

# ANALYSIS BEYOND CONSENSUS

## ...THE NEW ABC OF RESEARCH

FCCB: The Final Countdown

Our analysis for BSE 500 companies highlights that out of 28 companies with FCCBs maturing by FY13, 25 will face FCCB redemption, translating into INR330bn cash outflow. Steep INR depreciation has resulted in huge MTM losses, which coupled with redemption premium (generally kept off P&L) will lead to higher effective cost of borrowing through FCCBs. While refinancing through domestic debt will trim PBT, companies resorting to restructuring of FCCB will face higher dilution.

### FCCBs of INR330bn maturing till FY13

As on October 24, 2011, 28 companies in the BSE 500 had aggregate FCCB outstanding of INR245bn maturing by FY13 (refer annexure I for details). We estimate that out of these companies, possibility of conversion in case of 25 companies seems remote even after considering 20% CAGR to the current market price, redemption of which would lead to cash outflow of INR330bn.

**Table1: FCCB redemption pattern** (INR bn)

Financial Year	Total		Likely for redemption	
	FCCB Outstanding	Redemption amount	FCCB Outstanding	Redemption amount
FY12	68.0	90.3	66.1	88.1
FY13	177.0	244.7	175.2	242.3
FY14	6.8	9.6	6.8	9.6
FY15	123.4	128.3	25.8	28.6
FY16	23.5	23.9	4.2	4.3
FY17	9.5	10.3	9.1	9.9
FY29	13.7	13.7	-	-
<b>Total</b>	<b>421.8</b>	<b>520.7</b>	<b>287.1</b>	<b>382.8</b>

Source: Edelweiss research

Note: Redemption amount = FCCB o/s, where redemption premium is not available

### Cumulative MTM loss of INR63.2bn will further stretch cash flows

With the INR depreciating steeply (~17%) during FY12, FCCB liabilities have catapulted further by INR33.3bn. Concerns loom large for companies where FCCBs are due for redemption in the near future and hence the probability of MTM losses now being realised is high. On an aggregate, unrealised cumulative MTM losses on outstanding FCCBs as at November 21, 2011, stood at INR63.2bn (refer annexure III for details).

### Refinancing of FCCBs likely to impact PBT by 11.2%

Assuming refinancing cost at 12% p.a., on an aggregate, reported PBT of shortlisted companies will be lower by 11.2%.

#### Manoj Bahety, CFA

+91 22 6623 3362

manoj.bahety@edelcap.com

#### Sandeep Gupta

+91 22 4063 5474

sandeep.gupta@edelcap.com

#### Nitin Mangal

+91 22 4063 5475

nitin.mangal@edelcap.com

#### Ashish Gupta

+91 22 6623 3488

ashish.gupta@edelcap.com

November 22, 2011

Refinancing through domestic debt will lower PBT by 11.2%....

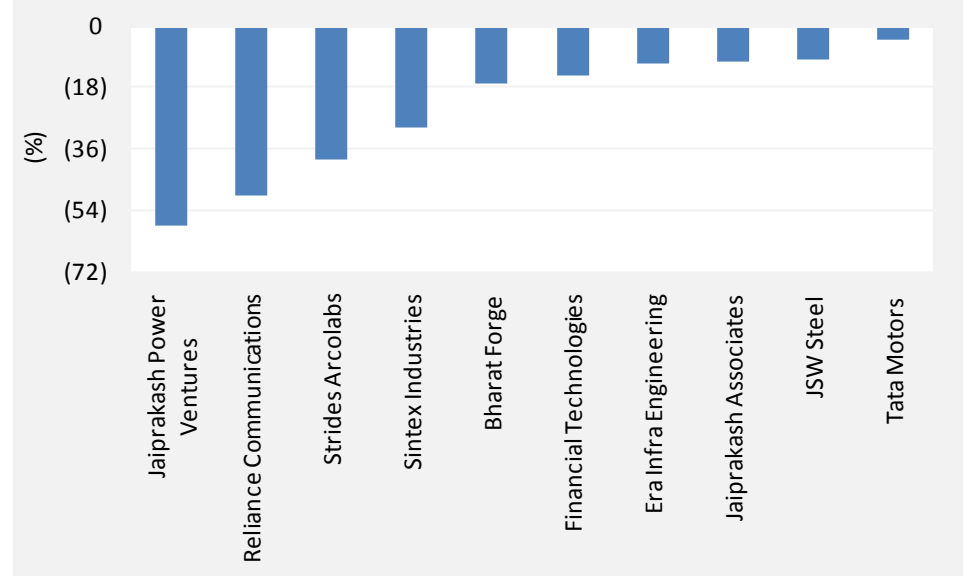
.... For companies with net D/E>1.5x; reduction in conversion price will lead to higher dilution by 29%

