# IFR INDIA CAPITAL MARKETS BRIEFING



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**RUPEE BONDS**
BOOKRUNNERS: 1/1/2013 TO 14/3/2013

| | Managing bank or group | No. of issues | Total Rs(m) | Share (%) |
|---|---|---|---|---|
| 1 | Axis Bank | 38 | 98,754.0 | 18.1 |
| 2 | HSBC Holdings | 12 | 49,688.3 | 9.1 |
| 3 | Trust Group | 36 | 40,951.8 | 7.5 |
| 4 | ICICI Bank | 22 | 39,275.3 | 7.2 |
| 5 | Standard Chartered | 19 | 37,644.5 | 6.9 |
| | Total | 145 | 546,231.2 | |

Source: Thomson Reuters (SDC code: AS23)

**INDIA SYNDICATED LOANS**
BOOKRUNNERS: 1/1/2013 TO 14/3/2013

| | Managing bank or group | No. of issues | Total US$(m) | Share (%) |
|---|---|---|---|---|
| 1 | State Bank of India | 6 | 4,512.3 | 65.9 |
| 2 | ICICI Bank | 2 | 1,052.2 | 15.4 |
| 3 | IDBI Bank | 2 | 201.3 | 2.9 |
| 4 | Yes Bank | 3 | 193.5 | 2.8 |
| 5 | Standard Chartered | 2 | 190.4 | 2.8 |
| | Total | 21 | 6,846.3 | |

Source: Thomson Reuters (SDC code: S10e)

**INDIA EQUITY AND EQUITY-RELATED**
BOOKRUNNERS: 1/1/2013 TO 14/3/2013

| | Managing bank or group | No. of issues | Total US$(m) | Share (%) |
|---|---|---|---|---|
| 1 | Citigroup | 3 | 841.2 | 17.1 |
| 2 | Goldman Sachs | 2 | 662.2 | 13.4 |
| 3 | Kotak Mahindra Bank | 4 | 572.4 | 11.6 |
| 4 | Morgan Stanley | 2 | 470.9 | 9.6 |
| 5 | State Bank of India | 3 | 412.5 | 8.4 |
| | Total | 31 | 4,928.9 | |

Source: Thomson Reuters (SDC code: C1l)



BANK OF INDIA is set to price its long-awaited US dollar bond tonight after setting final guidance on 5.5-year Reg S/144a notes at 280bp–285bp over US Treasuries. and the deal will price in this range.

The issuer had met investors with leads *Barclays*, *Bank of America Merrill Lynch*, *Citigroup*, *Deutsche Bank*, *HSBC* and *JP Morgan* in early February and completed a roadshow on February 22.

BoI's efforts to time the market, however, took a hit on Thursday morning when local news website Cobrapost.com reported allegations of widespread money laundering at three of India's biggest lenders. ICICI Bank, Axis Bank and HDFC Bank said they were investigating the allegations. Shares in all three fell in the morning session before recovering.

While state-owned BoI was not directly affected, bonds from the sector drifted 5bp–7bp wider during the day. That contributed to a lukewarm response to the new issue during Asian hours, with books growing slowly and orders of US$1.25bn indicated at the end of the Asian trading day.

Final guidance was also not too far from initial price talk of around 285bp over Treasuries sent on Thursday morning, handing investors a decent premium over BoI's existing bonds.

The initial guidance represented a 272bp G-spread versus 235bp on State Bank of India's 2017s on Wednesday. Bank of India's own 2021s were trading at 242bp over 10-year US Treasuries.

The government's stake in BoI is currently 62.72%, in line with SBI's 63.14%. Bondholders will have a change of control covenant if the state holding falls below 50%.

## Bonds

India's headline inflation picked up in February on higher fuel costs but another measure of price pressures cooled, reinforcing expectations that the central bank will deliver a rate cut next week.

The wholesale price index, the main inflation indicator, rose an annual 6.84% in February, up from 6.62% in January. But non-food manufacturing inflation, which the central bank uses to gauge demand-driven price pressures, slowed to 3.8% in February from 4.1% a month earlier.

The benchmark 10-year bond yield fell 4bp 7.86%, reflecting expectations that the central bank would cut interest rates next week.

Please click here for a chart tracking India's benchmark interest rate, inflation and industrial output http://link.reuters.com/deq95s

HOUSING DEVELOPMENT FINANCE CORP, India's biggest mortgage lender, is planning to raise at least Rs4bn (US$74m) through two separate bond issues, Reuters reported.

