Less : Provision for Current Tax									460,00,000	13,50,000
Provision for Deferred Tax									(56,36,189)	2,10,89,314
Extraordinary Income (net of tax)									9,75,25,570	5,65,43,859
Profit After Tax									34,55,28,597	(11,93,71,782)
Segment Assets	277,10,07,911	262,98,49,987	256,36,33,653	282,49,32,837	148,87,699,06	5,38,37,087	190,58,89,261	104,75,90,186	725,54,18,524	655,62,10,097
Segment Liabilities	263,75,72,163	2,43,93,68,600	7,77,02,983	22,12,97,007	19,51,566	2,45,013	—	5,25,80,649	271,72,26,712	271,34,91,269
Segment Depreciation	6,24,77,887	6,11,75,232	16,85,65,728	13,71,80,404	79,911	90,252	86,72,832	91,31,142	23,97,96,358	20,75,77,030

21. Disclosure of transactions with related parties as required by Accounting Standard 18 on related party disclosure. Related parties have been identified on the basis of representation made by the management and information available with the Company.

Subsidiaries	Peninsular Tankers Pvt Ltd, RIFL Energy Pvt. Ltd. Ruchi Resources Pte. Ltd.
Associated Companies	Ruchi Soya Industries Ltd.
Other Parties where control Exist	Mangalore Liquid Impex Pvt, Ltd, Narang & Ruchi Developers
Key Managerial Personnel	Mr. N.K. Arora, Mr. Mahendra Prasad Sharma

<b>Nature of Transaction</b>	<b>2009-2010</b>	<b>2008-2009</b>
<b>Subsidiaries</b>	<b>Rs.</b>	<b>Rs.</b>
Subscription to Share Capital	—	87,90,000
Advance Given	<b>8,91,45,814</b>	3,21,83,808
<b>Amounts Outstanding at Year end</b>		
Amount Receivable	<b>12,59,93,196</b>	3,42,65,595
<b>Associated Companies</b>		
Purchase of goods	<b>362,30,51,969</b>	333,52,63,392
Sale of goods	<b>113,92,53,324</b>	156,05,40,266
Value of Service Rendered	<b>12,93,23,319</b>	11,26,52,432
Payment towards Expenses	<b>25,61,750</b>	61,734
<b>Amounts Outstanding at Year end</b>		
Amount Payable	<b>28,72,61,363</b>	15,67,13,910
<b>Other Parties where control exist</b>		
Contribution to Capital Account	<b>2,08,25,511</b>	5,37,07,500
Payment towards expenses	<b>84,000</b>	72,000
Advance Given	—	8,90,443
<b>Amounts Outstanding at Year end</b>		
Amount Receivable	<b>1,49,51,713</b>	41,92,064
<b>Key Managerial Personnel</b>		
Salary	<b>8,23,467</b>	8,76,333

22. Information relating to derivate instruments :

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes. Foreign exchange currency exposure not covered by derivative instruments or otherwise are given below :

	<b>US Dollar</b>	<b>2009-2010</b>	<b>US Dollar</b>	<b>2008-2009</b>
		<b>Rupee</b>		<b>Rupee</b>
		<b>Equivalent</b>		<b>Equivalent</b>
Amounts held in deposits with Banks outside India	—	—	32,03,538	12,75,64,902
Payments to Suppliers	<b>98,30,000</b>	<b>44,51,02,400</b>	—	—
Redemption of Foreign Currency Convertible Bonds and premium payable thereon	<b>1,58,41,857</b>	<b>71,72,78,870</b>	2,95,56,729	147,57,90,720
External Commercial Borrowing	<b>80,00,000</b>	<b>36,22,40,000</b>	—	—
Interest Payable on loan	<b>35,54,709</b>	<b>16,09,572</b>	1,02,234	52,30,316

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010



# Consolidated Accounts

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF RUCHI INFRASTRUCTURE LIMITED, ITS SUBSIDIARIES AND FIRM WHERE THE COMPANY IS A PARTNER

TO  
THE BOARD OF DIRECTORS OF RUCHI INFRASTRUCTURE LIMITED

We have examined the attached Consolidated Balance Sheet of Ruchi Infrastructure Ltd( the Company), its subsidiaries and a firm where the Company is a partner (the Firm) as at 31st March, 2010 ,the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto in which are incorporated the accounts of the subsidiaries and the Firm audited by other auditors. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries and the Firm, whose financial statements reflect total assets (net) of Rs. 45,05,68,336/- as at 31<sup>st</sup> March 2010 and total revenues of Rs. 8,76,91,444/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and the Firm, is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 ( AS-21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, its subsidiaries and the Firm included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries and the Firm, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company, its subsidiaries and the Firm as at 31<sup>st</sup> March, 2010;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company, its subsidiaries and the Firm for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company, its subsidiaries and the Firm for the year ended on that date.

For **M.M.Singla & Co.**  
Chartered Accountants

**(MURLI M.SINGLA)**  
Proprietor  
Membership No 40366

Place : Mumbai  
Date : August 30, 2010

# Consolidated Balance Sheet

AS AT 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	74,97,21,242	74,90,44,100
Reserves and Surplus	2	126,40,19,731	98,29,53,800
		<u>201,37,40,973</u>	<u>173,19,97,900</u>
<b>Loan Funds</b>			
Secured Loans	3	132,18,41,270	95,89,12,128
Unsecured Loans	4	231,08,36,055	278,23,44,849
		<u>363,26,77,325</u>	<u>374,12,56,977</u>
Deferred Tax Liability		5,53,01,268	6,09,37,457
		<u>570,17,19,566</u>	<u>553,41,92,334</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	5		
Gross Block		455,48,69,717	394,86,89,393
Less: Depreciation		157,11,25,824	131,14,23,174
Net Block		<u>298,37,43,893</u>	<u>263,72,66,219</u>
Capital Work-In-Progress		4,46,52,825	26,62,66,740
		<u>302,83,96,718</u>	<u>290,35,32,959</u>
Investments	6	87,96,72,549	51,57,54,794
Current Assets, Loans & Advances	7		
Inventory		151,11,89,709	114,39,65,063
Sundry Debtors		65,95,27,377	99,61,33,452
Cash & Bank Balances		163,25,60,857	147,32,41,065
Loans & Advances		106,75,74,356	136,45,10,065
		<u>487,08,52,299</u>	<u>497,78,49,645</u>
Less: Current Liabilities & Provisions	8		
Liabilities		277,94,29,153	269,01,11,681
Provisions		24,52,36,762	17,70,14,685
		<u>302,46,65,915</u>	<u>286,71,26,366</u>
Net Current Assets		184,61,86,384	211,07,23,279
Minority Interest		(6,92,57,664)	(2,12,38,676)
Miscellaneous Expenditure (to the extent not written off or adjusted)	9	1,67,21,579	2,54,19,978
		<u>570,17,19,566</u>	<u>553,41,92,334</u>
<b>Notes to the Accounts</b>	15		

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

# Consolidated Profit & Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>INCOME</b>			
Sales & Services	10	1472,71,80,810	1188,33,65,196
Other Income		2,67,46,878	32,57,165
Increase/(Decrease) in Stock	11	1,00,78,891	(9,42,45,112)
		<u>1476,40,06,579</u>	<u>1179,23,77,249</u>
<b>EXPENDITURE</b>			
Purchases		408,95,92,080	254,59,77,049
Material Consumed	12	916,34,41,085	833,74,58,960
Manufacturing & Other expenses	13	109,59,22,162	92,44,17,254
Interest	14	1,64,73,474	(2,16,95,144)
Depreciation		25,98,70,551	22,94,11,204
		<u>1462,52,99,352</u>	<u>1201,55,69,323</u>
Profit Before Taxation And Extraordinary Income		13,87,07,227	(22,31,92,074)
Less: Provision for Taxation -Current Tax		4,60,00,000	—
Provision for Taxation - Deferred Tax		(56,36,189)	7,71,613
Provision for Taxation - Fringe Benefit Tax		—	14,40,000
Profit After Taxation		9,83,43,416	(22,54,03,687)
Extraordinary Income ( Net of Tax)		9,75,25,570	5,65,43,859
Net Profit After Tax		19,58,68,986	(16,88,59,828)
Less : Minority Interest		(6,87,89,292)	(2,25,88,309)
Add: Balance as per last Balance Sheet		1,39,72,736	21,28,02,050
Foreign Currency Translation Difference of earlier year			22,854
Profit Available for Appropriation		<u>27,86,31,014</u>	<u>6,65,53,385</u>
<b>APPROPRIATION</b>			
General Reserves		10,00,00,000	—
Proposed Dividend - On Preference Shares		3,27,63,678	3,27,63,678
Proposed Dividend - On Equity Shares		1,62,92,795	1,21,78,968
Tax On Proposed Dividend		83,37,148	76,38,003
Balance carried to Balance Sheet		12,12,37,393	1,39,72,736
		<u>27,86,31,014</u>	<u>6,65,53,385</u>
Basic Earning Per Share - Rs.		1.11	(0.72)
Diluted Earning Per Share - Rs.		1.04	(0.63)
Notes to the Accounts	15		

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

**CASH FLOW STATEMENT ANNEXED TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

	2009-2010	2008-2009
	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	23,62,32,797	(16,66,48,215)
Adjustments for :		
Depreciation	25,98,70,551	22,94,11,204
Interest paid	7,91,65,287	10,10,63,605
Misc.expenditure	86,98,399	86,25,283
Interest received	(6,26,91,813)	(12,27,58,749)
Premium on FCCB written back	5,35,08,282	11,32,16,906
Foreign Currency translation difference of earlier year	—	22,854
Dividend received	28,01,665	(23,04,730)
Extraordinary Income (Net of Taxes)	(9,75,25,570)	(5,65,43,859)
Minority Interests	11,68,08,280	1,33,27,500
Operating profit before adjusting for changes in working capital	<b>36,06,35,081</b>	<b>28,40,60,014</b>
Adjustments for:		
Increase in inventory	(36,72,24,646)	50,47,33,806
Increase in debtors	33,66,06,075	10,45,42,196
Increase in other current assets	29,69,35,709	(43,33,85,320)
Increase in liabilities	10,40,31,267	37,03,48,405
Cash flow from operations	<b>96,72,16,283</b>	<b>22,49,78,803</b>
Taxes paid	<b>4,60,00,000</b>	<b>14,40,000</b>
Cash Flow from Operating Activities... A	<b>92,12,16,283</b>	<b>22,35,38,803</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest received	6,26,91,813	12,27,58,749
Increase in fixed assets	(38,47,34,310)	(58,77,37,828)
Increase in investments	(36,39,17,755)	(7,81,78,038)
Extraordinary Income ( net of taxes)	9,75,25,570	5,65,43,859
Dividend received	(28,01,665)	23,04,730
Cash Flow from Financing Activities... B	<b>(59,12,36,347)</b>	<b>(48,43,08,528)</b>
<b>C. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in Share Capital	6,77,142	—
Share Premium Received	2,58,66,824	—
Addition ( withdrawal ) in Reserves	4,79,34,450	19,96,91,767
Increase in loan funds	(10,85,79,652)	9,13,09,375
Dividend paid	(5,73,93,621)	(5,25,80,649)
Interest paid	(7,91,65,287)	(10,10,63,605)
Cash flow from Investing Activities... C	<b>(17,06,60,144)</b>	<b>13,73,56,888</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>	<b>15,93,19,792</b>	<b>(12,34,12,837)</b>
Cash & Cash Equivalents as at 01-04-2009	<b>147,32,41,065</b>	<b>159,66,53,902</b>
Cash & Cash Equivalents as at 31-03-2010	<b>163,25,60,857</b>	<b>147,32,41,065</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>15,93,19,792</b>	<b>(12,34,12,837)</b>

As per our Report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**

Chartered Accountants

**(MURLI M. SINGLA)**

Proprietor

Membership No. 40366

Mumbai, August 30, 2010

**ASHISH MEHTA**  
Company Secretary

**DINESH SHAHRA**

Director

**NAVEEN GUPTA**

Director

Mumbai, August 30, 2010

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010**

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
50,00,00,000 Equity Shares of Rs.1/- each (Previous Year 25,00,00,000 Shares of Rs. 1/- each)	<b>50,00,00,000</b>	50,00,00,000
200,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 200,00,000 Shares of Rs. 100 /- each)	<b>200,00,00,000</b>	200,00,00,000
	<b><u>250,00,00,000</u></b>	<b><u>250,00,00,000</u></b>
Issued ,Subscribed and Paid up		
20,36,59,942 Equity Shares of Re.1/- each Fully Paid Up (Previous Year 20,29,82,800/- shares of Rs. 1/- each)	<b>20,36,59,942</b>	20,29,82,800
54,60,613 6 % Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 54,60,613 Shares of Rs. 100 each)	<b>54,60,61,300</b>	54,60,61,300
	<b><u>74,97,21,242</u></b>	<b><u>74,90,44,100</u></b>

**Note :**

- i) The Company had allotted 6 % Cumulative Redeemable Preference shares as under :
  - 17,33,345 Shares were allotted on 31st March 2006
  - 37,27,268 Shares were allotted on 9th October 2006
- ii) The Preference Shares are redeemable as under :
  - Rs. 33/- to be redeemed after 12 years from date of allotment
  - Rs. 33/- to be redeemed after 13 years from date of allotment
  - Rs. 34/- to be redeemed after 14 years from date of allotment
- iii) The Company at its sole discretion has an option to prematurely redeem the preference shares in full or in part after completion of three years from date of allotment
- iv) During the year, the Company has allotted 6,77,142 equity shares of Re.1/- each following exercise of conversion option by holders of Foreign Currency Convertible Bonds.

