

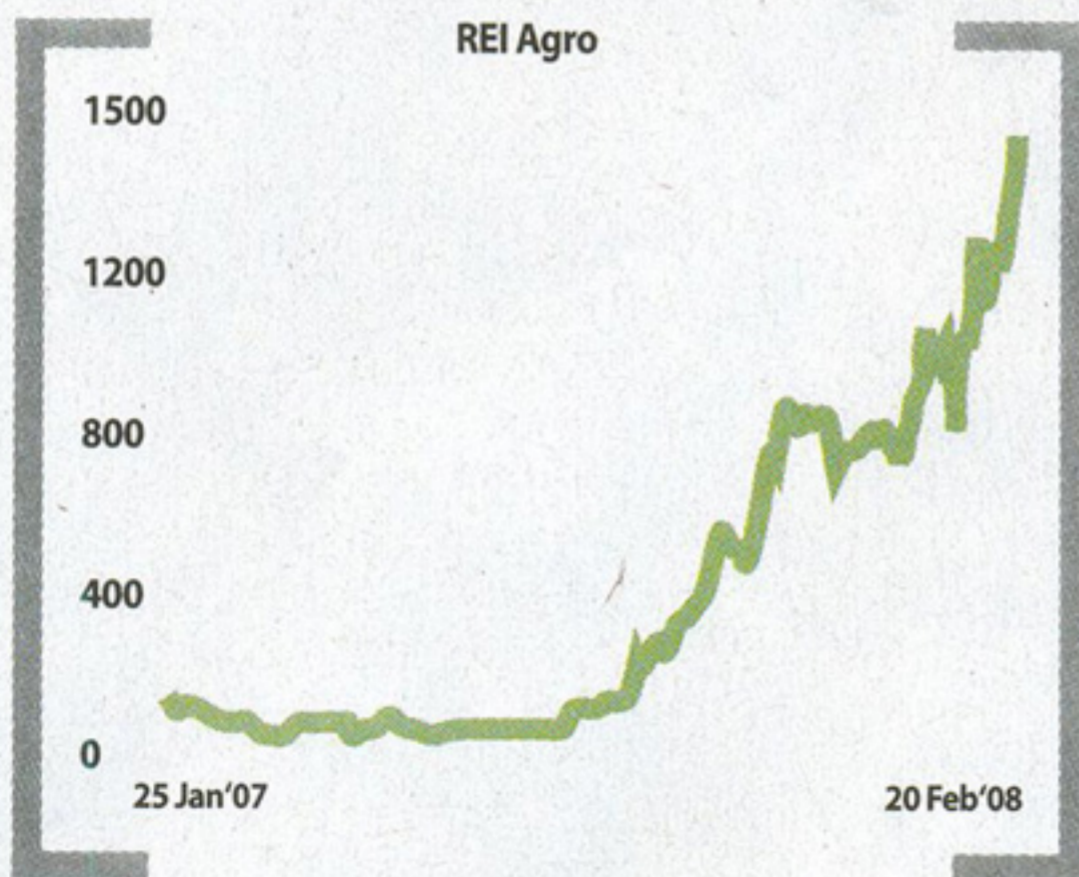
# Stocks to Watch

## REI Agro

17.73% ▲

LTP Rs 1294 M-Cap Rs 62.32 bn

The REI Agro counter saw strong buying interest, backed by foreign institutional purchases. Its stock has been hitting new highs despite a weak market. Delivery volumes during the last four months were also over 80 per cent on an average. Last week, Credit Suisse Singapore bought 2.35 lakh shares of REI Agro at around Rs 1025. The company is being seen as a good bet on the rural market, given its status as the world's largest producer of processed Basmati rice, with business interests in retail and wind energy. It is in expansion mode, with plans to add more than 500 retail outlets at various locations in North



India. A demerger of the agri and the retail businesses are on the cards, which could lead to value unlocking. As far as financials go, REI has been growing at more than 23 per cent CAGR for the last five years with a margin of around of 18 per cent in FY'07. The stock is currently trading at a PE multiple of 54.