The firm is raising at least Rs2bn via the sale of five-year bonds at a 9.20% coupon, with *ICICI Bank* as the sole arranger. Separately, the firm is planning to raise at least Rs2bn in a sale of two-year bonds with the same coupon of 9.20%. *Axis Bank* and *Trust Capital* are the arrangers for that tranche.

## Equities

The Indian government plans to sell a maximum 10% stake in NATIONAL ALUMINIUM (NALCO), down from the earlier announced 12.15%, through a US$218m offer for sale on March 15.

The current offer comprises a base offer of 128.8m shares, or a 5% stake, with an option to sell an additional 128.8m shares. If the upsize option is exercised in its entirety, the transaction would total as much as Rs11.8bn (US$218m), based on Nalco's Wednesday close of Rs46.10.

The floor price for the OFS will be announced later today.

The government did not disclose the reason for the reduced amount but a source said the current weak market conditions were behind the decision.

Earlier this week the government deferred the 93.3m-share OFS in state-owned mining company MMTC on valuation concerns.

*Axis Capital*, *IDFC Securities* and *SBI Capital* are the selling brokers for the Nalco OFS.

## Restructuring

The board of construction and engineering company GAMMON INDIA has agreed to begin talks with lenders to restructure the company's debt through the corporate debt restructuring process, it said in a statement late on Wednesday.

Sluggish industrial capital expenditure has squeezed orders for Indian infrastructure companies and big projects have been stalled by a slow approval process and inadequate capital.

## PIPELINE

DEBT

- **MARCH 14 – Bank of India** US$500m Barclays, Citigroup, HSBC, Deutsche Bank, JP Morgan, BofA Merrill
- **2013 – Suzlon Energy** US$650m 5y JP Morgan, SBI Caps
- **2013 – Rolta India** Barclays, DBS, DB, Citi
- **2013 – HPCL Mittal Energy** US$300m 10Y Citi, JP Morgan, StanChart
- **2013 – ONGC Videsh** US$900m Citi, DB, RBS
- **2013 – PFC** US$500m–$750m Reg S, RBS, BofA Merrill
- **2013 – Tata Motors** US$500m
- **2013 – Aegis** US dollars Reg S/144a. Deutsche Bank, StanChart, UBS
- **2013 – Indian Bank** US$300m–$500m. Citigroup, HSBC, RBS, StanChart
- **2013 – Allahabad Bank** US$500m. HSBC, JP Morgan, RBS, StanChart
- **2013 – Rural Electrification Corp** Samurai. Barclays, Deutsche Bank, Mitsubishi UFJ Morgan Stanley, Nomura
- **2013 – Rural Electrification Corp** US$750m
- **2013 – Tata Motors** US dollar hybrid. Credit Suisse, StanChart
- **2013 – Infrastructure Development Finance Co** US dollar
- **2013 – Union Bank of India** US$500m Reg S. BofA Merrill, Barclays, Citigroup, Deutsche Bank, HSBC and StanChart
- **2013 – UCO Bank** US dollars Reg S. BNPP, Citigroup, HSBC, JP Morgan, StanChart
- **2013 – India Infrastructure Finance Co**
- **2013 – Jindal Steel and Power**

EQUITY

- **2013 – Aegis** US IPO
- **2013 – BHEL** Up to US$1.5bn FPO. BofA Merrill, I-Sec, Kotak, Morgan Stanley
- **2013 – Bajaj Finance** Up to Rs3.6bn QIP. JM Financial, IIFL Capital
- **2013 – Tata Autocomp** Up to Rs11bn IPO. JM Financial, Tata Capital, JPM
- **2013 – Steel Authority of India** Up to Rs70bn FPO. DB, Enam, HSBC, JPM, Kotak, SBI Cap
- **2013 – Indian Bank** Up to Rs15bn FPO
- **2013 – Reid & Taylor** Up to US$250m IPO. Antique, Edelweiss, HSBC, IDBI Cap, JM, JPM, Religare, UBS
- **2013 – Indian Overseas Bank** Up to Rs12bn QIP, FPO
- **2013 – State Bank of India** Up to Rs200bn rights issue
- **2013 – Soma Infrastructure** Up to US$300m-equivalent
- **2013 – Hindustan Aeronautics** US$600m IPO, Barclays, GS, Enam, SBI Caps
- **2013 – Catholic Syrian Bank** IPO
- **2013 – Intas Pharmaceuticals** Rs8bn IPO
- **2013 – HDFC Life** IPO
- **2013 – Just Dial** IPO US$150m
- **2013 – Consim Info (BharatMatrimony.com)** US$100m–$125m IPO. Deutsche, Citi, Kotak
- **2013 – Vishwaraj Sugar** Rs3.74bn IPO

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