**SCHEDULE - 2 : RESERVES & SURPLUS**

General Reserve		
Balance as per last Balance Sheet	<b>63,57,92,053</b>	73,27,59,286
Add : Transfer from Profit & Loss A/c	<b>10,00,00,000</b>	—
	<b><u>73,57,92,053</u></b>	<b><u>73,27,59,286</u></b>
Foreign Exchange Fluctuation of earlier year written back pursuant to adaption of as-11 (Revised)	—	9,69,67,233
	<b><u>73,57,92,053</u></b>	<b><u>63,57,92,053</u></b>
Share Premium Account	<b>5,75,48,024</b>	3,16,81,200
Export Allowance Reserve	<b>23,38,077</b>	23,38,077
Profit & Loss Account	<b>12,12,37,393</b>	1,39,72,736
Capital Subsidy	<b>25,10,734</b>	25,10,734
Capital Reserve (Refer Note 7 to Schedule 15)	<b>33,78,73,450</b>	29,66,59,000
Foreign Currency Monetary Items Translation Reserve	<b>67,20,000</b>	—
	<b><u>126,40,19,731</u></b>	<b><u>98,29,53,800</u></b>

**SCHEDULE - 3 : SECURED LOANS****2009-2010***2008-2009***Rs.***Rs.*

Loans From Banks

**132,18,41,270***95,89,12,128***132,18,41,270***95,89,12,128*

**NOTE :** Term loan from Banks are Secured by (a) First charge by way of equitable mortgage over all the immovable properties of the Company at specific locations, (b) a first charge by way of hypothecation of movable properties situated at respective locations, (c) pledge of equity shares of the Company held by a Director and (d) Personal guarantee of a Director of the Company

**SCHEDULE - 4 : UNSECURED LOANS**

Inter Corporate Deposits

**4,68,61,790***8,16,04,114*

Overdraft from Banks

**94,13,010***5,95,18,864*

Buyers Credit from Banks

**134,53,40,122***97,34,88,889*

(Refer Note 6 to Schedule 15)

Sales Tax Deferrment

**19,19,42,262***19,19,42,262*

Zero Coupon Unsecured

Foreign Currency Convertible Bonds

**71,72,78,871***147,57,90,720*

(Refer Note 7 to Schedule 15)

**231,08,36,055***2,78,23,44,849***SCHEDULE - 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS AT 01.04.09 Rs.	ADDITIONS Rs.	DEDUCTIONS Rs.	BALANCE AS AT 31.03.10 Rs.	As At 01.04.09 Rs.	FOR THE YEAR Rs.	ADJUSTMENT Rs.	UP TO 31.03.10 Rs.	AS AT 31.03.10 Rs.	AS AT 31.03.09 Rs.
LAND (FREEHOLD)	51,53,51,147	93,27,222	5,38,24,143	47,08,54,226	—	—	—	—	47,08,54,226	51,53,51,147
LAND (LEASEHOLD)	3,24,10,206	—	—	3,24,10,206	—	—	—	—	3,24,10,206	3,24,10,206
BUILDINGS	42,92,35,710	64,73,03,934	19,39,363	107,46,00,281	11,73,90,498	4,57,54,552	—	16,31,45,050	91,14,55,231	31,18,45,212
JETTY	13,16,88,796	—	—	13,16,88,796	8,05,55,534	51,13,326	—	8,56,68,860	4,60,19,936	5,11,33,262
SHIP	43,62,43,018	—	3,53,79,314	40,08,63,704	2,35,52,514	2,00,43,186	—	4,35,95,700	35,72,68,004	41,26,90,504
PLANT & MACHINERY	236,27,72,321	7,71,37,729	7,67,75,437	236,31,34,613	106,41,82,918	18,38,40,536	1,23,361	124,79,00,093	111,52,34,520	1,29,85,89,403
FURNITURE & FIXTURES	2,20,45,935	3,29,35,024	2,76,997	5,47,03,962	1,24,37,583	27,18,346	—	1,51,55,929	3,95,48,033	96,08,352
VEHICLES	1,89,42,260	81,79,917	5,08,248	2,66,13,929	1,33,04,127	24,00,606	44,541	1,56,60,192	1,09,53,737	56,38,133
<b>TOTAL</b>	<b>394,86,89,393</b>	<b>77,48,83,826</b>	<b>16,87,03,502</b>	<b>455,48,69,717</b>	<b>131,14,23,174</b>	<b>25,98,70,551</b>	<b>1,67,902</b>	<b>157,11,25,824</b>	<b>298,37,43,893</b>	<b>263,72,66,219</b>
PREVIOUS YEAR	339,46,98,061	65,15,05,976	9,73,14,644	394,86,89,393	108,21,12,536	22,94,11,204	1,00,566	131,14,23,174	263,72,66,219	221,25,85,525
CAPITAL WORK-IN-PROGRESS									4,46,52,825	26,62,66,740
<b>TOTAL...</b>									<b>302,83,96,718</b>	<b>290,35,32,959</b>

## SCHEDULE - 6 : INVESTMENTS

### A. Quoted Investments (At Cost) (Other Than Trade)

Quoted at Stock Exchanges Equity Shares Fully paid up	Face Value	2009-2010	2009-2010	2008-2009	2008-2009
	Rs.	Quantity	Rs.	Quantity	Rs.
National Steel & Agro Industries Ltd.	10	12,54,675	48,03,500	12,54,675	48,03,500
Ruchi Strips & Alloys Ltd.	10	9,500	1,11,155	9,500	1,11,155
Ruchi Soya Industries Ltd	2	48,35,077	20,21,64,584	40,15,410	13,49,57,353
Sub Total Rs.			<u>20,70,79,239</u>		<u>13,98,72,008</u>

### B. Unquoted Investments (At Cost) (other than trade)

Ruchi Acroni Industries Ltd.	10	7,00,000	70,00,000	7,00,000	70,00,000
Ruchi Global Ltd	10	1,25,000	12,50,000	1,25,000	12,50,000
Mangalore Liquid Impex Pvt Ltd	10	3,600	36,000	3,600	36,000
Indian Steel Corporation Ltd	10	29,95,100	14,97,55,000	29,95,100	14,97,55,000
Arandi Investments Pvt Ltd	10	11,97,804	12,88,52,310	11,97,804	12,88,52,310
Preference Shares- Sunshine Oleochem Pvt Ltd	100	2,00,000	2,00,00,000	2,00,000	2,00,00,000
Preference Shares- Ruchi Realty Pvt Ltd	100	34,50,000	36,57,00,000		
Investment in Mutual Fund					
Reliance Money Manager Fund- Institutional Option				63,361	6,89,89,476
Sub Total Rs.			<u>67,25,93,310</u>		<u>37,58,82,786</u>
TOTAL...			<u><u>87,96,72,549</u></u>		<u><u>51,57,54,794</u></u>

Note:- Market Value of Quoted Investments Rs.50,01,05,441/-(Previous Year Rs.10,16,71,611/-)

## SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

### A. Current Assets

	2009-2010	2008-2009
	Rs.	Rs.
(1) Inventory (At cost or market value whichever is lower, as valued and certified by the management)		
Raw Material & Packing Material	73,17,75,722	28,70,35,685
Consumables	5,71,01,002	5,62,30,662
Finished & Semi Finished Goods	72,23,12,985	80,06,98,716
	<u>151,11,89,709</u>	<u>114,39,65,063</u>
(2) Sundry Debtors (Unsecured & Considered good)		
Debts outstanding for period exceeding six months	3,98,14,546	2,45,65,214
Other debts	61,97,12,831	97,15,68,238
	<u>65,95,27,377</u>	<u>99,61,33,452</u>
(3) Cash & Bank Balances		
Cash on hand	25,88,989	31,03,629
Balance with Scheduled Banks		
In Current Accounts in India	19,22,66,408	12,24,88,286
In Current Accounts in Branch of Scheduled Bank outside India	—	18,30,193
In Deposit Accounts in India (Refer Note 7 to Schedule 15)	143,77,05,460	122,00,84,248
In Deposit Accounts in Foreign Branches of Scheduled Banks (Refer Note 8 (b) to Schedule 15)	—	12,57,34,709
	<u>163,25,60,857</u>	<u>147,32,41,065</u>

**SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)**

	<b>2009-2010</b>	<i>2008-2009</i>
	<b>Rs.</b>	<i>Rs.</i>
<b>B. Loans &amp; Advances</b>		
(Unsecured & Considered Good)		
Advance Recoverable in cash or kind or for value to be received	<b>65,61,02,918</b>	<i>101,81,95,521</i>
Deposit with others	<b>3,03,71,068</b>	<i>1,35,24,109</i>
Inter Corporate Deposits	<b>11,05,77,419</b>	<i>9,65,32,797</i>
Advance Income Tax and Tax Deducted at Source	<b>27,05,22,951</b>	<i>23,62,57,638</i>
	<b><u>106,75,74,356</u></b>	<i><u>136,45,10,065</u></i>

**SCHEDULE - 8 : CURRENT LIABILITIES AND PROVISIONS**

<b>A. Current Liabilities</b>		
Sundry creditors	<b>266,39,34,949</b>	<i>259,26,11,570</i>
Other liabilities	<b>9,14,14,197</b>	<i>7,05,05,502</i>
Advances from customers	<b>2,40,80,007</b>	<i>2,69,94,609</i>
	<b><u>277,94,29,153</u></b>	<i><u>269,01,11,681</u></i>
<b>B. Provisions</b>		
Provision for taxation	<b>18,78,43,141</b>	<i>12,18,75,102</i>
Provision for Fringe benefit tax	<b>—</b>	<i>25,58,934</i>
Proposed Dividend	<b>4,90,56,473</b>	<i>4,49,42,646</i>
Tax on Dividend	<b>83,37,148</b>	<i>76,38,003</i>
	<b><u>24,52,36,762</u></b>	<i><u>17,70,14,685</u></i>

**SCHEDULE - 9****MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Opening balance	<b>2,54,19,978</b>	<i>3,40,45,261</i>
Addition during the year	<b>—</b>	<i>49,586</i>
Less : Amount Written off	<b>86,98,399</b>	<i>86,74,869</i>
Balance carried forward	<b><u>1,67,21,579</u></b>	<i><u>2,54,19,978</u></i>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010****SCHEDULE - 10 : SALES & SERVICES**

<b>Sales &amp; Services</b>	<b>1475,33,04,241</b>	<i>1190,05,99,567</i>
Less : Excise Duty	<b>2,64,88,427</b>	<i>2,10,78,982</i>
	<b><u>1472,68,15,814</u></b>	<i><u>1187,95,20,585</u></i>
Other Operating Income	<b>3,64,996</b>	<i>38,44,611</i>
	<b><u>1472,71,80,810</u></b>	<i><u>1188,33,65,196</u></i>
Other Income	<b>2,67,46,878</b>	<i>32,57,165</i>

**SCHEDULE - 11 : INCREASE / (DECREASE) IN STOCKS**

	2009-2010 Rs.	2008-2009 Rs.
A. Closing Stock		
Finished Goods	60,00,24,872	61,03,99,832
Semi Finished Goods	12,22,88,113	10,18,34,262
	<u>72,23,12,985</u>	<u>71,22,34,094</u>
B. Opening Stock		
Finished Goods	61,03,99,832	51,57,87,854
Semi Finished Goods	10,18,34,262	29,06,91,352
	<u>71,22,34,094</u>	<u>80,64,79,206</u>
Increase/(Decrease) in stocks	<u>1,00,78,891</u>	<u>(9,42,45,112)</u>

**SCHEDULE - 12 : MATERIALS CONSUMED**

Opening Stock	28,70,35,685	80,34,14,301
Add: Purchase	960,81,81,122	782,10,80,344
	<u>989,52,16,807</u>	<u>862,44,94,645</u>
Less: Closing Stock	73,17,75,722	28,70,35,685
Material Consumed	<u>916,34,41,085</u>	<u>833,74,58,960</u>

