

Sell Reliance Power -1 Yr. TP Rs.114

- It seems that Reliance Power continues to remain weak and the stock price is expected to move back to Rs.114 over a one-year term.
- It appears that the stock is not yet moved to the value zone and positives on this stock are very limited.
- At the current level, the stock seems to be heavily overpriced and the price is at 125.5 P/E multiple of FY09 expected earnings. The P/E is at 56.8 multiple of FY10 expected earnings.
- It also seems that the risk reward ratio is highly unfavorable and we recommend to sell the stock.

DISCLAIMER: Geojit BNP Paribas Financial Services Limited (GBNPP) or any of its Group companies, affiliates, subsidiaries or that of any of its shareholders do not accept any liability arising from the use of this report and the views and observations contained herein. While every effort is made to ensure the accuracy and completeness of information contained herein, GBNPP, or any of its group or associate companies or its affiliates take no guarantee and assume no liability for any errors or omissions of the information contained herein. Information contained herein cannot be the basis for any claim, demand or cause of action.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security. We are not soliciting any action based on this material. It is for the general information of retail clients of GBNPP. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. Opinion expressed herein is our current opinion as of the date appearing on this report only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

Certain transactions - futures, options and other derivatives as well as non-investment grade securities - involve substantial risks and are not suitable for all investors. Reports based on technical analysis is focused on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have 'long' or 'short' positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.

We or any of the group or associate or subsidiary companies affiliated to us and / or to any of our shareholders may from time to time solicit or perform investment banking, or other services for, any company mentioned in this document.

We do not undertake to advise any change in our views expressed in this document. While we would endeavor to update the information herein on a reasonable basis, Geojit BNP Paribas, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also there may be regulatory, compliance, or other reasons that may prevent Geojit BNP Paribas and affiliates from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

April 24, 2009