



My dear stakeholders,

It gives me immense pleasure to welcome you all and I would like to convey a big thank you for attending this, the eighteenth Annual General Meeting of REI Agro Limited. Another significant year has gone-by and your company acquired a new growth momentum across all its business and markets. **It strengthened existing market and developed new geographies.**

If any of you had to ask me, what was the secret of this I will very emphatically say **"It was this real `Joy of Performing`"**. And this joy of performing resonates passionately and equally amongst us worldwide. They say joy is not in things; it is fundamentally in us. It was not outward, but it is within. We never forced it; but it came into being individually and then collectively. This is REI's transformation.

There is no need to tell how many miles you will have to run while chasing a dream. So whilst we were conscious of our responsibility to make things happen, we were also convinced that sustainable performance would come only from a sense of pride in our work and the joy of performing.

### **So what is this joy of performing?**

At REI, we define **`Joy of Performing`** in its simplest analogy: when REI & associates come to work with a spring in their step, are envisioned to see the big picture, challenged to excel, empowered to perform and appreciated for their delivery, this strategic mix has brought about a transformation, driving the engines of growth.

Our associates were provided with an enabling environment that they could trust - an unambiguous enunciation of the right things to do and the right ways of doing them - resulting in a culture of sustainably high performance.

### **Let me share this joy of performing with you**

This joy of performing has already translated into our superior financial results.

FY 2011-12 has been a remarkable year for the company with the successful implementation of the capacity expansion, launch of raindrops in the domestic markets and setting up of the distribution network in the international markets and incorporation of subsidiary companies abroad. I am very happy to inform you that **"Raindrops is rated as #1 brand in organised retail in India"** as per AC Nielson. It has all been exciting for the company and it is indeed befitting that we have completed the year with the food industry in general and the basmati



rice industry in particular getting into a phase where there is a growing concern on the supply situation.

During the year, we reported a dramatic turnaround and achieved several important financial and operational milestones. Our total consolidated sales stood at Rs. 5,382 crores; operating profits (EBITDA) reached Rs. 999 crore, 19 per cent of sales. We are happy to report that compared to 2011, EBIDTA and Cash flow from operating activities has improved. On standalone basis the sales for the year increased by 13.46% from Rs. 3,724 crore in FY 2011 to Rs. 4,224 crore in FY 2012.

The great Mahatma Gandhi had once said, "**A man is but the product of his thoughts. What he thinks, he becomes**". Our thoughts revolved solidly around REI's transformation. And over time, we strategically invested, tactically consolidated and prudently rationalized our resources.

### **New REI - a joyously dynamic workplace**

The new REI is responding to the various economic and sectoral pulls as a focused institution having value-based framework of respect, integrity and transparency. At REI, this joy of performing is aligned with our organisational imperative to do **`More and more with less and less`**. To strengthen its competitiveness in a challenging world, REI is reaching deep within its experience to maximize resource utilisation and re-structuring costs to enhance long-term value in a sustainable way.

The time has now come to think differently, act differently and start refocusing on long-term success. REI is forward-thinking its global businesses and is repositioning itself to **`Enhancing Quality of Kitchen`**.

### **Expanding Horizons**

Today's REI is competitively placed across the regions and expending its business via - India, Dubai and Mauritius. We have made several strategic investments during the last year aimed at procuring business benefits and operational benefits and has incorporated four 100 % wholly owned foreign subsidiaries in Dubai and Mauritius. In Dubai M/s Ammalay Commoditiess JLT, Dubai Multi Commodities Centre (DMCC) Dubai (earlier known as REI Agro Traders JLT) and in Mauritius three 100% wholly owned foreign subsidiaries namely M/s Holy Stars Ltd, M/s Auckland Holdings Ltd and M/s Orient Agro (M) Ltd.



These subsidiary companies help us to have direct access to the host of opportunities in the international market. These subsidiaries are working towards building a strong distribution network for distribution of the company's product to rest of the world. All this helps us to start regular shipments of Rice to European Union, Africa and USA and shipments of brown rice to European Union.

Over the next 12 to 18 months, the subsidiaries will also be exploring unlocking of value creation opportunities with the possibility of merger, acquisitions, placement or listing on the London Stock Exchange, Singapore Stock Exchange or other international exchanges through an Initial Public Offering or Reverse Takeover etc. They will also be looking to raise High Yield Bonds in the international markets with or without a possible credit enhancement that will further strengthen the financial position of the companies. We will be considering various options to enhance value for our bondholders and shareholders at the parent, REI Agro-level by leveraging the balance sheet of our profitable subsidiaries. Over the next 12 to 18 months, we will be having detailed discussions with our shareholders and bondholders to discuss all such opportunities and options and move forward based on their input. Our goal is to leverage the performance and the financials of our subsidiaries to maximize value for our shareholders and bondholders.

### **Branding and Innovative Marketing**

Our branding initiatives are moving in the right direction and a presence in the international markets is helping the Company to establish its brand right in the heart of the Consumer. Our emphasis and focus is on creating a truly Global Brand for Basmati rice and our strategy is focused on increasing the visibility of our brands and to increase the availability of the brand by developing motivated channels of distribution. As we believe that an increased availability coupled with our unmatched quality will speed up the take off. Our vision is to build brand and cementing the bonding with our consumers via various Brand Building programs and CSR initiatives of the Company.

### **Committed to communities**

At REI, we value our social responsibilities, which are always represented as an intrinsic component of our corporate personality. We consider it our duty to extend joy and harmony at our workplace and in the society. We are committed to serve the society with our quality products and sustainable utilization of resources. We strive for maximum benefits that may be derived from the available resources. Your company is working on various innovative CSR



programs that will continue to motivate the joy of performing. Our efforts are directed not only at creating a stronger REI but also at spreading the aroma of farm fresh worldwide.

The essence of this joy of performing is well captured in the words of Rabindranath Tagore, "***I slept and dreamt that life was joy. I awoke and saw that life was service. I acted and behold, service was joy***". In the years to come, we promise to continue building a new REI. A REI that is transforming and a REI that prides itself in the `**Joy of Performing`**