**SCHEDULE - 13 : MANUFACTURING AND OTHER EXPENSES**

Stores Consumed	11,32,72,065	9,56,07,768
Processing Charges	25,61,750	61,734
Packing Expenses	5,38,48,301	3,87,77,190
Power and Fuel	11,28,89,273	10,35,54,269
Salaries, Wages & Bonus	7,97,10,306	7,29,83,630
Contribution to PF & ESIC	16,60,927	14,19,412
Staff Welfare	23,26,396	20,86,276
Rent	1,44,40,711	1,30,18,052
Rates & taxes	6,79,38,072	4,90,36,345
Excise Duty	5,01,692	—
Repairs & Maintenance - Machinery	2,31,29,142	2,11,88,613
Repairs & Maintenance - Others	99,64,809	65,87,016
Bank Charges & Commission	2,98,57,224	3,05,11,353
Insurance	33,75,636	39,91,949
Brokerage & Commission	1,18,35,791	81,04,118
Postage & Telephone	31,30,173	32,89,553
Cartage, Freight	22,50,95,093	15,86,27,985
Oil Handling Expenses	4,77,70,863	84,83,915
Premium on FCCB	5,35,08,282	11,32,16,906
Ship Operating Expenses	15,20,77,568	12,90,84,713
Miscellaneous Expenditure Written off	86,98,399	86,74,095
Miscellaneous Expenses	7,83,29,689	5,61,12,362
	<u>109,59,22,162</u>	<u>92,44,17,254</u>

**SCHEDULE - 14 : INTEREST**

Interest	7,91,65,287	10,10,63,605
Less : Interest Received	6,26,91,813	12,27,58,749
	<u>1,64,73,474</u>	<u>(2,16,95,144)</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS OF 31ST MARCH 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE - 15 : NOTES TO THE ACCOUNTS**

**1. Basis of Consolidation**

- a. The consolidated financial statements relate to Ruchi Infrastructure Ltd (the Company) and its subsidiaries and associates as under :

<b>Name of the Subsidiary / associate</b>	<b>Percentage of Shareholding</b>	<b>Share in Profit</b>
Peninsular Tankers Pvt Ltd	53.95%	53.95%
RIFL Energy Pvt Ltd	60%	60%
Narang & Ruchi Developers	90%	70%

- b. The consolidated Financial Statements have been prepared in accordance with Accounting standard 21 (AS-21) issued by the Institute of Chartered Accountants of India on the following basis :
- The financial statements of the Company and its subsidiaries/associate have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses.
  - Intragroup balances, intragroup transactions and resulting unrealised profits/losses have been eliminated in full.
  - Minority interest in the net assets of subsidiaries has been separately disclosed in the consolidated financial statements. Minority interest in income for the year has been separately disclosed in the profit and loss account.
- c. Figures pertaining to the subsidiaries and the partnership firm have been reclassified to bring them in line with parent Company's financial statements.

**2. Statements of Accounting Policy**

**a. Basis of Accounting**

The accounts have been prepared on the basis of historical cost convention on accrual basis.

**b. Fixed Assets**

Fixed assets are stated at cost less depreciation. Costs comprise the purchase price and any attributable cost of bringing the asset to working condition for its intended use.

**c. Depreciation**

The depreciation is provided on Written Down Value method, at the rate specified in Schedule -XIV of the Companies Act, 1956 on pro rata basis. Depreciation in a subsidiary company is provided on straight line method as per rates prescribed in schedule XIV of the Companies Act, 1956

**d. Inventories**

Inventories are valued at cost or market value, whichever is lower. Cost is arrived at on Moving Average Price Basis

**e. Sales**

Sales are exclusive of excise duty & sales tax

**f. Foreign Exchange Transactions**

Foreign Currency Transactions are accounted at the exchange rate prevailing on the date of the transaction. Year end receivables and payables are translated at year end rate of exchange except for transactions covered by forward foreign exchange contracts which are translated at the contracted rate .

In line with the notification dated 31st March, 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard AS-11 "Effects of Changes in Foreign Exchange Rates" , the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.

Accordingly, exchange differences on long term monetary items related to Foreign Currency Liabilities and Assets in so far as they are related to acquisition of Fixed Assets has been added/deducted from the cost of the relevant fixed assets and depreciation has been charged in the books of accounts after taking the effect of such changes.

In respect of long term Foreign Currency Monetary Items relating to other than acquisition of Fixed Assets, the exchange differences are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortised over the life of the monetary item but not beyond 31st March 2011.

**g. Taxation**

Provision for current tax is made on the current tax rates based on assessable income. Deferred Tax is provided for by computing the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating current tax provision.

**h. Employee Benefits**

Employee benefits are recognised in accordance with revised Accounting Standard 15 as under :

- (a) Short term employee benefits are recognised as expense in the profit and loss account of the year in which service is rendered.
- (b) Contribution to defined contribution schemes such as Provident Fund , Family Pension Fund and Superannuation Fund are charged to the profit and loss account.
- (c) The defined benefit obligations in respect of gratuity and leave encashment are recognised on the basis of valuation done by an independent actuary applying Project Unit Credit Method. The actuarial gain / loss arising during the year are recognised in the profit and loss account of the year.

**i. Investments**

Current Investments are valued at lower of cost and market value. Long term investments are valued at cost. No provision is made for diminution in value of long term investments if in the opinion of the Board of Directors, such diminution is temporary.

**j. Expenses on issue of shares**

Expenses on issue of shares are either charged to the Profit & Loss Account or charged to the Share Premium Account

**k. Expenses on issue of Foreign Currency Convertible Bonds**

Expenses on issue of Foreign Currency Convertible Bonds is charged to the Profit & Loss Account over the life of the bonds.

**l. Premium on Foreign Currency Convertible Bonds (FCCBs)**

As a prudent accounting policy, premium payable on the FCCBs even though contingent upon non conversion of the FCCBs into Equity Shares, is proportionately charged to the Profit and Loss Account on pro-rata basis over the life of the FCCBs, and the corresponding amount is included in the outstanding amount of FCCBs shown under Unsecured Loans. In the event of conversion of FCCBs into Equity Shares the proportionate amount will be written back on pro-rata basis

**m. Borrowing Costs**

Borrowing Costs attributable to acquisition and construction of assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to the Profit & Loss Account

- 3. In the opinion of the Board, Current Assets, Loans and Advances and deposits are of the value stated in the Balance Sheet, is realisable in the ordinary course of business.
- 4. The balance in the accounts of the debtors, loans, advances deposits and current liabilities are partly confirmed.
- 5. Contingent Liabilities not provided for :
  - a. Guarantees issued by bank Rs.17,18,00,686 /- (Previous Year Rs. 10,35,24,186/-)
  - b. Liability on account of Customs duty if export Commitments given for import of Machinery at concessional rate of duty are not met - Rs.2,15,60,301/- (Previous Year Rs. 3,34,02,066/-)
  - c. No Provision has been made for the following demands against which the company has filed appeals with the concerned authorities

	<b>2009-2010</b>	<i>2008-2009</i>
	<b>Rs.</b>	<i>Rs.</i>
i) Customs Duty	<b>2,15,42,779</b>	3,05,40,822
ii) Excise Duty	<b>14,89,019</b>	14,89,019
iii) Service Tax	—	1,97,445
iv) Sales Tax	<b>8,15,07,944</b>	1,57,38,563

- d. Matters decided by appellate authorities in favour of the company against which the Customs Department has gone in appeal - Rs. 1,89,86,285/- (Previous Year Rs. 1,84,43,840/-)
5. In accordance with the Accounting Standard - 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the company has written back an amount of Rs.56,36,189/-. (Previous year provision of Rs. 7,71,613/-) in the Profit & Loss Account as deferred tax provision for the year.
6. The Company had availed Buyers Credit from Banks during the year. The outstanding amount as on 31st March, 2010 of Rs.134,53,40,122 /- (Previous Year Rs. 97,34,88,889/-) shown under Unsecured loans (Schedule - 4) is guaranteed by Banks against Fixed Deposits amounting to Rs. 137,16,00,000/- (Previous Year Rs. 98,55,00,000/-) shown in Deposit Account under Cash & Bank Balances (Schedule - 7)
7. a) The Company had issued Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) amounting to USD 40 Million on 5th February 2007. The FCCBs have a maturity of five years and 1 day from the date of issue. The holders of the FCCBs have a right to convert the FCCBs into Equity Shares of the Company of Re. 1 each at a conversion price of Rs. 39.20/- per share. (Previous Year Rs. 39.20/-per share) The conversion price is subject to adjustment / reset under certain circumstances as per the Terms & Conditions of the FCCBs. Unless previously converted, redeemed or purchased and cancelled, the FCCBs will be redeemed on the Maturity date at 144.50 per cent , of their principal amount.
- b) The proceeds of the FCCB issue (net of expenses) are being used for the approved purposes. The unutilised amounts as of 31st March 2010. The unutilised amounts as of 31st March 2010 of Rs.2,04,188/- (Previous Year Rs. 19,69,34,302/-) have been included under the following heads:

	<b>2009-2010</b>	<i>2008-2009</i>
	<b>Rs.</b>	<i>Rs.</i>
Bank Balance with Scheduled Banks in Current Accounts	<b>2,04,188</b>	<i>22,10,117</i>
Fixed Deposit with Banks outside India	—	<i>12,57,34,709</i>
Investment in liquid schemes of Mutual Funds	—	<i>6,89,89,476</i>

- c) Unsecured Loans includes Rs.15,58,47,311/- being premium payable on redemption of FCCBs (Previous Year Rs.23,31,22,248/-)
- d) In accordance with the Reserve Bank of India circular dated 8th December 2008 on buy back of FCCBs the Company has during the year ended 31st March 2010, bought back FCCBs of the face value of USD 4 Million at a discount. (Previous Year USD 15 Million) The said FCCBs having been issued for the purpose of financing various capital expenditure, the difference between the face value and the amount at which the Bonds were bought back amounting to Rs.4,12,14,450/- (Previous Year Rs.29,66,59,000/-) being of capital nature, has been credited to 'Capital Reserve' and included under 'Reserves & Surplus'. The FCCBs have been accordingly cancelled and recorded in the books of account.
- e) The premium on redemption attributable to the FCCBs bought back and provided in the books of account in the earlier year amounting to Rs.9,75,25,570/- (Previous year Rs.5,65,43,859/-) has been reversed and credited to the Profit and Loss account as extraordinary income.
8. In line with the notification dated 31st March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard AS-11 'Effects of Changes in Foreign Exchange Rates', the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.
- A. Accordingly the exchange differences on long term monetary items related to Foreign Currency Liabilities and Assets in so far as they are related to acquisition of Fixed Assets has been added / deducted from the cost of the relevant fixed assets and depreciation has been charged in the books of accounts after taking the effect of such changes. Arising from the above the Company has deducted an amount of Rs.16,07,92,616/- from fixed assets being the exchange differences on long term monetary items relating to the acquisition of fixed assets. (Previous Year addition of Rs.25,64,38,244/- to fixed assets.)
- B. In respect of exchange differences on long term monetary items related to Foreign Currency Liabilities in so far as they are not related to the acquisition of Fixed Assets, the Company has accounted the exchange difference in Foreign Currency Monetary Item Translation Difference Account and has amortised the same over the life of the monetary item but not later than 31st March 2011. Accordingly Exchange Gain amounting to Rs.67,20,000/- has been amortised during the year. (Previous Year Rs. Nil)
9. Previous year's figures have been regrouped/recast wherever necessary to make them comparable with the current year's figures.

## 10. Earning per Share

### i) Basic Earning per Share

Net Profit after tax	<b>26,46,58,278</b>	(14,62,71,519)
Less : Preference Dividend including tax thereon	<b>3,83,31,865</b>	—
Profit after tax available for Equity Share Holders	<b>22,63,26,413</b>	(14,62,71,519)
No of Equity Shares Outstanding	<b>20,36,59,942</b>	20,29,82,800
Basic Earning per Share (Rs.)	<b>1.11</b>	(0.72)

### ii) Diluted Earning per Share

Profit after tax available for Equity Share Holders	<b>22,63,26,411</b>	(14,62,71,519)
No of Equity Shares Outstanding	<b>20,36,59,542</b>	20,29,82,800
Add : Dilutive Impact of conversion of FCCB's	<b>1,39,94,268</b>	2,82,14,286
No. of Equity Shares Outstanding	<b>21,76,54,210</b>	23,11,97,086
Diluted Earning per Share (Rs.)	<b>1.04</b>	(0.63)

## 11. Segment information required to be disclosed in accordance with Accounting Standard 17 on Segment Reporting

The Company has identified segments on basis of products, risks and returns.