During FY12, the INR has depreciated by 17%

**FCCB refinancing likely to result in lower PBT/higher equity dilution**

Our analysis suggests that most of these shortlisted companies will either have to opt for refinancing or a downward revision in conversion price. Assuming refinancing cost at 12% p.a., on an aggregate, the reported PBT of shortlisted companies will be lower by 11.2% (refer Annexure II for details). For companies with a revised net D/E ratio of ~ 1.5x or more, lowering of conversion price will lead to equity dilution to the extent of 28.9% (refer annexure IV for details).

**Chart 1: Impact on PBT on account of refinancing**



Source: Company, BSE, Edelweiss research

**INR depreciation a further drag**

**Chart 2: Currency movement**



Source: RBI, Edelweiss research

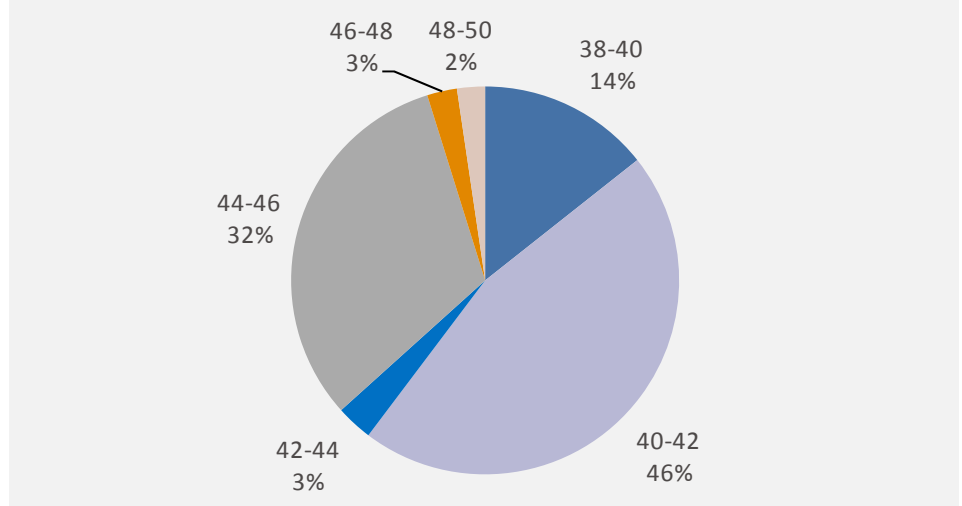
Steep INR depreciation resulted in cumulative MTM loss of INR63bn, out of which INR33.3bn was during current year

MTM losses coupled with redemption premium will result in significantly higher cost of borrowing through FCCBs

FCCBs carry exchange rate and redemption risk

Steep INR depreciation will result in cumulative MTM loss of INR63.2bn since issuance which was till now being considered as notional. However, with most FCCBs maturing till FY13, many of these MTM losses will lead to significantly higher cash outflow. During FY12, the INR has depreciated by 17%, resulting in MTM loss of INR33.3bn.

**Chart 3: Forex rates at which FCCBs (maturing till FY13) were raised**



Source: Edelweiss research

**60% of FCCBs outstanding have been raised in the INR/USD exchange rate range band of less than 42 which implies cumulative MTM forex loss of 25% at current exchange rate.**

**MTM forex losses coupled with redemption premium will lead to significant cash outflow, resulting in higher effective cost of borrowing through FCCBs**

**FCCBs income statement friendly instrument to raise funds**

Foreign funds have been a convenient tool for India Inc., to raise cheap money for financing growth. FCCBs, amongst them, have been the better option due to lower effective cost of borrowing compared to plain-vanilla debt because of the embedded options. They offer an option of conversion at a premium to the CMP (determined at the time of issue) within a stipulated period. Hence, the company gets cheaper funds compared to normal debt and higher price of equity compared to CMP in case the option gets in the money and the bonds get converted. These instruments historically are structured at negligible coupon and thus entail minimum cash flows during the tenure. However, in the event of non conversion, the amount needs to be repaid along with a hefty redemption premium attached. FCCBs also carry exchange rate risk like any other foreign currency debt. Thus, borrowing through them is cheaper compared to other debt; however, it requires appropriate liquidity and exchange rate risk management.

