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DSP MERRILL LYNCH TOPS ALL ISSUANCES LEAGUE TABLE FOR 1998-99 : PRIME

DSP Merrill Lynch Ltd. has emerged, according to PRIME, as the top merchant banker in 1998-99 for funds mobilised through all type of issuances including public issues, rights (+options) issues, and private placements of corporate debt, preference shares and PSU equity divestment. The league table is based on the total issuances aggregating Rs.51576 crore, of which Rs 48914 crore was placed through merchant bankers.

DSP Merrill Lynch topped the league table being associated with issues aggregating Rs.27507 crore, followed by SBICAP (27161), Kotak Mahindra (24566), RR Financial (22499) and JM Morgan (22198). It may be noted that when an issue is handled by more than one merchant banker, full credit for such issues is given to all concerned merchant bankers.

SBICAP ranked first in the debt private placement segment being involved with issues aggregating Rs.18580 crore followed by DSP (17082), RR Financial (14496), Kotak Mahindra (14418) and JM Morgan (12251).

In the case of public issues, SBICAP continued to be the leader with a mobilisation of Rs.7703 crore followed by Kotak Mahindra (7552), JM Morgan (7549), DSP (7503 and Enam (7418).

In the case of rights (+options) issues, DSP occupied the top rank in lead management, being involved with issues aggregating Rs.2075 crore. followed by Kotak Mahindra (1906), JM Morgan (1846), BOB Capital (1836) and Enam (1832).

DSP also topped the league table of PSU equity divestment, jointly with JM Morgan, at Rs.405 crore.

Significantly, in 1998-99 too, debt issues continued to occupy the top place and, private placements continued to be the main form of issuance. While over 89 per cent of the total mobilisation was through debt issues, 84 per cent of the total debt raising was through private placements.

According to **PRIME**, it is pertinent to mention here that the emerging market scenario has made the merchant banking business extremely competitive and a major shakeout in this sector has already begun. In 1996-97, a total of 328 merchant bankers had, between them, handled 1058 issue assignments. In 1997-98, the number of merchant bankers who could manage even one assignment fell to only 148 who, between them, shared 1365 issue assignments. In 1998-99, though the number of issues increased to 525 (courtesy 467 private placement issues) , only 71 merchant bankers could bag any deal.