The various segments identified by the company are as under :

Oils Crude Oils , Refined Oils, Vanaspati

Infrastructure Storage, Agri Warehousing, Real Estate and Wind Energy

Segment Revenue, segment results, segment assets and segment liabilities include amounts directly identified with the segment. Amounts not directly identifiable with segments are allocated to segments on a reasonable estimated basis. Other amounts which are not relatable to segments are shown as unallocated items.

Particulars	Oils		Infrastructure		Others		Unallocated		Total	
	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.
Revenue	14,29,41,23,010	11,41,76,38,334	29,14,35,212	28,74,36,9,02	14,16,22,588	17,54,78,655	—	28,11,305	1472,71,80,810	11,88,33,65,196
Segment result before interest & tax	27,92,76,738	(16,81,91,270)	6,89,11,292	9,01,15,113	(12,21,82,545)	87,82,069	(7,08,24,784)	(11,90,49,271)	15,51,80,701	(18,83,43,359)
Less: Interest									1,64,73,474	(2,16,95,144)
Profit before Tax									13,87,07,227	(16,66,48,215)
Add : Foreign Currency translation difference of earlier year										22,854
Less : Current Tax									4,60,00,000	14,40,000
Deferred Tax									(56,36,189)	7,71,613
Extraordinary Income ( Net of tax )									9,75,25,570	5,65,43,859
Profit After Tax									19,58,68,986	(11,22,93,115)
Segment Assets	2,77,10,07,911	2,62,98,49,987	2,56,36,33,653	2,82,49,32,837	40,41,80,828	56,27,51,957	1,90,66,25,258	1,62,75,90,186	7,64,54,47,650	7,64,51,24,967
Segment Liabilities	2,63,75,72,163	2,43,93,68,600	7,77,02,983	22,12,97,007	3,92,82,763	2,95,76,074	8,22,64,865	3,12,11,973	2,83,68,22,774	2,72,14,53,654
Segment Depreciation	6,24,77,887	6,11,75,232	16,85,65,728	13,71,80,404	2,01,54,104	2,19,24,426	86,72,832	91,31,142	25,98,70,551	22,94,11,204

12. Disclosure of transactions with related parties as required by Accounting Standard 18 on related party disclosure. Related parties have been identified on the basis of representation made by the management and information available with the Company.

Associated Companies	Ruchi Soya Industries Ltd
Other Parties where control Exist	Mangalore Liquid Impex Pvt Ltd
Key Managerial Personnel	Mr. N.K. Arora Mr. M.P. Sharma

	<b>2009-2010</b>	<i>2008-2009</i>
	<b>Rs.</b>	<i>Rs.</i>
Nature of Transaction		
Associated Companies		
Purchase of goods	<b>362,30,51,969</b>	<i>333,52,63,392</i>
Sale of goods	<b>113,92,53,324</b>	<i>156,05,40,266</i>
Value of Service Rendered	<b>12,93,23,319</b>	<i>11,26,52,432</i>
Payment towards Expenses	<b>25,61,750</b>	<i>61,734</i>
Amounts Outstanding at Year end		
Amount Payable	<b>28,72,61,363</b>	<i>15,67,13,910</i>
Other Parties where control exist		
Payment towards expenses	<b>84,000</b>	<i>72,000</i>
Advance Given	—	<i>8,90,443</i>
Amounts Outstanding at Year end		
Amount Receivable	<b>1,49,51,713</b>	<i>1,75,48,350</i>
Key Managerial Personnel		
Salary	<b>8,23,467</b>	<i>8,76,333</i>

13. Information relating to derivate instruments :

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes . Foreign exchange currency exposure not covered by derivative instruments or otherwise are given below :

	<b>2009-2010</b>		<i>2008-2009</i>	
	<b>US Dollar</b>	<b>Rupee Equivalent</b>	<i>US Dollar</i>	<i>Rupee Equivalent</i>
Amounts held in deposits with Banks outside India	—	—	<i>32,03,538</i>	<i>12,75,64,902</i>
Redemption of Foreign Currency Convertible Bonds and premium payable thereon	<b>1,58,41,857</b>	<b>71,72,78,870</b>	<i>2,95,56,729</i>	<i>147,57,90,720</i>
Interest Payable on loan	<b>35,547</b>	<b>16,09,572</b>	<i>1,02,234</i>	<i>52,30,316</i>
Foreign Currency term loan	<b>55,10,036.99</b>	<b>24,87,23,070</b>	<i>65,12,505</i>	<i>33,18,12,128</i>

As per our report of even date attached

For and on behalf of the Board

**For M. M. SINGLA & CO.**  
Chartered Accountants

**DINESH SHAHRA**  
Director

**(MURLI M. SINGLA)**  
Proprietor  
Membership No. 40366

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

Mumbai, August 30, 2010

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE INTEREST IN THE SUBSIDIARY COMPANIES**

1.	Name of the Subsidiary Company	Peninsular Tankers Pvt. Ltd.	RIFL Energy Pvt. Ltd	Ruchi Resources Pte. Ltd.
2.	The financial year of the Subsidiary Company ended on	31-03-2010	31-03-2010	31-12-2010
3.	Date from which it became subsidiary	14-01-2008	14-11-2007	17-08-2007
4(a)	No of Shares held by Ruchi Infrastructure Ltd (Holding Company) in the subsidiary company	37,77,500 Equity Shares of Rs. 10/- each fully paid up	60,000 Equity Shares of Rs. 10/- each fully paid up	5,000 Equity shares of USD 1 each fully paid up
(b)	Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	53.95 %	60%	100 %
5.	Net aggregate amount, so far as it concerns the members of Ruchi Infrastructure Ltd. and is not dealt with in the Company's accounts, of the Subsidiary's profits			
(a)	Profit/(loss) for the Subsidiary's financial year	Rs. (8,03,35,144/-)	Rs. (3,26,660/-)	Rs. (2,08,514/-)
(b)	Profit/(loss) for the previous financial years of the subsidiary since it became the subsidiary of Ruchi Infrastructure Ltd.	Rs. (2,68,89,839/-)	Nil	Rs. (3,86,193/-)
6.	Net Aggregate amount of the Profits of the subsidiary so far as those Profits are dealt with in Ruchi Infrastructure Ltd's accounts			
(a)	For the Subsidiary's financial year	Nil	Nil	Nil
(b)	For the previous financial years, since it became the Subsidiary of Ruchi Infrastructure Ltd.	Nil	Nil	Nil

For and on behalf of the Board

**DINESH SHAHRA**  
Director

**ASHISH MEHTA**  
Company Secretary

**NAVEEN GUPTA**  
Director

Mumbai, August 30, 2010

# **PENINSULAR TANKERS PRIVATE LIMITED**

## **ANNUAL REPORT 2009-2010**

### **Board of Directors**

Mr. Jasti V. V. S. Murthy  
Mrs. Shobana Kamineni  
Mr. Ashish Acharya  
Mr. Nitesh Shakra  
Mr. K. P. Mandhana

### **Auditors**

M/s Ashok Khasgiwala & Co.  
Chartered Accountants

### **Bankers**

Indian Bank

### **Registered Office**

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

# Directors' Report

## Dear Shareholders,

Your Directors have pleasure in presenting Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

## OPERATIONS :

During the year under review, the company has recorded Freight Revenue of Rs.876.91 lacs as compared to Rs.1,477.86 lacs in the previous year. The Company recorded loss of Rs.1,489.06 lacs as against Rs.490.52 lacs in the previous year due to decline in freight realisation.

## DIVIDEND :

Your directors express their inability to declare dividend.

## DIRECTORS' RESPONSIBILITY STATEMENT :

As stipulated under section 217(2AA) of the Companies Act,1956, your directors confirm as under :

- (i) In the preparation of the annual accounts, the applicable accounting standard have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and made judgments and estimates that are 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 2009-2010 and of the loss of the Company for that period;
- (iii) Proper and sufficient care for 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 have been taken to the best of their knowledge and ability;
- (iv) The annual accounts have been prepared on a 'going Concern' basis.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO :

Since the company did not have any manufacturing activity during the period under review, the particulars of conservation of energy and technology absorption are not furnished.

During the year, the foreign exchange earned on export was Rs.876.91 lacs (Previous year Rs.1,477.86 lacs) and the foreign exchange outgo Rs.1,642.71 lacs (Previous year Rs.2,119.15 lacs).

## FIXED DEPOSITS :

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

## AUDITORS :

The Auditors M/s Ashok Khasgiwala & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and is eligible for re-appointment. The notes referred to by the Auditors in their report are self-explanatory and hence do not require any explanation.

## ACKNOWLEDGEMENT :

The Directors wish to convey their appreciation to the company's employees for their enormous personal efforts as well as their collective contribution during the year. The director would also like to thank the shareholders, customers, bankers, and all other business associates for their continue support given by them to the company and their confidence in the management.

For and on behalf of Board of Directors

Place: Mumbai  
Date: 9th August, 2010

**Ashish Acharya**  
**Director**

# Auditors' Report

To  
The Members of  
**PENINSULAR TANKERS PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **PENINSULAR TANKERS PRIVATE LIMITED** as at 31<sup>st</sup> March, 2010 and the Profit & Loss account and also the Cash Flow Statement for the year ended on that, date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003(as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, said accounts, read with the notes thereon, subject to that the net worth of the company had been fully eroded and going concern concept will hold good depending upon the support from the promoters, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
    - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants  
(Firm Reg. No. 0743C)

**CA Avinash Baxi**  
**Partner**  
M. No.79722

Place : Mumbai  
Date : 9th August, 2010

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (3) of our report of even date

- i. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management as at the year end and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of Inventories:
  - a. The inventory has been physically verified as at the year end by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii.
  - a. The Company has not granted any loan secured or unsecured to company, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(b), iii(c) and iii(d) of the Order are not applicable to the Company.
  - b. The Company has taken loan from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6,98,89,706/- and the year end balance of loan taken from such party was Nil.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - d. In respect of these loans, there is no stipulation as to the payment of principal amount and interest. Hence, we have not commented on whether the payment of principal amount and interest are regular.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v.
  - a. According to the information and explanations given to us, we are of the opinion that the Company has no contract or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
  - b. In our opinion the provisions of paragraph 4 clause (v)(b) of the Order are not applicable.
- vi. According to the information and explanations given to us, the company has not accepted any deposits from public to which the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion the provisions of paragraph 4 clause (viii) for maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 is not applicable.

- ix. In respect of statutory dues:
- a. According to the information and explanations given to us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. There were no statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date it became payable.
  - b. According to the information and explanations given to us, the company has no dues of sales tax, income tax, service tax, custom duty, wealth tax, excise duty, cess and other statutory dues which have not been deposited with appropriate authorities on account of any disputes.
- x. In our opinion, since the company has been registered for a period of less than five years as at 31st March, 2010 the provisions of clause (x) paragraph 4 of the Order are not applicable.
- xi. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to Bank amounting to USD 2,12,500 became due for repayment USD 1,06,250 due for February 2010 and March 2010 each which were repaid by the Company on in the month of July 2010. The Company has not issued any debenture.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The company has not raised any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, prima-facie, short term funds amounting to Rs.1.99 crores have been utilized for long term investments.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures, accordingly the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- xx. The company has not raised money by public issues during the year under audit.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants  
(Firm Reg. No. 0743C)

**CA Avinash Baxi**  
**Partner**  
M. No.79722

Place : Mumbai  
Date : 9th August, 2010

# Balance Sheet

AS AT 31ST MARCH, 2010

PARTICULARS	Sch.No.	2009-2010 Rs.	2008-2009 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
Share Capital	"A"	7,00,00,000	7,00,00,000
Share Application Money		23,87,37,379	—
<b>Loan Funds</b>			
Secured Loans	"B"	24,87,23,070	33,18,12,128
Unsecured Loans	"C"	—	6,98,89,706
		<u>55,74,60,449</u>	<u>47,17,01,834</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross block	"D"	40,10,87,881	43,64,39,115
Less: depreciation		<u>4,36,51,133</u>	<u>2,35,76,941</u>
Net Block		35,74,36,748	41,28,62,174
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	"E"	47,40,619	74,40,062
Sundry Debtors		4,22,852	10,30,900
Cash and Bank Balances		2,06,131	3,88,985
Loans and Advances		<u>5,75,930</u>	<u>4,49,686</u>
		59,45,532	93,09,633
Less : Current liabilities and provisions	"F"	<u>2,59,00,233</u>	<u>2,15,72,138</u>
Net current assets		(1,99,54,701)	(1,22,62,505)
Deferred Tax Assets		2,07,12,328	2,07,12,328
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	"G"	5,17,263	5,47,688
<b>PROFIT &amp; LOSS ACCOUNT</b>	"H"	<u>19,87,48,811</u>	<u>4,98,42,149</u>
		<u>55,74,60,449</u>	<u>47,17,01,834</u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	"M"		

As per our report of even date

For and on behalf of Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA Avinash Baxi**  
Partner  
M.No. 79722