The effective true cost to the company will be higher of redemption premium or loss on the short position on the embedded option which will get exercised in case the price appreciates more than the effective conversion price.

For an investor, FCCBs offer guaranteed returns with further gains from price appreciation by way of equity participation above the effective conversion price.

Cost of borrowing through FCCBs has been kept off P&L, resulting in higher reported profits for India Inc.

Migration to Ind AS will result in redemption premium flowing through P&L hence lower reported profits

### **Accounting ambiguities help keep true FCCB cost off income statement**

Indian accounting norms currently do not mandate a particular manner for FCCB accounting. Presuming conversion, most corporates issuing FCCBs only charge the coupon associated through the income statement, whereas redemption premium skips the income statement and is either charged directly through reserves in the year of issue or over the period of maturity. Few companies do not even charge the redemption premium through reserves, but disclose the same as part of contingent liability. Thus, a significant portion of YTM cost represented by redemption premium is not reported in the income statement.

Moreover, the exchange loss on FCCBs is allowed to be capitalised to the carrying cost of fixed assets. Thus, from the income statement point of view, FCCBs provide low cost funds to India Inc.

### **Migration to IFRS dents income statement**

Post migration to IFRS, domestic companies will have to charge the redemption premium on the debt component of FCCBs through the income statement on a YTM basis and hence the instrument may lose its charm of being income statement friendly.

### **Options available with companies likely to face redemption**

In many cases, where the gap between the CMP and effective conversion price is still huge despite recovery, companies will find it difficult to reduce the conversion price. In the event of redemption, these companies are likely to exercise one or a mix of options mentioned below:

- Repayment through existing cash & cash equivalents.
- Repayment through operating cash flows.
- Refinancing of debt.
- Restructuring of FCCBs.
- Issue of further equity to repay debt.

The choice of option will depend on the current net D/E position, net cash flows out of operations, committed capex, etc. We have tabulated net D/E and average cash flow from operations for the past three years for shortlisted companies (refer annexure 2).

### **Buy back: An opportunity not encashed till date**

FCCBs have become a nightmare for many corporates because of steep fall in stock prices and currency depreciation. Hence, the government opened a window for buyback of FCCBs issued by corporates trading at steep discounts, thereby providing a lucrative exit opportunity to corporate India till March 31, 2010 (recently extended till March 2012). Only a few corporates were able to capitalise on the opportunity on account of low liquidity in FCCBs and difficulties in complying with the requisite requirement.

### Changing trends in FCCBs

Taking cue from the previous crisis, companies / investors have altered the terms of FCCBs. FCCBs issued now are at a high coupon rate in the 1.75-7.5% range and low redemption premium ranging from 0-20% contrary to the past where coupon rates were in the 0-2% range and redemption premium of 25-40%. This will reduce the impact of heavy bullet payment on companies in the event of non conversion.

