

7th May, 1996

SBICAP LEADS BY AMOUNT, PRUDENTIAL BY NUMBERS IN 1995-96

SBI Capital Markets maintained its top rank in 1995-96 in lead management of public issues according to a report prepared by Mr. Haldea of **PRIME**, the country's premier data base on the capital markets. However, SBICAP's lead this time was only by amount mobilised. By number of assignments, it lost its first rank after several years and slid to the second position, presumably because of its cautious approach after the MS Shoes fiasco as also its unwillingness to take on small finance issues. By numbers, Prudential Capital Markets recorded a major jump and topped the table with 129 assignments, followed by Doogar & Associates which also shared the second place.

Despite rising number of issues, the field of merchant banking became increasingly competitive. According to **PRIME**, in 1991-92, a total of 36 merchant bankers had lead managed the 196 public issues of that year. In 1992-93, this number nearly doubled to 67 merchant bankers who, between them, handled the trebled 528 public issue assignments. In 1993-94, as many as 108 merchant bankers lead managed the 770 public issues of the year. In 1994-95, this number grew to 188 and reached a high 261 in 1995-96. Significantly, the average number of assignments handled by a merchant banker fell from 7.1 in 1994-95 to 5.5 in 1995-96. Of the 261 merchant bankers as many as 52 handled only 1 issue each while another 33 handled only 2 issues each.

On the amount mobilisation front, DSP improved from 5th to the 2nd position, JM maintained its 3rd rank while Enam improved from 6th to 5th. Major gains were made by Bank of Baroda which improved its rank from 10th to 4th and by Kotak who made it to the 6th rank up from 11th. By issue amount, there were 3 new entrants in the top 10, these being Kotak, SCICI and Canara Bank. The ones these displaced were IFCI, PNBCAPS and Jardine as per **PRIME's** report.

Amongst other major gainers on the amount front were SCICI (24th to 9th), Canara (16th to 10th), Prudential (21st to 11th), ILFS (27th to 14th), American Express (31st to 15th), Hongkong (19th to 16th), HB Portfolio (35th to 17th), Ashok Leyland (159th to 18th) and Doogar & Associates (60th to 19th).

According to **PRIME**, by numbers of assignments, there were 5 new entrants in the top 10, these being Doogar & Associates, Arihant, KMF, Central Bank and Master Trust. The ones displaced were PNBCAPS, IDBI, Kotak, I-SEC and Indbank.

In fact, a major gain by numbers was made by Doogar & Associates who improved its position from 26th to 2nd. The other gainers were Arihant (50th to 5th), KMF (31st to 7th), Keynote (9th to 8th), Central Bank (18th to 8th), Master Trust (25th to 10th), Foresight (35 to 10th), Allianz (33rd to 12th), Onida (42nd to 12th), DB Merchant (from nil to 12th), NCL (59th to 16th), Munoth (106th to 16th), State Bank of Hyderabad (21st to 18th), Anagram (19th to 18th), SMIFS (35th to 28th) and Hindustan Financial (137th to 18th).

As far as lead management of only debt issues is concerned, DSP led the table both by number of issues as well as amount mobilized, followed by JM Financial and Kotak Mahindra both at 2nd place.

Significantly, by average size of an issue handled, DSP again topped the table with Rs.521.65 crore. At second place was JM with Rs.493.92 crore followed by Enam with Rs.364.49 crore, American Express with Rs.270.25 crore, ILFS with Rs.137.10 crore and Kotak with Rs.110.61 crore. Amongst these top 6 players, 4 were private merchant bankers, 1 financial institution and 1 foreign bank. Bankers came lower down in the table: Bank of Baroda's average size was Rs.79.92 crore, while that of SBICAP Rs.71.94 crore as per **PRIME**.

A total of 6 foreign banks were involved with the year's issues in lead management. By numbers, Hongkong continued to lead with 4 issues alongwith by Credit Lyonnaise (4) followed by Citibank (2), Standard Chartered (2), American Express (1) and Grindlays (1). Bank of America, ABN Amro and State Bank of Mauritius did not lead manage any issue during the year.

Amongst private merchant bankers, the top players, by number of issues (more than 20 issues), were Prudential (129), Doogar & Associates (60), Arihant (39), KMF (32), Keynote (31) Master Trust (30), Foresight (30), Allianz (28), Onida (28), DB Merchant (28), NCL (26), Munoth (26), Anagram (24), SMIFS (24), Hindustan Financial (24), ITC Classic (22), Kotak (21), Libord (20), Mehta Integrated (20) and Dugar Finance (20).

By amount (mobilisation of more than Rs 100 crore), the ranking order among private merchant bankers was DSP, J.M.Financial, Enam, Kotak, Prudential, HB Portfolio, Ashok Leyland, Doogar & Associates, Keynote, Apple, ITC Classic, India Securities, KMF, Master Trust, Arihant, VLS, Lloyds, Allianz and LKP.

As per the **PRIME** analysis, as many as 14 merchant bankers who had lead managed issues in 1994-95, did not handle any assignment in 1995-96. These were Chandrakala Money & Capital, Corporation Bank, Dynasty Financial, Elgi Finance, Gaurav Capital, Gujarat Securities, Indian Seamless Financial, Jardine Fleming, Mandvi Co-Operative Bank, Mukesh Babu Financial, State Bank of Indore, Springfields Financial, Tata Financial Services and Vatsa Corporation.

If involvement in public issues in all capacities (including as co-managers and advisors) is considered, Prudential Capital Markets again led with 159 issues followed by Doogar & Associates with 64 issues and Canara Bank at the third position with 64 issues. The year saw involvement, in all capacities, of 7 financial institutions, 18 state corporations, 22 nationalised banks, 5 bank subsidiaries, 16 private sector banks, 8 foreign banks and 472 private merchant bankers. The major increase was in the private merchant bankers, up from 350 last year.

The top 10 by number of issues included nil (previous year 2) all-India financial institutions, 4 (5) banks and 6 (3) private merchant bankers, while by amount, it includes 3 (3) financial institutions, 3 (3) banks and 4 (4) private merchant bankers as per the **PRIME**.

Table

THE TOP 10 MERCHANT BANKERS

By No.of Issues			By Amount Mobilized		
		NO.			(Rs.crore)
1	PRUDENTIAL	129	1	SBICAP	4317
2	SBICAP	60	2	DSP	4173
2	DOOGAR	60	3	JMFICS	3951
3	CANARA	57	4	BANK OF BARODA	3117
5	BANK OF BARODA	39	5	ENAM	2916
5	ARIHANT CREDIT	39	6	KOTAK	2323
7	KMF	32	7	I-SEC	1851
8	KEYNOTE	31	8	IDBI	1813
8	CBI	31	9	SCICI	490
10	MASTER TRUST	30	10	CANARA	479
10	FORESIGHT	30			

NOTE: If an issue has been handled by more than one organisation, full credit for such an issue has been given to all the concerned organisations.

Source : **PRIME** data base