**Jasti V.V.S. Murthy**  
Director

**Ashish Acharya**  
Director

Mumbai, 9th August, 2010

Mumbai, 9th August, 2010

# Profit and Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	Sch.No.	2009-2010 Rs.	2008-2009 Rs.
<b>INCOME</b>			
Operating Earnings- Freight		8,76,91,444	14,77,86,089
Other Income		2,946	9,52,435
Increase/(Decrease) in stock	"I"	(26,99,443)	(18,88,213)
		<u>8,49,94,947</u>	<u>14,68,50,311</u>
<b>EXPENDITURE</b>			
Ship Operating Expenses	"J"	15,20,77,568	12,90,84,713
Other Expenses	"K"	4,24,16,994	4,32,84,216
Financial Charges	"L"	1,87,15,170	2,19,26,612
Expenses relating to previous Year		6,17,685	—
Depreciation		2,00,74,192	2,18,34,174
		<u>23,39,01,609</u>	<u>21,61,29,715</u>
Profit for the year		<u>(14,89,06,662)</u>	<u>(6,92,79,404)</u>
<b>Provision for Taxation</b>			
Current Tax		—	—
Deferred Tax		—	(2,03,17,701)
Fringe Benefit Tax		—	90,000
Balance Transferred to Balance Sheet		<u>(14,89,06,662)</u>	<u>(4,90,51,703)</u>
Basic & Diluted EPS (in Rs.)		(21.27)	(9.07)
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>"M"</b>		

As per our report of even date

For and on behalf of Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA Avinash Baxi**  
Partner  
M.No. 79722

**Jasti V.V.S. Murthy**  
Director

**Ashish Acharya**  
Director

Mumbai, 9th August, 2010

Mumbai, 9th August, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	(14,89,06,662)	(6,92,79,404)
Adjustments for :		
Depreciation	2,00,74,192	2,18,34,174
Interest Paid	1,77,60,567	2,13,13,574
Preliminary Expenses W/Off	30,425	30,425
Operating profit before working capital change	(11,10,41,478)	(2,61,01,231)
Adjustments for :		
Inventories	26,99,443	18,88,213
Trade & Other Receivables	4,41,804	(7,46,292)
Trade & Other Payables	44,58,094	10,71,391
Cash Flow From Operations	(10,34,42,137)	(2,38,87,919)
Direct Tax Paid (net of refund)	90,000	40,000
Net Cash from Operating Activities	(10,35,32,137)	(2,39,27,919)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	3,53,51,234	(7,97,81,429)
Preliminary Expenses	—	
Net Cash used in Investing Activities	3,53,51,234	(7,97,81,429)
<b>CASH FLOW FINANCIAL ACTIVITIES</b>		
Proceed from borrowing	—	10,85,86,538
Repayment of borrowing	(15,29,78,763)	—
Interest Paid	(1,77,60,567)	(2,13,13,574)
Issue of Share Capital	—	1,60,00,000
Share application money	23,87,37,379	—
Net Cash Flow from Financing Activities	6,79,98,049	10,32,72,964
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>(1,82,854)</b>	<b>(4,36,384)</b>
<b>Cash &amp; Cash Equivalents at Beginning of the Year</b>	<b>3,88,985</b>	<b>8,25,369</b>
<b>Cash &amp; Cash Equivalents at End of the Year</b>	<b>2,06,131</b>	<b>3,88,985</b>

As per our report of even date

For and on behalf of Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA Avinash Baxi**  
**Partner**  
M.No. 79722

**Jasti V.V.S. Murthy**  
**Director**

**Ashish Acharya**  
**Director**

Mumbai, 9th August, 2010

Mumbai, 9th August, 2010

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED AS ON 31ST MARCH, 2010**

PARTICULAR	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE : "A" SHARE CAPITAL</b>		
<b>Authorised</b>		
70,00,000 Equity Shares of Rs. 10/- each (Previous year 70,00,000 Equity Shares of Rs. 10/- each )	7,00,00,000	7,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
70,00,000 (Previous year 70,00,000) Equity Shares of Rs.10/- each fully paid up	<u>7,00,00,000</u>	<u>7,00,00,000</u>
	<u>7,00,00,000</u>	<u>7,00,00,000</u>
<b>Share Application Money</b>		
Share Application Money	<u>23,87,37,379</u>	—
	<u>23,87,37,379</u>	—
<b>SCHEDULE : "B" SECURED LOANS</b>		
Term Loan From Bank	<u>24,87,23,070</u>	<u>33,18,12,128</u>
	<u>24,87,23,070</u>	<u>33,18,12,128</u>
Term Loan from bank is secured by hypothecation of Specific Vessel of the Company. Instalments of Term Loan due within next twelve months US\$12,75,000 (Previous year US\$ 12,75,000)		
<b>SCHEDULE : "C" UNSECURED LOANS</b>		
Intercompany Deposits	—	<u>6,98,89,706</u>
	—	<u>6,98,89,706</u>

**SCHEDULE : "D" FIXED ASSETS**

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Addition	Deductions	As at 31.03.10	Upto 31.03.2009	For the Year	Adjustment	Upto 31.03.10	As at 31.03.2010	As at 31.03.2009
Ship - MT Taurus	43,62,43,018	—	(35,379,314)	40,08,63,704	2,35,52,514	2,00,43,186	—	4,35,95,700	35,72,68,004	41,26,90,504
Computers	1,45,960	28,080	—	1,74,040	22,171	27,832	—	50,003	1,24,037	1,23,789
Furniture & fixtures	50,137	—	—	50,137	2,256	3,174	—	5,430	44,707	47,881
Total :	43,64,39,115	28,080	(35,379,314)	40,10,87,881	2,35,76,941	2,00,74,192	—	4,36,51,133	35,74,36,748	41,28,62,174
Previous year	35,66,34,832	7,98,04,283	—	43,64,39,115	17,42,767	2,18,34,174	—	2,35,76,941	41,28,62,174	0.00

**Note :** Deduction to Ship includes Rs. 353.79 Lakhs (Previous year addition Rs.796.98 lac) on account of difference in foreign exchange fluctuation as per significant accounting policy No. G(5) of Schedule M.

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE : "E" CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>I. CURRENT ASSETS</b>		
<b>a. Inventories</b>		
Stock in trade	<u>47,40,619</u>	<u>74,40,062</u>
	<u>47,40,619</u>	<u>74,40,062</u>
<b>b. Sundry Debtors</b>		
Due over six months	—	—
Others	<u>4,22,852</u>	<u>10,30,900</u>
	<u>4,22,852</u>	<u>10,30,900</u>
<b>c. Cash and Bank Balances</b>		
i. Cash in Hand	1,193	6,979
ii. Balance with scheduled Bank in Current Account	<u>2,04,938</u>	<u>3,82,006</u>
	<u>2,06,131</u>	<u>3,88,985</u>
<b>II. LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or kind for value to be received	5,75,930	4,09,686
Advance Tax	—	40,000
	<u>5,75,930</u>	<u>4,49,686</u>
<b>SCHEDULE "F" CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a. Current Liabilities</b>		
Sundry Creditors	2,59,00,233	2,14,42,138
<b>b. Provisions</b>		
For taxation	—	1,30,000
	<u>2,59,00,233</u>	<u>2,15,72,138</u>
<b>SCHEDULE : "G" MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary Expenses	<u>5,17,263</u>	<u>5,47,688</u>
	<u>5,17,263</u>	<u>5,47,688</u>
<b>SCHEDULE : "H" PROFIT &amp; LOSS ACCOUNT</b>		
Profit & Loss Account Balance since last year	(4,98,42,149)	(8,13,300)
Less : Foreign currency Monetary Difference of Previous Year	—	22,854
Transfer to Fixed Asset as per AS- 11(revised)	(4,98,42,149)	(7,90,446)
Add : Profit/(Loss) for the year	<u>(14,89,06,662)</u>	<u>(4,90,51,703)</u>
	<u>(19,87,48,811)</u>	<u>(4,98,42,149)</u>
<b>SCHEDULE : "I" INCREASE/DECREASE IN STOCK</b>		
Closing Stock	47,40,619	74,40,062
Less: Opening stock	<u>74,40,062</u>	<u>93,28,275</u>
	<u>(26,99,443)</u>	<u>(18,88,213)</u>

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE : "J" SHIP OPERATING EXPENSES</b>		
Bunker Purchased	5,10,85,782	6,51,02,619
Manning Charges	21,348	16,458
Port Expenses	77,52,166	1,03,13,898
Operation & Maintenance	5,71,825	6,17,019
Ship Insurance	31,51,188	33,44,553
Professional Charges	24,97,604	9,38,397
Dry dock expenses	6,63,47,857	—
Repair & Maintenance	1,21,03,747	3,98,45,790
Boat Hire Charges Exp	12,08,061	24,67,339
Ship management Fees	12,96,025	—
Ship Ration - MT Taurus	33,70,051	38,96,241
Marine Survey Charges	23,59,427	19,03,324
Freight & Transport Charges	3,12,487	6,39,075
	<u>15,20,77,568</u>	<u>12,90,84,713</u>
<b>SCHEDULE : "K" OTHER EXPENSES</b>		
Salary, wages & Employee Benefits	3,75,84,793	3,94,42,120
Professional charges to ship crew	13,74,592	—
Audit Fees	22,060	22,060
Conveyance Expenses	92,213	1,09,461
Office Maintenance Charges	800	41,120
Postage & Courier Charges	12,438	45,996
Staff Welfare	18,246	2,01,036
Stationary and printing	1,81,030	86,401
Telephone Expenses	1,05,019	3,36,102
Travelling Expenses	15,80,368	23,40,293
Vehicle Hire Charges	2,58,654	2,05,164
Other Expenses	11,56,356	4,24,038
Preliminary Expenses w/off	30,425	30,425
	<u>4,24,16,994</u>	<u>4,32,84,216</u>
<b>SCHEDULE : "L" FINANCIAL CHARGES</b>		
Bank Charges	9,54,603	6,13,038
Interest on Term Loan	1,77,23,428	2,13,05,472
Others	37,139	8,102
	<u>1,87,15,170</u>	<u>2,19,26,612</u>

**SCHEDULE "M" SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.**

**SIGNIFICANT ACCOUNTING POLICIES**

**A) SYSTEM OF ACCOUNTING :**

- i) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii) Financial statement is based on historical cost.

**B) FIXED ASSETS :**

Fixed assets are carried at cost of acquisition or construction, including any cost attributable for bringing the assets to its working condition for its intended use, less accumulated depreciation.

**C) DEPRECIATION :**

- a) Depreciation on fixed assets is being provided on straight-line method as per rates prescribed in schedule XIV of the Companies Act, 1956.
- b) Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.

**D) INVENTORIES :**

Stores , spares and consumables delivered to vessels are charged to Profit and Loss account and accordingly are not valued. Bunker and Lubes on vessels are valued at lower of cost and net realizable value ascertained on FIFO basis.

**E) REVENUE RECOGNITION :**

- a) Income on account of freight earnings is recognized in all cases where loading of the cargo is completed before the close of the year. All corresponding direct expenses are also provided.
- b) Where loading of the cargo is not completed before the close of the year, revenue is not recognized and the corresponding expenses are carried forward to the next accounting year.
- c) Income from charter hire and demurrage are recognized on accrual basis.
- d) Income from services is accounted on accrual basis as per the terms of the relevant agreement.

**F) BORROWING COST :**

Borrowing costs attributable to acquisition and construction of assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

**G) FOREIGN CURRENCY TRANSACTIONS :**

- 1. The Foreign currency transactions are accounted for at the rate of exchange prevailing at the date of transaction. Current assets and Current liabilities not covered by forward exchange contracts are translated at year-end exchange rates. Any gain or loss on account of fluctuation in the rate of exchange is recognized in the profit and loss account. In case of sales and purchase the same is included under the respective heads.
- 2. Premium / discount in respect of forward foreign exchange contract is recognized over the life of the contract.
- 3. Loans in foreign currency outstanding at the close of the year are expressed in Indian currency at the appropriate rates of exchange prevailing on the date of balance sheet.
- 4. The gain or loss on repayment and translation of foreign currency loans relating to acquisition of vessels from a country outside India is adjusted to carrying cost of such vessels.
- 5. Government of India, Ministry of Corporate Affairs vide Notification No. GSR 225(E) dated 31<sup>st</sup> March, 2009 issued Companies (Accounting Standards) Amendment Rules, 2009 with effect from Accounting Year commencing on or after 7th December, 2006. In view of this, instead of early adoption of Accounting Standard 30, the Company has decided to exercise the option available under para 46 of the said notification. Hence, loss on account of revaluation of foreign currency loans which was charged to Profit and Loss Account during 1st April, 2007 to 31st March 2008 has been reversed.