**Annexure I: BSE 500 companies with FCCBs outstanding as on 24<sup>th</sup> Oct, 2011**

S. No.	Company Name	Maturity Period	Issue Currency	Issue Size (mn)	FCCB O/S (mn)	ECP* (INR)	CAGR for conversion (%)
1.1	3i Infotech	Apr-12	EUR	30.0	20.0	215	>500
1.2	3i Infotech	Jul-12	USD	100.0	66.4	233	>500
2	Amtek Auto@	Sep-14	USD	165.0	4.3	148	14.7
3	Apollo Hospital@	2016	USD	15.0	7.5	303	In the money
4.1	Bharat Forge	Apr-12	USD	40.0	40.0	861	>500
4.2	Bharat Forge	Apr-13	USD	39.9	39.9	1,080	177.4
5	Core Project	May-15	USD	75.0	67.4	272	0.4
6	Educomp Solutions	Jul-12	USD	80.0	78.5	832	>500
7	Era Infra Engineering	Jan-12	USD	75.0	40.1	236	>500
8.1	Essar Oil@	Jun-28	USD	115.0	115.0	138	4.1
8.2	Essar Oil@	Sep-28	USD	147.0	147.0	153	4.7
9	Everest Kanto Cylinders	Oct-12	USD	35.0	35.0	387	>500
10	Financial Technologies	Dec-11	USD	100.0	90.5	3,476	>500
11	First Source Solutions	Dec-12	USD	275.0	191.4	129	>500
12	Fortis Healthcare	May-15	USD	100.0	100.0	172	12.3
13	Geodesic	Jan-13	USD	125.0	113.5	416	>500
14	Great Offshore	Oct-12	USD	42.0	40.0	802	>500
15	GTL Infrastructure	Nov-12	USD	300.0	228.3	74	>500
16	Himadri Chemicals@	Oct-16	USD	7.0	7.0	14	In the money
17	Hotel Leela Ventures	Apr-12	USD	100.0	41.6	106	>500
18	ICSA India@	Mar-12	USD	46.0	21.0	NA	NA
19	Jaiprakash Power Ventures	Feb-15	USD	200.0	200.0	110	42.8
20.1	Jaiprakash Associates	Sep-12	USD	400.0	354.5	244	492.6
20.2	Jaiprakash Associates	Mar-13	EUR	165.0	0.3	98	45.8
21	JSW Steel	Jun-12	USD	325.0	274.4	1,361	422.5
22	Karuturi Global	Oct-12	USD	50.0	39.0	27	>500
23	Larsen and Turbo@	Oct-14	USD	200.0	200.0	1,908	16.7
24.1	Moser Baer	Jun-12	USD	75.0	45.5	492	>500
24.2	Moser Baer	Jun-12	USD	75.0	43.0	568	>500
25	Orchid Chemicals	Feb-12	USD	175.0	117.4	497	>500
26	Pidilite Industries	Dec-12	USD	40.0	33.3	178	9.9
27.1	Prakash Industries@	Oct-14	USD	50.0	17.1	170	71.1
27.2	Prakash Industries@	Mar-15	USD	60.0	60.0	235	76.5
28	Rajesh Exports	Feb-12	USD	150.0	15.1	99	In the money
29	REI Agro@	Nov-14	USD	105.0	104.7	NA	NA
30.1	Reliance Communications	Feb-12	USD	1,000.0	925.3	860	>500
31	Rolta India	Jun-12	USD	150.0	96.7	514	>500
32	Sesa Goa	Oct-14	USD	500.0	216.8	347	27.9
33	Shiv-Vani Oil & Gas Exploration	Jul-15	USD	80.0	80.0	537	30.2
34	Sintex Industries	2013	USD	225.0	225.0	319	204.7
35	Sterlite Industries@	Oct-14	USD	500.0	500.0	NA	NA
36	Strides Arcolab	Jun-12	USD	100.0	80.0	670	157.2
37.1	Subex	Mar-12	USD	180.0	39.0	886	>500
37.2	Subex	Mar-12	USD	98.7	54.8	106	>500

## Annexure I (contd.)

S. No.	Company Name	Maturity Period	Issue Currency	Issue Size (mn)	FCCB O/S (mn)	ECP* (INR)	CAGR for conversion (%)
38.1	Suzlon Energy	Jun-12	USD	300.0	211.3	141	>500
38.2	Suzlon Energy	Oct-12	USD	200.0	121.4	141	>500
38.3	Suzlon Energy	2014	USD	90.0	90.0	121	127.1
38.4	Suzlon Energy	2012	USD	35.6	35.2	115	>500
38.5	Suzlon Energy	2012	USD	20.8	20.8	121	>500
38.6	Suzlon Energy	Apr-16	USD	175.0	175.0	59	26.0
39.1	Tata Motors	Jun-12	USD	490.0	473.0	239	110.3
39.2	Tata Motors	Oct-14	USD	375.0	117.4	133	In the money
40	Tata Power	Nov-14	USD	300.0	300.0	159	18.8
41.1	Tata Steel	Sep-12	USD	875.0	382.0	904	202.9
41.2	Tata Steel@	Nov-14	USD	546.9	546.9	606	17.1
42	Tulip Telecom	Aug-12	USD	150.0	97.0	329	281.9
43	Videocon Industries@	Dec-15	USD	200.0	196.4	240	9.2

Source: Company annual report, BSE, RBI, Capitaline, Edelweiss research

Notes:

\*Conversion price is adjusted for split, bonus and right issue

@ Conversion price is used instead of ECP, as redemption premium was not available

