IFR INDIA CAPITAL MARKETS BRIEFING

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RUPEE BONDS
BOOKRUNNERS: 1/1/2013 TO 25/7/2013

	Managing bank or group	No. of issues	Total Rs(m)	Share (%)
1	Axis Bank	107	259,565.8	16.9
2	Trust Group	119	144,290.1	9.4
3	Yes Bank	53	135,457.1	8.8
4	ICICI Bank	64	111,394.9	7.3
5	HSBC Holdings	31	83,726.6	5.5
	Total	**364**	**1,533,943.5**	

Source: Thomson Reuters (SDC code: AS23)

INDIA SYNDICATED LOANS
BOOKRUNNERS: 1/1/2013 TO 25/7/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	State Bank of India	31	16,293.0	74.9
2	ICICI Bank	4	1,206.7	5.6
3	Axis Bank	9	849.0	3.9
4	Yes Bank	10	642.5	3.0
5	IDBI Bank	4	536.1	2.5
	Total	**73**	**21,759.8**	

Source: Thomson Reuters (SDC code: S10e)

INDIA EQUITY AND EQUITY-RELATED
BOOKRUNNERS: 1/1/2013 TO 25/7/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Citigroup	10	1,045.4	13.7
2	Kotak Mahindra Bank	11	698.8	9.1
3	Goldman Sachs	3	679.8	8.9
4	Morgan Stanley	5	661.8	8.6
5	State Bank of India	12	606.5	7.9
	Total	**107**	**7,660.3**	

Source: Thomson Reuters (SDC code: C1l)

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After about three months of considering an offshore borrowing, the country's largest private sector company, RELIANCE INDUSTRIES has finally pulled the trigger and sent out a request for proposal on a US$1.75bn dual-tranche loan.

RIL is seeking indicative proposals from banks on the financing, which will comprise a US$1.2bn five-year piece and a US$550m six-year tranche.

The US$1.2bn five-year tranche will refinance two loans signed in August 2008, while the US$550m six-year piece will be for new-money purposes.

The 2008 loans totalled US$1.2bn and had five-year bullet tenors. Initially, RIL completed a US$1bn borrowing, but following heavy oversubscription it added a US$200m facility on the same terms. The top-level all-in on both loans was 151bp via a margin of 130bp over Libor.

Thirty-two lenders, including 19 mandated lead arrangers, participated in the US$1bn loan, while 17 of the MLAs on the US$1bn piece also featured on the US$200m additional piece.

The deadline for responses to the latest RFPs is August 2. A bank group will be formed next week, after which a formal mandate will be awarded.

This latest loan is RIL's first syndicated borrowing in nearly a year, although it has raised funds through other club and bilateral facilities in the interim.

In September RIL completed a US$1.5bn-equivalent facility in which 28 lenders participated, including 16 MLAs and bookrunners. That deal comprised a US$1bn tranche A with an average life of 5.5 years and a US$500m tranche B with an average life of 6.75 years.

Tranche A paid a top-level all-in of 245bp via a margin of 220bp over Libor, while tranche B paid 265bp via a margin of 240bp over Libor. For commitments in yen, tranche A paid a top-level all-in of 175bp via a margin of 150bp over yen Libor, while tranche B paid 195bp via a margin of 170bp over yen Libor.

Bonds

Two Indian firms are meeting investors this week in what is being described as non-deal roadshows.

IDFC is meeting investors through *Standard Chartered* and L&T FINANCE is meeting investors through *Standard Chartered* and *RBS*. Banks on the deal said meetings were just to update investors and not in relation to a potential deal.

Indian lender AXIS BANK was also heard holding non-deal related investor meetings recently, though that rumour is yet to be confirmed.

India kept its key interest rates unchanged. At its monetary policy meeting today, the Reserve Bank of India lowered the official growth forecast to 5.5% from 5.7%.

"The market is now going to focus on when recent liquidity-tightening measures will be rolled back. RBI emphasised that they are temporary," said a research note by ANZ.

Analysts expect the central bank to remain focused [in order of priority] on currency, followed by inflation and growth. Some said expectations of a rate cut in the next policy meeting in September are unlikely.

Equities

The Indian Government countered criticism that state-owned financial institutions were saving the disinvestment programme with an announcement that foreign institutional investors had accounted for 39% of the Rs238bn (US$4bn) of state-owned shares sold in 2012–13. State-owned entities had bought 35%, it said in a news release.