In terms of the notification referred above, exchange differences arising on reporting of long term foreign currency loans, so far as they relate to acquisition of depreciable capital assets, is required to be added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases it is required to be accumulated in a Foreign Currency Monetary Items Translation Difference Account and amortized over balance period of such long term liability but not beyond 31<sup>st</sup> March, 2011.

#### H) TAXES ON INCOME :

The amount of tax payable on the taxable income for the year is determined in accordance with provisions of the Income Tax Act, 1961.

Deferred tax is recognized on the timing difference, being the difference between taxable Income and accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

#### I) EMPLOYEE BENEFITS :

Post-employment benefit plans.

Defined Contribution Plan - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

#### NOTES ON ACCOUNTS :

1. Schedule A to M forms part of accounts for the year ending on 31<sup>st</sup> March 2010.
2. Previous year's figures have been regrouped / rearranged wherever considered necessary.
3. In the opinion of Board of Directors the Current Assets Loans & Advances have value on realisation in the ordinary course of business at least equal to the amount at which these are stated and that the provision for known liabilities is adequate and not in excess of the amount reasonably necessary.
4. Contingent Liabilities : Nil.
5. a. Deferred Tax (Net)

<b>Particulars</b>	<b>Deferred Tax As at 31.03.2010</b>	Deferred Tax As at 31.03.2009
Deferred Tax Liability		
Difference between books & Income Tax Depreciation	<b>2,91,12,461</b>	2,91,12,461
	<b>2,91,12,461</b>	2,91,12,461
Deferred Tax Assets		
Depreciation Loss	<b>1,50,41,217</b>	1,50,41,217
Business Loss	<b>3,47,83,572</b>	3,47,83,572
Disallowance u/s 40a(ia)	—	—
	<b>4,98,24,789</b>	4,98,24,789
Deferred Tax Liability/(Assets) (Net)	<b>(2,07,12,328)</b>	(2,07,12,328)

#### 6. Segment Reporting

As the company's principal business activities fall within the single segment viz shipping, the disclosure requirement of Accounting Standard 17 'Segment Reporting issued by The Institute of Chartered Accountant of India are not applicable.

#### 7. Earning per share

	<b>2009-2010</b>	2008-2009
Nominal value per Equity Share (Rs.)	<b>10</b>	10
Profit/ (Loss) after Tax (Rs.)	<b>(14,89,06,662)</b>	(4,90,51,703)
Weighted Avg. No. of Equity Shares	<b>70,00,000</b>	54,08,767
Basic and diluted Earning per Share (Rs.)	<b>(21.27)</b>	(9.07)

8. Government of India, Ministry of Corporate Affairs vide Notification No. GSR 225(E) dated 31<sup>st</sup> March, 2009 issued Companies (Accounting Standards) Amendment Rules, 2009 with effect from Accounting Year commencing on or after 7th December, 2006.

In terms of the notification referred above, exchange differences arising on reporting of long term foreign currency loans, so far as they relate to acquisition of depreciable capital assets, is added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases it is accumulated in a Foreign Currency Monetary Items Translation Difference Account and amortized over balance period of such long term liability but not beyond 31st March, 2011.

Accordingly, differences arising due to change in exchange rate on foreign currency loans relating to acquisition of depreciable capital assets amounting to Rs.353.79 lacs are deducted from the cost of such capital assets. Consequent to the change, the depreciation for the year is lower by Rs.17.69 lacs. If the option provided under AS 11 (revised) issued by Ministry of Corporate Affairs vide Notification No.GSR 225(E) dated 31st March, 2009, was not exercised, the loss for the year would have been higher by Rs.336.10 lacs and profit and loss account balance would have been lower by equal amount.

9. **Related Party Disclosure :**

A. Relationships

- a) Other parties where key management personnel and / or their relatives have significant influence.

1. Mr. Jasti V.V.S. Murthy Director
2. Mrs. Shobana Kamineni Director

- b) Holding / Subsidiary Company

Ruchi Infrastructure Limited Holding Company.

- B. Transactions carried out with related parties referred in 9 above

	<b>2009-2010</b>	2008-2009
Particulars	<b>9(b)</b>	9(b)
Finance taken	—	3,51,47,382
Outstanding	—	3,51,47,382
Share Application Money	<b>12,42,93,196</b>	—
<b>10. EARNINGS IN FOREIGN CURRENCY</b>	<b>8,76,91,444</b>	14,77,86,089
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
a. Capital Goods	—	7,96,98,646
b. Interest	<b>1,77,23,428</b>	2,13,05,472
b. Other Expenses	<b>14,65,47,779</b>	11,09,10,990

As per our report of even date

For and on behalf of Board of Directors

For **ASHOK KHASGIWALA & CO.**  
Chartered Accountants

**CA Avinash Baxi**  
**Partner**  
M.No. 79722

**Jasti V.V.S. Murthy**  
**Director**

**Ashish Acharya**  
**Director**

Mumbai, 9th August, 2010

Mumbai, 9th August, 2010

## BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

### I REGISTRATION DETAILS

Registration No: U35100MH2007PTC176717

State Code 1 1

Balance Sheet Date 3 1 0 3 2 0 1 0

### II CAPITAL RAISED DURING THE YEAR (Rs. in Thousands)

Public Issue

Nil

Right issue

Nil

Bonus Issue

Nil

Private Placement

Nil

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousands)

Total Liabilities

5 5 7 4 6 0

Total Assets

5 5 7 4 6 0

#### SOURCES OF FUNDS

Paid-up share capital

7 0 0 0 0

Share Application Money

2 3 8 7 3 7

Secured Loans

2 4 8 7 2 3

Unsecured loans

Nil

#### APPLICATION OF FUNDS

Net Fixed Assets

3 5 7 4 3 7

Investments

Nil

Net Current Assets

( 1 9 9 5 5 )

Misc. Expenditure

5 1 7

Accumulated Losses

1 9 8 7 4 9

Deferred Tax assets

2 0 7 1 2

### IV PERFORMANCE OF THE COMPANY (Rs. in Thousands)

Sales and Other Income

8 4 9 9 5

Total Expenditure

2 3 3 9 0 2

+ - Profit / Loss before tax

( 1 4 8 9 0 7 )

+ - Profit / Loss after tax

( 1 4 8 9 0 7 )

Earnings per share (Rs.)

( 2 1 . 2 7 )

Dividend Rate %

Nil

### V GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY (As per monetary terms)

Item code No.: (ITC Code)

61100

Product Description

Sea & Coastal Water Transport

For and on behalf of the Board

**JASTI V.V.S. MURTHY**  
Director

**ASHISH ACHARYA**  
Director

Mumbai, 9th August, 2010

# **RIFL ENERGY PRIVATE LIMITED**

## **ANNUAL REPORT 2009-2010**

### **Board of Directors**

Shri Dinesh Shahra

Shri Amit Jain

### **Auditors**

Prakash H. Shah & Co.

Chartered Accountants

### **Registered Office**

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

# Directors' Report

**Dear Members,  
RIFL Energy Private Limitd**

Your Directors have pleasure in presenting the Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

## **Financial Performance**

During the year under consideration, your Company has posted a Net Loss of Rs. 5.44 lacs.

## **Dividend**

Your Directors do not recommend any dividend for the year.

## **Directors' Responsibility Statement**

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

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. that the Directors have selected appropriate accounting policies and applied them consistently, and made judgments and estimates that are 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 2009-2010 and of the loss of the Company for that year;
- 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 the 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, 2010 on a 'going concern' basis.

## **Directors**

Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri Amit Jain was appointed as an Additional Director of the Company with effect from 1st August, 2009. Shri Amit Jain would hold office up to the date of ensuing Annual General Meeting.

Shri Kanta Prasad Mandhana has resigned from the Board of Directors of the Company with effect from 18th August, 2009. The Board has placed on record its warm appreciation of the immense contribution of Shri Kanta Prasad Mandhana during his long association with the Company.

## **Auditors**

Prakash H. Shah & Co., Chartered Accountants, the Auditors of the Company retires at the ensuing Annual General Meeting and eligible for reappointment.

## **Compliance Certificate**

In accordance with the provisions of Section 383A of the Companies Act, 1956 and the Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in Whole time Practice and a copy of the certificate is attached to this report.

## **Fixed Deposit**

The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 as amended.

## **Particulars of employees under Section 217(2A) of the Companies Act, 1956.**

The Company does not have any employee covered under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975.

## **Conservation of energy, technology absorption, foreign exchange earnings and outgo.**

As Company has not commenced any activities, the particulars of energy conservation, technology absorption pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 are not applicable.

Foreign exchange earning and outgo: NIL

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 1st April, 2010

**Dinesh Shakra**  
Director

# Auditors' Report

To  
The Members  
**RIFL Energy Private Limited**

We have audited the attached Balance Sheet of RIFL Energy Private Limited, Mumbai, Maharashtra, as at 31st March 2010, and Profit & Loss Account and Cash Flow Statement of the Company for the year on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the statement on the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31st March, 2010 and taken of record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
  - (b) In the case of the Profit & Loss Account, of the Losses of the Company for the year ended as on 31st March, 2010.
  - (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

The Annexure referred to in the Auditor's Report to the shareholders of RIFL Energy Private Limited for the year ended 31st March, 2010. We report that :

- I
  - (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanation given to us, the frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
  - (c) In our opinion, there is no disposal of fixed assets during the year.
- II According to the information and explanations given to us, as there are no inventory; the verification of the same do not arise.
- III The Company has neither granted nor taken any loans secured or unsecured, to or from Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- IV In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls, as there are no purchases or sale of goods.
- V On the basis of our examination of the books of accounts, and as per information and explanation given to us, the Company has not made any transactions in respect in any party during the financial year that needs to be entered in the register pursuant to the section 301 of the Companies Act, 1956.
- VI The Company has not accepted any deposits from the public during the year covered under section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
- VII In our opinion, the internal audit system of the Company is commensurate with its size and nature of its activities.
- VIII (a) According to the records of the Company, the Company do not have any employees nor the company has commenced any business activities, thus there are no statutory liabilities.  
(b) As certified by the Management on which we have relied upon, there are no liabilities towards Excise, Customs, Sales Tax & other taxes.
- IX As the company has started its business operation activities as such there are no previous losses.
- X Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
- XI In our opinion, the Company has not granted loans and advances of the basis of security by way of pledge of share, debentures and other securities . In our opinion, the Company has maintained adequate documents and records in respect of such loans.
- XII The Company is not a chit fund, nidhi, mutual benefit fund or society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- XIII According to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XIV According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- XV According to the information and explanation given to us, the Company has not raised any term loan during the year.
- XVI According to the information and explanation given to us, the Company has not raised any short term loans during the year.
- XVII The Company has not made any preferential allotment of shares to parties or Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- XVIII The Company has not issued any debentures during the year.
- XIX During the year, no money has been raised by public issues.
- XX According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For PRAKASH H. SHAH & CO.**  
**Chartered Accountants**

**(PRAKASH H. SHAH)**  
**Proprietor**  
Membership No. 37448

Place: Mumbai  
Date: April 01, 2010

# Compliance Certificate

**COMPLIANCE CERTIFICATE OF RIFL ENERGY PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010**

**CIN No: U40102MH2007PTC176020**

**Nominal Capital: Rs. 25,00,000/-**

To,  
The Members  
**RIFL Energy Private Limited**  
Mumbai.

I have examined the registers, records, books and papers of **RIFL Energy Private Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in the **Annexure 'A'** to this certificate, as per the provisions of the Act and rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in the **Annexure 'B'** to this certificate, with the Ministry of Corporate Affairs.
3. The Company being a Private Limited Company, has a paid-up capital of Rs.10,00,000/- and its maximum number of members during the financial year were three excluding its present and past employees and the Company during the financial year under scrutiny;
  - (i) has not invited public to subscribe for its shares or debentures;
  - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives;The Company is Subsidiary of Public Limited Company.
4. The Board of Directors duly met six times on 16th May, 2009; 1st August, 2009; 10th August, 2009; 18th August, 2009; 10th November, 2009; and 5th March, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the Financial Year under review.
6. The Annual General Meeting for the Financial Year ended 31st March, 2009 was held on 30th September, 2009 after giving due notice to the Members of the Company and the resolution there at were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make entries in the register maintained under Section 301 of the Act during the year under review.
11. As there was no instances falling under the purview of Section 314 of the Act, the Company has not obtained any approvals from the the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificate(s) during the financial year under review.
13. The Company has :
  - (i) not allotted/transferred/transmitted any securities during the financial year under review.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) not transferred any amount to Investor Education and Protection Fund, as there was no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid.
  - (v) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. Shri Amit Jain was appointed as Additional Director of the Company w.e.f. 1st August, 2009 and Shri Kanta Prasad Mandhana resigned from the post of Director of the Company w.e.f. 18th August, 2009. There was no appointment of Alternate Director and Director to fill Casual Vacancy during the financial year.
15. The company has not appointed any managing director/whole-time director/manager during the financial year under review.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of the transfer of shares in compliance with the provisions of the Act.
23. The Company has not accepted/invited any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
24. The Company has not made any borrowing during the financial year ended 31st March, 2010.
25. The Company has not made any loans or advances or investments or given guarantees or provided securities to other bodies corporate during the year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year, for the offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a Provident Fund u/s 418 of the Act.