ECP (effective conversion price) = conversion price + redemption premium

CMP as on November 21, 2011

## Annexure II: Companies likely to face FCCB redemption

		(INR mn)					
S.No	Company name	FCCB likely redeemable amt <sup>^</sup>	CFO post interest #	Net D/E #	Revised net D/E	Impact on PBT (%)	Market cap (INR bn)
1	3i Infotech	6,822	1,894	1.7	1.9	31.3	3.6
2	Bharat Forge	6,230	1,921	0.8	0.9	17.1	62.8
3	Educomp Solutions	5,775	1,927	0.5	0.6	16.9	16.7
4	Era Infra Engineering	3,115	(4,850)	1.6	1.7	11.3	27.1
5	Everest Kanto Cylinders	2,606	1,449	0.4	0.6	41.9	4.4
6	Financial Technologies	6,944	(3,084)	0.2	0.4	14.8	27.1
7	First Source Solutions	13,910	2,191	0.8	1.1	95.2	3.7
8	Geodesic	8,147	5,380	(0.6)	(0.4)	35.3	4.2
9	Great Offshore	2,960	3,307	2.6	2.7	77.0	3.7
10	GTL Infrastructure <sup>1</sup>	16,715	(1,976)	2.1	2.5	NM	8.1
11	Hotel Leela Ventures	3,180	145	1.8	1.8	66.3	12.7
12	Jaiprakash Power Ventures	13,315	1,426	2.2	2.2	58.6	90.9
13	Jaiprakash Associates	27,325	(372)	3.5	3.5	10.6	129.2
14	JSW Steel	20,433	18,296	0.9	0.9	10.0	126.9
15	Karuturi Global	2,852	1,213	0.2	0.3	21.9	3.3
16	Moser Baer	6,330	(346)	1.8	1.9	9.0	3.5
17	Orchid Chemicals	8,742	1,645	1.5	1.9	61.1	10.8
18	Prakash Industries	4,020	1,431	0.4	0.4	17.6	4.9
19	Reliance Communications	62,725	10,722	0.8	0.8	49.6	144.5
20	Rolta India <sup>3</sup>	7,028	6,290	0.7	0.8	18.2	9.1
21	Sesa Goa	11,305	34,752	0.0	0.0	2.4	148.8
22	Shiv-Vani Oil & Gas Exploration	4,348	(1,748)	1.9	1.9	6.8	9.6
23	Sintex Industries	15,168	7,898	0.7	1.0	29.9	25.2
24	Strides Arcolabs <sup>2</sup>	6,051	2,022	1.3	1.4	39.1	23.8
25	Subex	6,533	20	2.6	3.7	94.2	2.3
26	Suzlon Energy	45,837	819	1.4	1.8	NM	37.9
27	Tata Motors	32,513	87,711	1.1	1.1	3.7	476.7
28	Tata Steel	24,569	33,263	1.4	1.3	2.4	364.2
29	Tulip Telecom	7,309	2,643	1.3	1.5	21.6	18.9

Source: Company annual report, BSE, RBI, Capitaline, Edelweiss research

Note:

1: Financial ending March, 2010

2 Financial ending December, 2010

3 Financial ending June, 2011

<sup>^</sup>Includes issues where ECP is higher than CMP even after considering 20% CAGR

#As per last annual report

Market capitalisation as on November 21, 2011

Revised net debt/ equity is calculated after considering the following:

1. FCCB converted till October 24, 2011

2. FCCB likely to convert assuming a 20% CAGR growth in CMP is treated as equity and the balance including redemption premium is treated as debt

