10nd August 2012

FRR SHARES

Forex Losses/Gains to the PBT

Company	Forex Gain/Loss (Rs Cr)	PBT (Rs Cr)	%of PBT	Companies which Hedge
Adani Ports	(32.7)	288.3	(11)	
Aurobindo Pharma	(44)	(156.2)	132	
Ashok Leyland	(186.4)	80.9	(230.4)	
Bharti Airtel	(200.3)	697.9	(28.7)	
Cairn	866	3952.8	21.91	
Dish TV	(13.8)	(32.3)	42.7	
Dr Reddy's	(21)	370.5	(5.7)	Does hedging
HCL Tech	(57.75)	1160.2	(4.98)	Does hedging
Idea Cellular	(24.5)	336	(7.3)	
Infosys	(72.5)	3169	(2.3)	Does hedging
Jet Airways	(170)	33.3	(510)	
JSW Energy	(252)	15	(1680)	
JSW Ispat	(188.5)	(300.94)	62.64	Natural Hedging
JSW Steel	(594)	350.8	(169.3)	Natural Hedging
Jubilant Life Sciences	(104.2)	54.1	(192.6)	
L&T	(267)	1234	(21.6)	
MRPL	(648)	(1494)	43.4	
Petronet LNG	(69)	404.8	(17)	
Ranbaxy	(850)	(511)	166	
SAIL	(257)	1010	(25)	
Savita Oil	(34)	70	(48.6)	Does not Hedge
Sesa Goa	(232)	291.03	(79.7)	
Sintex	(28.9)	692	(4.2)	
Sterlite	(217.36)	2279	(9.5)	
Strides Arcolabs	(44)	108.6	(40.5)	
Tata Motors	(440)	3182	(13.8)	
TCS	(92.5)	4256	(2.17)	Does hedging
Tech Mahindra	(24)	246	(9.8)	
Wockhardt	(19)	409.3	(4.2)	
Total	(4478.69)	22195.0	(20.2)	

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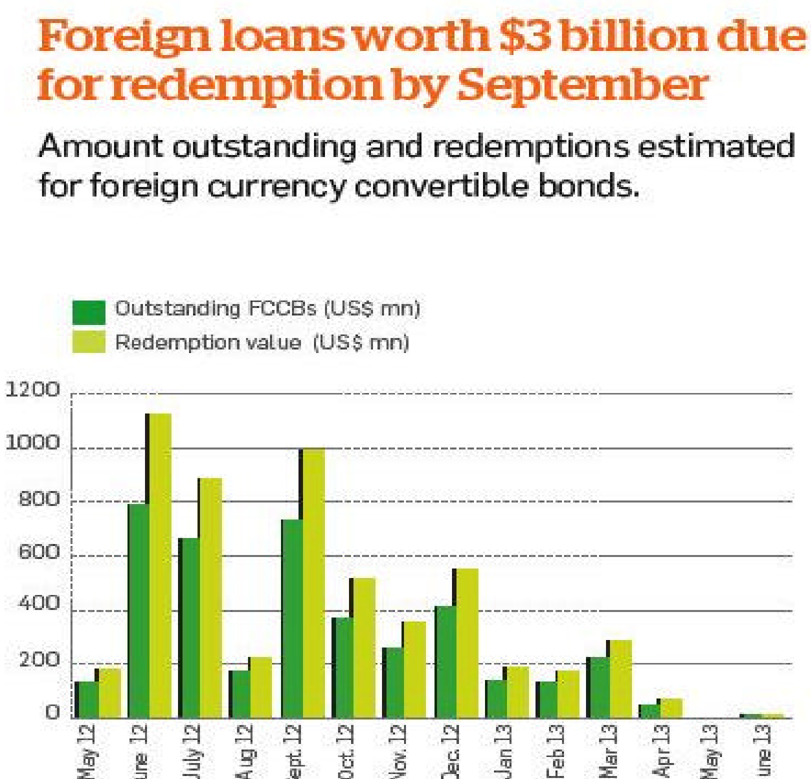
- **This is the analysis done of the companies in Q1FY13 where the USD fluctuated from USD 1$- Rs 52 in April to USD 1$-Rs 56 in June. This table shows the cumulative losses which the Companies have incurred due to the volatility in USD $.**
- **Companies which have hedged their positions have seen a minimum Forex loss to the PBT. Savita Oil which does not hedge its position saw a major loss of 48% to PBT.**

The biggest impact of the rupee depreciation will be felt by companies that have taken foreign exchange loans during the last phase of the 2003-8 bull market.

A large chunk of these loans are now due for conversion or redemption. More than $3 billion (Rs 17,150 crore) worth of foreign currency convertible bonds (FCCB) are coming up for redemption over the next three months**.** Since the stock prices of these companies are quoting well below the proposed conversion prices, the lenders may not opt to convert, but instead demand their money back. **Basically we would have to Buy Dollars and Sell Rupee for September redemption.**



September shows the highest redemption value of the Forex loans.

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September is the month when foreign loans will be due for redemption.

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