The above report is based on the information/records and registers made available to me as were found, to the best of my knowledge, to be necessary for the purpose of Audit.

Place: Mumbai  
Date: 01st April, 2010

Signature : Sd/-  
Name of the Company Secretary: Prashant Diwan  
C.P.No: 1979

## ANNEXURE A

### Registers as maintained by the Company:

1. Register of Members u/s 150 of the Act.
2. Minutes Book u/s 193 of the Act.
3. Register of Directors u/s 303 of the Act.
4. Register of Directors' Shareholding u/s 307 of the Act.
5. Register of Transfer.

## ANNEXURE B

### Forms and Returns as filed by the Company with the Ministry of Corporate Affairs, during the financial year ended on 31st March, 2010:

1. **Form 32** in respect of appointment of Shri Amit Jain as the Director of the Company w.e.f. 1st August, 2009 and resignation of Shri Kanta Prasad Mandhana from the post of Director of the Company w.e.f. 18th August, 2009 filed on 21st August, 2009 vide Challan No: A67673053.
2. **Form 66** in respect of submission Compliance Certificate for the year ended 31st March, 2009 filled on 30th December, 2009 vide Challan No. P44228377 (with additional fees).
3. **Form 23AC & 23ACA** in respect of filing of Balance Sheet as at 31st March, 2009 & Profit and Loss Account for the year ended on that date respectively as adopted by the members at the Annual General Meeting of the Company held on 30th September, 2009 and filed on 30th December, 2009 vide Challan No. P44351948 (with additional fees).
4. **Form 20B** in respect of filling of Annual Return made up to 30th September, 2009 was filled on 30th December, 2009 vide Challan No. P44372779 (with additional fees).

Place: Mumbai  
Date: 01st April, 2010

Signature : Sd/-  
Name of the Company Secretary: Prashant Diwan  
C.P.No: 1979

# Balance Sheet

AS AT 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	"A"	10,00,000	10,00,000
Share Application Money	"B"	17,00,000	12,00,000
		<u>27,00,000</u>	<u>22,00,000</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	"C"	11,69,712	11,49,575
<b>Current Assets, Loan &amp; Advances</b>			
Cash & Bank Balances	"D"	7,67,120	8,07,387
Less : Current Liabilities & Provisions		-	-
<b>Net Current Assets</b>		<u>7,67,120</u>	<u>8,07,387</u>
<b>Profit and Loss Account</b>		5,44,434	-
<b>Miscellaneous Expenditure</b> (To the extent not written or adjusted)	"E"	2,18,734	2,43,038
		<u>27,00,000</u>	<u>22,00,000</u>
<b>Notes to the Accounts</b>	"F"		

As per our report of even date

For and on behalf of the Board

**For PRAKASH H. SHAH & CO.**

**Chartered Accountants**

**(PRAKASH H. SHAH)**

**Proprietor**

Membership No.37448

Mumbai, April 1, 2010

**Dinesh Shahra**  
**Director**

**Amit Jain**  
**Director**

Mumbai, April 1, 2010

# Profit & Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
<b>INCOME</b>			
<b>EXPENDITURE</b>			
Tender Fees (Non-refundable)		5,00,000	-
ROC Charges		5,120	-
Legal Charges		11,530	-
Office Expenses		3,480	-
Misc. Expenditure Writtten Off		24,304	-
		<u>5,44,434</u>	<u>-</u>
Profit/(Loss) before taxation		(5,44,434)	-
Provision for taxation		-	-
Profit after taxation		<u>(5,44,434)</u>	<u>-</u>
Balance carried to Balance Sheet		<u>(5,44,434)</u>	<u>-</u>
<b>Notes to the Accounts</b>	"F"		

As per our report of even date

For and on behalf of the Board

**For PRAKASH H. SHAH & CO.**

**Chartered Accountants**

**(PRAKASH H. SHAH)**

**Proprietor**

Membership No.37448

Mumbai, April 1, 2010

**Dinesh Shahra**  
**Director**

**Amit Jain**  
**Director**

Mumbai, April 1, 2010

# Cash Flow

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-2010 Rs.	2008-2009 Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Increase/(Decrease) in Laibilities	-	(2,747)
Miscellaneous Expenses	(5,20,130)	(48,812)
<b>Net Cash Flow from Operating Activities</b>	<u>(5,20,130)</u>	<u>(51,559)</u>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Land	(20,137)	(11,49,575)
<b>Net Cash Flow from Investing Activities</b>	<u>(20,137)</u>	<u>(11,49,575)</u>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Application	5,00,000	12,00,000
<b>Net Cash Flow from Financing Activities</b>	<u>5,00,000</u>	<u>12,00,000</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)</b>	<b>(40,267)</b>	<b>(1,134)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 01-04-2009</b>	<b>8,07,387</b>	<b>8,08,521</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31-03-2010</b>	<b>7,67,120</b>	<b>8,07,387</b>

As per our report of even date

**For PRAKASH H. SHAH & CO.**  
**Chartered Accountants**

**(PRAKASH H. SHAH)**

**Proprietor**

Membership No.37448

Mumbai, April 1, 2010

For and on behalf of the Board

**Dinesh Shahra**  
**Director**

**Amit Jain**  
**Director**

Mumbai, April 1, 2010

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
<b>SCHEDULE "A" – SHARE CAPITAL</b>		
<b>Authorised :</b>		
2,50,000 Equity Shares of Rs.10/- each (Previous Year 2,50,000 Shares of Rs.10/- each)	<u>25,00,000</u>	<u>25,00,000</u>
<b>Issued, Subscribed and Paid-up :</b>		
1,00,000 Equity Shares of Rs.10/- each (Previous Year 1,00,000 Shares of Rs.10/- each)	<u>10,00,000</u>	<u>10,00,000</u>
<b>SCHEDULE "B" – SHARE APPLICATION MONEY</b>		
Ruchi Infrastructure Limited	<u>17,00,000</u>	<u>12,00,000</u>
<b>SCHEDULE "C" – FIXED ASSETS</b>		
Land Freehold	<u>11,69,712</u>	<u>11,49,575</u>
<b>SCHEDULE "D" – CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash & Bank Balances	<u>7,67,120</u>	<u>8,07,387</u>
<b>SCHEDULE "E" – MISCELLANEOUS EXPENDITURE</b> (To the extent not written/off or adjusted)		
Opening Balance	2,43,038	2,43,038
Less: Writtten Off during the Year	<u>24,304</u>	<u>—</u>
Balance carried forward	<u>2,18,734</u>	<u>2,43,038</u>

**SCHEDULE "F" – NOTES TO ACCOUNTS**

1. The previous year figures have been re grouped and re arranged wherever necessary.
2. Balances grouped under Loans and Advances, Deposits and Sundry Creditors are subject to confirmation.
3. There are nil cases of imports and foreign currency expenditure during the year and therefore the disclosure of the CIF Value of the imports and foreign currency expenditure does not become applicable.
4. There are no employees of the Company.
5. No deferred tax liability has been recognized since the project is in the construction stage.
6. There are Nil cases of contingent liabilities as at 31st March, 2010

As per our report of even date

For and on behalf of the Board

**For PRAKASH H. SHAH & CO.**  
**Chartered Accountants**

**(PRAKASH H. SHAH)**  
**Proprietor**  
Membership No.37448

**Dinesh Shahra**  
**Director**

**Amit Jain**  
**Director**

Mumbai, April 1, 2010

Mumbai, April 1, 2010

**BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**

**I REGISTRATION DETAILS**

Registration No: U 4 0 1 0 2 M H 2 0 0 7 P T C 1 7 6 0 2 0 State Code 1 1  
 Balance Sheet Date 3 1 0 3 2 0 1 0

**II CAPITAL RAISED DURING THE YEAR (Rs. in Thousand)**

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Right issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Share Application Money	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 7 0 0		

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousand)**

Total Liabilities	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 7 0 0	Total Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 7 0 0
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**SOURCES OF FUNDS**

Paid-up Capital	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 0 0 0	Reserves and Surplus	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Share Application Money	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 7 0 0	Advance against share capital	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Unsecured loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Deferred Tax Liability	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L		

**APPLICATION OF FUNDS**

Net Fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 1 7 0	Investment/Advance for Investment	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 7 6 7	Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 1 9
Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 4 4		

**IV PERFORMANCE OF THE COMPANY (Rs. in Thousand)**

Turnover	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 4 4
Profit/Loss Before Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> ( 5 4 4 )	Profit/Loss After Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> ( 5 4 4 )
Earnings per share (in Rs.)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Dividend	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

**V Generic Names of Principal Products / Services of Company (As per monetary terms)**

Item code No.: (ITC Code)	Product Description
NIL	Commercial Production not yet started

For and on behalf of the Board

**Dinesh Shahra**  
Director

**Amit Jain**  
Director

Mumbai, April 1, 2010

# **RUCHI RESOURCES PTE. LTD.**

**ANNUAL REPORT  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY, 2009 TO 31 MARCH, 2010**

## **Board of Directors**

Mr. Dinesh Chandra Khandelwal  
Mr. Lee Lai Nah

## **Auditors**

Rama & Co.  
Public Accountants and  
Certified Public Accountants  
Singapore

## **Registered Office**

6 Temasek Boulevard #09-05  
Suntec Tower Four  
Singapore 038986

# Directors' Report

The directors present their report together with the audited financial statements of the company and statement of changes in equity of the company for the financial period ended 31 March, 2010. The financial period covers the period from 1 January, 2009 to 31 March, 2010. During the financial period, the company has changed its year end from 31 December, 2009 to 31 March, 2010 to co-terminus with its holding company.

## 1. DIRECTORS

The directors of the company in office at the date of this report are:

Lee Lai Nah

Dinesh Chandra Khandelwal

(Appointed on 22 August, 2009)

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the period did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

## 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial period have no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, Cap. 50.

## 4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial period, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

## 5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the company was granted.

## 6. OPTIONS EXERCISED

During the financial period, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

## 7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares under option.

## 8. INDEPENDENT AUDITORS

The independent auditors, M/s. Rama & Co., Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment.

**Dinesh Chandra Khandelwal**

Director

**Lee Lai Nah**

Director

Singapore, 17 May, 2010

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## Statement by Directors

We, being the directors of the company, do hereby state that in our opinion:-

- (a) the accompanying financial statements set out on pages \_\_ to \_\_ are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December, 2010, and of the results of the business, changes in equity and cash flows of the company for the financial period from 1 January, 2009 to 31 March, 2010; and
- (b) at the date of this statement with the continued financial support from its holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

**Dinesh Chandra Khandelwal**

Director

**Lee Lai Nah**

Director

Singapore, 17 May, 2010

# Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

### Report on the financial statements

We have audited the accompanying financial statements of **RUCHI RESOURCES PTE. LTD.**, which comprises the statement of financial position as at 31 March, 2010, and statement, of comprehensive income, statement of changes in equity and statement of cash flow and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 20 for the financial period from 1 January, 2009 to 31 March, 2010.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Singapore Companies Act Cap. 50 (the "Act"). This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Independent auditors' responsibility for the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements. The Company incurred a net loss of **US\$4,605** for the period ended 31 March, 2010 and, as of that date, the company's total liabilities exceeded its total assets by **US\$8,134**. These factors raise substantial doubt that the company will be able to continue as a going concern. The company is dependent on its holding company for continued financial support and the directors are satisfied the financial support will be available when required.

### Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March, 2010 and the results, changes in equity and cash flows of the company for the financial period from 1 January, 2009 to 31 March, 2010; and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

**RAMA & CO.**  
**PUBLIC ACCOUNTANTS AND**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**SINGAPORE**

Singapore, 17 May, 2010.

# Statement of Financial Position

AS AT 31ST MARCH, 2010

	Note	31 Mar., 2010 US\$	31 Dec., 2008 US\$
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash in hand		<u>269</u>	<u>6,541</u>
<b>Total assets</b>		<u><u>269</u></u>	<u><u>6,541</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve:</b>			
Share capital	(7)	5,000	5,000
Accumulated losses		<u>(13,134)</u>	<u>(8,529)</u>
Capital deficiency		<u>(8,134)</u>	<u>(3,529)</u>
<b>Current liabilities:</b>			
Other Payables	(8)	<u>8,403</u>	<u>10,070</u>
Total current liabilities		<u>8,403</u>	<u>10,070</u>
<b>Total equity and liabilities</b>		<u><u>269</u></u>	<u><u>6,541</u></u>

The annexed notes form an integral part of these financial statements.