3. Foreign currency movement till November 21, 2011

## Annexure III: MTM loss on FCCBs outstanding

S. No.	Company Name	Maturity Period	Issue Currency	FCCB O/S (mn)	Cumulative MTM loss (INR mn)
1.1	3i Infotech	Apr-12	EUR	20.0	249.8
1.2	3i Infotech	Jul-12	USD	66.4	752.3
2	Amtek Auto	Sep-14	USD	4.3	15.0
3	Apollo Hospital	2016	USD	7.5	52.1
4.1	Bharat Forge	Apr-12	USD	40.0	241.8
4.2	Bharat Forge	Apr-13	USD	39.9	241.2
5	Core Project	May-15	USD	67.4	519.9
6	Educomp Solutions	Jul-12	USD	78.5	403.9
7	Era Infra Engineering	Jan-12	USD	40.1	309.4
8.1	Essar Oil	Jun-28	USD	115.0	637.7
8.2	Essar Oil	Sep-28	USD	147.0	778.4
9	Everest Kanto Cylinders	Oct-12	USD	35.0	430.7
10	Financial Technologies	Dec-11	USD	90.5	676.1
11	First Source Solutions	Dec-12	USD	191.4	2,464.3
12	Fortis Healthcare	May-15	USD	100.0	718.5
13	Geodesic	Jan-13	USD	113.5	1,477.2
14	Great Offshore	Oct-12	USD	40.0	493.0
15	GTL Infrastructure	Nov-12	USD	228.3	2,932.5
16	Himadri Chemicals	Oct-16	USD	7.0	38.3
17	Hotel Leela Ventures	Apr-12	USD	41.6	424.3
18	ICSA India	Mar-12	USD	21.0	NA
19	Jaiprakash Power Ventures	Feb-15	USD	200.0	1,201.0
20.1	Jaiprakash Associates	Sep-12	USD	354.5	4,181.0
20.2	Jaiprakash Associates	Mar-13	EUR	0.3	4.2
21	JSW Steel	Jun-12	USD	274.4	3,255.8
22	Karuturi Global	Oct-12	USD	39.0	484.2
23	Larsen and Turbo	Oct-14	USD	200.0	1,065.0
24.1	Moser Baer	Jun-12	USD	45.5	540.3
24.2	Moser Baer	Jun-12	USD	43.0	510.6
25	Orchid Chemicals	Feb-12	USD	117.4	964.6
26	Pidilite Industries	Dec-12	USD	33.3	425.4
27.1	Prakash Industries	Oct-14	USD	17.1	95.2
27.2	Prakash Industries	Mar-15	USD	60.0	468.5
28	Rajesh Exports	Feb-12	USD	15.1	121.6
29	REI Agro	Nov-14	USD	104.7	NA
30.1	Reliance Communications	Feb-12	USD	925.3	7,434.8
31	Rolta India	Jun-12	USD	96.7	1,101.8
32	Sesa Goa	Oct-14	USD	216.8	898.6
33	Shiv-Vani Oil & Gas Exploration	Jul-15	USD	80.0	405.2
34	Sintex Industries	2013	USD	225.0	2,613.4
35	Sterlite Industries	Oct-14	USD	500.0	NA
36	Strides Arcolab	Jun-12	USD	80.0	915.6

## Annexure III (contd.)

S. No.	Company Name	Maturity Period	Issue Currency	FCCB O/S (mn)	Cumulative MTM loss (INR mn)
37.1	Subex	Mar-12	USD	39.0	314.5
37.2	Subex	Mar-12	USD	54.8	217.8
38.1	Suzlon Energy	Jun-12	USD	211.3	1,594.3
38.2	Suzlon Energy	Oct-12	USD	121.4	915.7
38.3	Suzlon Energy	2014	USD	90.0	355.3
38.4	Suzlon Energy	2012	USD	35.2	82.0
38.5	Suzlon Energy	2012	USD	20.8	48.5
38.6	Suzlon Energy	Apr-16	USD	175.0	1,322.6
39.1	Tata Motors	Jun-12	USD	473.0	5,465.5
39.2	Tata Motors	Oct-14	USD	117.4	688.6
40	Tata Power	Nov-14	USD	300.0	1,600.5
41.1	Tata Steel	Sep-12	USD	382.0	4,543.9
41.2	Tata Steel	Nov-14	USD	546.9	3,164.3
42	Tulip Telecom	Aug-12	USD	97.0	1,086.9
43	Videocon Industries	Dec-15	USD	196.4	1,353.2

Source: Company annual report, BSE, RBI, Capitaline, Edelweiss research

Note: FCCB outstanding as on October 24, 2011

Cumulative MTM losses (since issuance) calculated at exchange rate of INR 52.15/USD as at November 21, 2011