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Incorporating project finance content from PFI

The government said seven offers for sale were launched in the 2012–13 fiscal year ended March 31. In these, 25% of the investment was from state-owned *Life Insurance Corp of India* and less than 10% from other state-owned banks.

In the four big issues of OIL INDIA, NMDC, NTPC and SAIL, totalling Rs221bn, FIIs purchased 42%, LIC 22% and state-owned banks less than 9%. Individual investors and private-sector mutual funds bought the rest of the shares.

The government said the responses to the offers for sales were positive as it had fixed "very reasonable level of prices".

The government raised a record Rs238bn in 2012–13 and has set a target to raise Rs400bn from the sale of stakes in state-owned companies in the current fiscal and Rs140bn from selling stakes in selected private companies.

The government has launched the processes to sell shares in ENGINEERS INDIA, INDIA TOURISM DEVELOPMENT CORP, NHPC, NEYVELI LIGNITE and STATE TRADING CORP. So far, it has raised Rs8.2bn from the sale of shares in HINDUSTAN COPPER and MMTC.

Meanwhile, India will sell a 7.64% stake in NATIONAL FERTILIZERS on Wednesday through a share auction, disinvestment secretary Ravi Mathur told reporters.

The sale is part of the government's efforts to raise 400 billion rupees ($6.74 billion) through stake sales in the current fiscal year. The government owns 97.64% in the fertiliser company. At the current market price, the stake sale would raise about US$17m.

Loans

More details have emerged on the JINDAL POWER's recently concluded rupee loan. The Rs54.18bn (US$918m) 11-year loan, which was signed on July 24, part-finances the construction of a 1,200MW power plant [two units of 600MW each] in the Chhattisgarh state.

The loan pays an interest of 11.50% till the construction stage. Post-construction, the interest rate comes down to 11.25%, sources said. The construction of the 1,200MW plant gets over in two stages – February and May 2014.

The loan was oversubscribed by over Rs8bn, sources said. In addition to *SBI Caps*, which arranged around Rs30bn of the loan, *HDFC Bank, Kotak Mahindra Bank* and *L&T Infrastructure Finance Co* also acted as arrangers.

Overall, nine lenders took part in the facility. Jindal Power is one of the independent power producers.

The new plant is an expansion of an existing 1,000MW plant. The expansion is carried out at a cost of Rs77.4bn.

As earlier reported, final allocations include – *State Bank of India* (Rs16bn), *HDFC Bank* (Rs15bn), *Canara Bank* (Rs8bn), *Kotak Mahindra Bank* (Rs5bn), *L&T Infrastructure Finance Co* (Rs3.18bn), *State Bank of Hyderabad* (Rs2.5bn), *State Bank of Patiala* (Rs2bn), *State Bank of Travancore* (Rs1.5bn) and *State Bank of Bikaner & Jaipur* (Rs1bn).

PIPELINE

DEBT

- 2013 – **ICICI Bank** ¥50bn Pro-Bond Barclays , Mizuho
- 2013 – **Canara Bank** US$ BofA Merrill, Barclays, BNP Paribas, Citigroup, Credit Agricole, HSBC, JP Morgan
- 2013 – **Shree Renuka Sugars** US$250m–$300m Credit Suisse
- 2013 – **Syndicate Bank** Citi, Deutsche Bank, HSBC, JP Morgan, StanChart
- 2013 – **Ruchi Soya** Roadshows ANZ
- 2013 – **PFC** US$500m–$750m Reg S, RBS, BofA Merrill
- 2013 – **Aegis** US dollars 144A/Reg S. 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

EQUITY

- 2013 – **Emcure Pharma** Rs6bn IPO IDFC Capital, DSP Merrill Lynch, Morgan Stanley
- 2013 – **Inox Wind** Rs9bn IPO Axis Capital, BoFAML, Edelweiss
- 2013 – **Indian Oil Corp** Rs57bn FPO
- 2013 – **NHPC**- Rs27bn (US$493m) OFS
- 2013 – **Reliance Infrastructure** CB US$100m
- 2013 – **ING Vysya** Rs20bn QIP Axis, Credit Suisse, JM Financial
- 2013 – **Advanced Enzyme Technologies** IPO Rs3bn–Rs3.5bn ICICI Securities, SBI Caps
- 2013 – **Shriram City Union Finance** Rs10bn BofA Merrill, JM Financial, Kotak Mahindra Capital
- 2013 – **Aegis** US IPO
- 2013 – **Engineers India** Rs6.07bn OFS ICICI Securities, IDFC, Kotak