# Statement of Comprehensive Income

FOR THE FINANCIAL PERIOD FROM 1 JANUARY, 2009 TO 31 MARCH, 2010

	Note	01 Jan 2009 To 31 Mar 2010 US\$	17 Aug 2007 To 31 Dec 2008 US\$
<b>Revenue</b>		—	—
Administrative expenses		<u>(4,605)</u>	<u>(8,529)</u>
<b>Loss before income tax</b>		<u>(4,605)</u>	<u>(8,529)</u>
Income tax expense	(9)	<u>—</u>	<u>—</u>
<b>Loss for the period</b>	(10)	<u>(4,605)</u>	<u>(8,529)</u>
<b>Other comprehensive income</b>		<u>—</u>	<u>—</u>
<b>Total comprehensive loss for the period</b>		<u><u>(4,605)</u></u>	<u><u>(8,529)</u></u>

The annexed notes form an integral part of these financial statements.

# Statement of Changes in Equity

FOR THE FINANCIAL PERIOD FROM 1 JANUARY, 2009 TO 31 MARCH, 2010

	Issued Capital US\$	Accumulated Losses US\$	Total US\$
Balance at date of incorporation, 17 August, 2007	5,000	—	5,000
Total comprehensive loss for the period	—	(8,529)	(8,529)
Balance as at 31 December, 2008	5,000	(8,529)	(3,529)
Total comprehensive loss for the period	—	(4,605)	(4,605)
Balance as at 31 March, 2010	5,000	(13,134)	(8,134)

The annexed notes form an integral part of these financial statements.

# Statement of Cash flows

FOR THE FINANCIAL PERIOD FROM 1 JANUARY, 2009 TO 31 MARCH, 2010

	01 January, 2009 To 31 March, 2010 US\$	17 August, 2007 To 31 December, 2008 US\$
<b>Cash flow from operating activities:</b>		
Loss before income tax and working capital charges	(4,605)	(8,529)
Other payables	(1,667)	10,070
<b>Net cash (used in)/from operating activities</b>	<b>(6,272)</b>	<b>1,541</b>
<b>Financing activities:</b>		
Proceeds from issue of share capital	—	5,000
<b>Net cash from financing activities</b>	<b>—</b>	<b>5,000</b>
Net (decrease)/increase in cash	(6,272)	6,541
Cash at beginning of period	6,541	—
<b>Cash at end of year</b>	<b>269</b>	<b>6,541</b>

The annexed notes form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. GENERAL

#### a) Corporate Information

The company (Registration number: 200715197H) is a limited private company, which is domiciled and incorporated in the Republic of Singapore with its registered office at:

17, Phillip Street #05-01  
Grand Building  
Singapore 048695

The principal activities of the company are to carry on the business of other investment holding companies.

#### b) Going concern assumption

The financial statements are prepared on the going concern basis on the basis that the holding company will continue to provide unconditional financial support to the company to enable the company to discharge its obligations as and when they fall due. The holding company has represented that financial support will be provided when required.

#### c) Authorisation of financial statements for issue

The financial statements of the company and statement of changes in equity of the company for the financial period ended 31 March 2010 were authorised for issue in accordance with the directors' resolution dated 17 May 2010.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### 2.2. Changes in accounting policies

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for current financial year. The adoption of the above standards is assessed to have no material impact on the financial results and the financial position of the company for the year ended 31 March 2010, except for FRS 107 and the amendment to FRS 1 (revised) as indicated below.

FRS 1 Presentation of Financial Statements (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs. However, the company had adopted the one statement of comprehensive income.

FRS 107 Financial Instruments: Disclosures (Amendment) clarifies their fair value disclosures are required for each class of financial instruments separately. The amendments introduce a three-level hierarchy for fair value measurement disclosures; Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability directly or indirectly, and Level 3: Inputs for the asset or liability that are not based on observable market data; and require additional disclosures about the relative reliability of fair value measurements. In addition, the existing requirements for the disclosure of liquidity risk are clarified and enhanced. Comparative disclosure is not required in the first year of application.

### 2.3. FRS and INT FRS not yet effective

At the date of authorisation of these financial statements, the following FRSs and INT FRS's were issued but not effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 24	Related Party Disclosures (Revised)	1 January, 2011
FRS 27	Consolidated and Separate Financial Statements (Amendment)	1 July, 2009
FRS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 February, 2010
FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1 July, 2009
FRS 101	First-time Adoption of Financial Reporting Standards (Revised)-	1 July, 2009
FRS 101	First-time Adoption of Financial Reporting Standards (Revised)- Additional exemptions for first-time Adopters	1 January, 2010
FRS 102	Share-based Payment Group Cash-settled Share-based Payment Transactions (Amendment)	1 January, 2010
FRS 103	Business Combinations (Amendment)	1 July, 2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendment)	1 July, 2009
INT FRS 114	Prepayment of a Minimum Funding Requirement (Amendment)	1 January, 2011
INT FRS 119	Extinguishing Financial liabilities with Equity Instruments	1 July, 2010
INT FRS 117	Distributions of Non-cash Assets to Owners	1 July, 2009
INT FRS 118	Transfers of Assets from Customers	1 July, 2009
FRS 24	Related Party Disclosures (Revised)	1 January, 2011
FRS 27	Consolidated and Separate Financial Statements (Amendment)	1 July, 2009
<b>Improvements to FRSs issued in 2009</b>		
FRS 38	Intangible Assets (Amendment)	1 July, 2009
FRS 102	Share-based Payment (Amendment)	1 July, 2009
INT FRS 109	Reassessment of Embedded Derivatives (Amendment)	1 July, 2009
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (Amendment)	1 July, 2009
FRS 1	Presentation of Financial Statements (Amendment)	1 January, 2010
FRS 7	Statement of Cash Flows (Amendment)	1 January, 2010
FRS 17	Leases (Amendment)	1 January, 2010
FRS 36	Impairment of Assets (Amendment)	1 January, 2010
FRS 39	Financial Instruments: Recognition and Measurement	
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendment)	1 January 2010

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

### 2.4. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“the functional currency”). The financial statements of the company are presented in United States dollars, which is also the functional and presentation currency of the company.

### 2.5. Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past events, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-taxation rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## **2.6. Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the rates ruling at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are recorded at the rates ruling at the balance sheet date. Non-monetary assets and liabilities measured at cost are measured using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities measured at fair value are measured at exchange rates ruling at the dates the fair value was determined. All realised and unrealised exchange adjustments gains and losses are dealt with in the profit and loss statement.

## **2.7. Income Tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case, it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current deferred tax assets and liabilities and they relate to income tax levied by the same authority on the same entity.

## **2.8. Impairment of financial assets**

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to statement of comprehensive income. Changes in the carrying amount of the allowance account are recognised in statement of comprehensive income.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

## **3. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised on the company statement of financial position when the company becomes a party to the contractual provisions of the instrument.

### **3.1. Financial assets**

#### **a) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **b) Cash in hand**

Cash in hand is subject to an insignificant risk of changes in value.

#### **d) Derecognition of financial assets**

A financial assets is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

### 3.2. Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and equity instrument.

#### a) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

#### b) Financial liabilities

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### d) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another form the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in the statement of comprehensive income.

## 4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

### 4.1. Critical accounting judgements

In the process of applying the company's accounting policies, management is of the opinion that there are no critical judgments involved that have significant effect on the amounts recognised in the financial statements.

### 4.2. Key sources of estimation uncertainties

The management is of the opinion that there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

## 5. FINANCIAL RISK AND MANAGEMENT

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors' monitor the following risks management of the company and the financial risks associated with these financial instruments are as follows:

### a) Categories of financial assets and liabilities

	31 March 2010 US\$	31 December 2008 US\$
<b>Financial assets</b>		
Cash in hand	269	6,541
<b>Financial liabilities</b>		
Other payables	8,403	6,000

### b) Credit Risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its cash and cash equivalents. It is the Company's policy to enter into transactions with creditworthy and high credit rating counterparties to mitigate any significant credit risk. At the end of the financial year, the Company has no significant concentration of credit risk.

As the Company does not hold any collateral, the maximum exposures to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial positions.

**Financial assets that are neither past due nor impaired**

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies.

**Financial assets that are past and/or impaired**

There is no other class of financial assets that is past due and/or impaired.

**d) Liquidity risk management**

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The following table summarised the company's remaining contractual maturity for its non-derivative financial instruments at the balance sheet date based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

	Effective interest rate (%)	<b>Less than 1 Year</b>	Total
<b>31 March 2010</b>			
<b>Financial assets</b>			
Cash in hand	—	<u>269</u>	<u>269</u>
<b>Financial liabilities</b>			
Other payables	—	<u>8,403</u>	<u>7,801</u>
<b>31 December 2008</b>			
<b>Financial assets</b>			
Cash in hand	—	<u>6,541</u>	<u>6,541</u>
<b>Financial liabilities</b>			
Other payables	—	<u>6,000</u>	<u>6,000</u>

**d) Fair value of financial assets and financial liabilities**

The carrying amounts of cash and cash equivalents and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

**e) Capital risk management policies and objective**

The Company manages its capital to ensure that the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Company's overall strategy remains unchanged during the period.

	<b>31 March 2010</b>	31 December 2008
	<b>US\$</b>	US\$
Other payables	<b>8,403</b>	6,000
Less : Cash in hand	<u>(269)</u>	<u>(6,541)</u>
Net debt	<b>8,134</b>	(541)
Total equity	<u><b>(8,134)</b></u>	<u>(3,529)</u>
Total capital	<u>—</u>	<u>(4,070)</u>
Gearing ratio	<u>—</u>	<u>13%</u>

The Company is not subject to externally imposed capital requirements.

## 6. HOLDING COMPANY

The company is wholly owned subsidiary of Ruchi Infrastructure Limited, incorporated in India which is also the company's ultimate holding company.

Some of the company's transactions and arrangements are between the companies and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand unless otherwise stated.

## 7. SHARE CAPITAL

	Issued share capital	
	31 March 2010	31 December 2008
	US\$	US\$
5,000 ordinary shares	<u>5,000</u>	<u>5,000</u>

The company has one class of ordinary shares with no par value, which carry no right to fixed income.

## 8. OTHER PAYABLES

	31 March 2010	31 December 2008
	US\$	US\$
Accrued expenses	3,403	5,070
Amount due to holding company (Note 6)	<u>5,000</u>	<u>5,000</u>
	<u>8,403</u>	<u>10,070</u>

The carrying amounts of the other payables, which approximate their fair value are denominated in the following currencies:

	31 March, 2010	31 December, 2008
	US\$	US\$
United States dollars	6,000	9,412
Singapore dollars	<u>2,403</u>	<u>658</u>
	<u>8,403</u>	<u>10,070</u>

## 9. INCOME TAX

No provision for income tax (2008 : Nil) is made in the financial statements as there is no chargeable income (2008 : Nil) for the financial period.

## 10. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	01 January, 2009	17 August, 2007
	To	To
	31 March, 2010	31 December, 2008
	US\$	US\$
Directors' fee	1,161	3,595
Incorporation expenses	<u>—</u>	<u>1,643</u>

## 11. COMPARATIVE FIGURES

The financial statements for 31 March, 2010 cover the financial period from 1 January, 2009 to 31 March, 2010. The financial statements for 31 December, 2008 covered the financial period since incorporation on 17 August, 2007 to 31 December, 2008. Accordingly, the comparative figures in the statement of comprehensive income and related notes are not comparable.

**ATTENDANCE SLIP**

**RUCHI INFRASTRUCTURE LIMITED**

Registered Office : 706, Tulsiani Chambers, Nariman Point, Mumbai - 400 021

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

**TWENTY SIXTH ANNUAL GENERAL MEETING**

at Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Thursday, the 30th September, 2010 at 12.30 p.m.

Member's Name (in capital letters) .....

Folio No. .... No. of Shares held.....

\_\_\_\_\_  
Member's Signature

Proxy's Name (in capital letters) .....

\_\_\_\_\_  
Proxy's Signature

CUT HERE

**PROXY**

**RUCHI INFRASTRUCTURE LIMITED**

Registered Office : 706, Tulsiani Chambers, Nariman Point, Mumbai - 400 021

I/We.....of

..... in the district of.....

being a member/s of the above named Company, hereby appoint .....

of ..... in the district of .....

or failing him..... of ..... in the district of .....

or failing him..... of ..... in the district of .....

as my/our Proxy to attend and vote for me / us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company, to be held on Thursday, the 30th September, 2010 and at any adjournment thereof.

My/Our Folio No.is ..... D.P. ID No.\*..... & Client ID No.\*.....

\* Applicable for members holding shares in electronic form.

Signed this ..... day of ..... 2010.

Signature .....

affix  
Re. 1/-  
Revene  
Stamp