## Annexure IV: Likely dilution impact of FCCB restructuring

S.No.	Company Name	Likely redeemable amount^ (INR mn)	Equity dilution on conversion of FCCB @ CMP		Promoter holding (%)	
			Total (%)	Additional (%)	As at Q2FY12	Post conversion of FCCB @ CMP
1	3i Infotech	6,822	65.6	54.6	20.3	7.0
2	Era Infra Engineering	3,115	10.3	4.5	58.9	52.8
3	Great Offshore	2,960	44.6	37.5	49.7	27.6
4	Hotel Leela Ventures	3,180	20.0	14.1	56.5	45.2
5	Jaiprakash Power Ventures	13,315	12.8	8.9	76.5	66.7
6	Jaiprakash Associates	27,325	17.4	13.5	46.9	38.7
7	Moser Baer	6,330	64.4	59.2	16.3	5.8
8	Orchid Chemicals	8,742	44.8	27.4	29.8	16.5
9	Shiv-Vani Oil & Gas Exploration	4,348	31.2	17.6	54.7	37.6
10	Strides Arcolabs	6,051	20.3	9.5	28.4	22.6
11	Subex	6,533	10.1	8.2	54.8	49.3
12	Suzlon Energy	45,837	54.7	37.0	54.8	24.9
13	Tulip Telecom	7,309	28.0	17.3	69.9	50.3
14	GTL Infrastructure	16,715	67.3	52.3	39.9	13.0

Source: Company annual report, BSE, RBI, Capitaline, Edelweiss research

Note:

For calculation of equity dilution we have assumed that conversion will happen at CMP after loading redemption premium to the par value of FCCBs converted at current exchange rate

^Includes issues where ECP is higher than CMP even after considering 20% CAGR

### List of exclusion

#### Company Name

Electrosteel Castings

Gitanjali Gems

Monnet Ispat

Nava Bharat Ventures

Videocon Industries<sup>1</sup>

Wockhardt

Source: Company annual report, BSE, RBI, Capitaline, Edelweiss research

Note: 1. FCCB matured on July, 2011 is excluded for our analysis

**Edelweiss Securities Limited**, Edelweiss House, off C.S.T. Road, Kalina, Mumbai – 400 098.  
Board: (91-22) 4009 4400, Email: [research@edelcap.com](mailto:research@edelcap.com)

Vikas Khemani	Head Institutional Equities	vikas.khemani@edelcap.com	+91 22 2286 4206
Nischal Maheshwari	Head Research	nischal.maheshwari@edelcap.com	+91 22 6623 3411

## Recent research

Date	Title
18-Nov-11	<b>Bharat Forge – Annual Report Analysis</b>
17-Nov-11	<b>Mahindra and Mahindra – Annual Report Analysis</b>
17-Nov-11	<b>Jaiprakash Associates – Annual Report Analysis</b>
02-Nov-11	<b>Reliance Infrastructure – Annual Report Analysis</b>
18-Oct-11	<b>United Spirits – Annual Report Analysis</b>
13-Oct-11	<b>Hindalco Industries – Annual Report Analysis</b>
12-Oct-11	<b>Capitalisation of MTM losses extended</b>
28-Sep-11	<b>IRB Infrastructure – Annual Report Analysis</b>
22-Sep-11	<b>Sun Pharmaceuticals – Annual Report Analysis</b>
19-Sep-11	<b>Tata Steel Europe - Pension Analysis</b>
19-Sep-11	<b>Educomp Solutions – Annual Report Analysis</b>
15-Sep-11	<b>Jindal Steel and Power – Annual Report Analysis</b>
06-Sep-11	<b>Dish TV – Annual Report Analysis</b>
06-Sep-11	<b>Lupin – Annual Report Analysis</b>
30-Aug-11	<b>Tata Steel – Annual Report Analysis</b>

## Access the entire repository of Edelweiss Research on [www.edelresearch.com](http://www.edelresearch.com)

This document has been prepared by Edelweiss Securities Limited (Edelweiss). Edelweiss, its holding company and associate companies are a full service, integrated investment banking, portfolio management and brokerage group. Our research analysts and sales persons provide important input into our investment banking activities. This document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Edelweiss or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors. We and our affiliates, group companies, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as advisor or lender/borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Edelweiss and affiliates/ group companies to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. Edelweiss reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Edelweiss is under no obligation to update or keep the information current. Nevertheless, Edelweiss is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Neither Edelweiss nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Edelweiss Securities Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Analyst holding in the stock: no.

For recipients in the United States: This report was prepared by Edelweiss Securities, which is not a FINRA member nor a broker-dealer registered with the SEC. US persons receiving this research and wishing to effect any transactions in any security discussed in the report should contact an SEC-registered broker-dealer. In order to conduct business with Institutional Investors based in the U.S., Edelweiss Securities has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Copyright 2009 Edelweiss Research (Edelweiss Securities Ltd). All rights reserved