

## and the winner is...

**Outlook Money fetes the most nimble and customer-friendly players in the world of personal finance.**

**Team Outlook Money  
19 Apr 2005**

EVERY FORTNIGHT, we at Outlook Money trawl the expansive personal finance universe and give you unbiased, actionable information and strategies that let you earn well, invest wisely and spend smart. It is this that has earned us our credibility—and your goodwill. Our experience of keeping a hawk-eye on the purveyors of personal finance products and services on your behalf over the years has also taught us the importance of acknowledging and rewarding excellence when we see it. That's the spirit that underlies the annual Outlook Money Awards, now in their third year.

This year, at a glittering function in Mumbai on April 4, Union minister for industry and commerce Kamal Nath gave away the awards to 28 companies in nine categories. In addition, we inducted one widely admired industrial group—the House of Tatas—and one sterling corporate citizen—HDFC chairman Deepak Parekh—into the Outlook Money Hall of Fame. Our extremely rigorous awards methodology was given the stamp of approval by our distinguished panel of jurors: A.K. Purwar, chairman, SBI; S.B. Mathur, administrator, UTI, and former chairman, LIC; Naina Lal Kidwai, deputy CEO, HSBC; Rajnikant Patel, CEO & ED, The Stock Exchange, Mumbai; Swati A. Piramal, director-strategic alliances and communication, Nicholas Piramal (India); Ravi Ravichandran, associate professor of business, Indian School of Business; and Sandipan Deb, editor, Outlook Money. The process was validated by global audit firm Ernst & Young.

Every recipient of the Outlook Money Awards wears it as a badge of honour—with good reason. These awards go beyond being a mere token appreciation of corporate or individual excellence. The awards methodology (see page 49) was weighted in large measure to reward companies that best serve the interests of the retail investor or customer. That means you. Every one of our awards is an endorsement of a sharper, more rewarding retail focus by the award-winners: either in terms of offering the highest returns for investors or the lowest costs for customers or the range and diversity of product offerings and the efficiency and transparency of service. It is this that makes the Outlook Money Awards unique: in the end, it's all about you.

We offer our heartiest congratulations to all the winners and our best wishes to all the others who were in the race. We have no doubts that when we reconvene for the awards next year, a new crop of energised players will give this year's proud winners a real run for their money.

### **Best Merchant Banker**

#### **Winner SBI Capital Markets**

The investment banking subsidiary of State Bank of India, SBI Caps is an old player in the capital market, going back to the pre-liberalisation days of 1986. Starting off with merchant banking and project appraisals, it soon expanded its range of activities. It got a boost in 1997 when Asian Development Bank acquired a 13.8 per cent stake.

SBI Caps offers services in the broad areas of mergers and acquisitions, project advisory, structural finance, and capital markets. In M&A, for instance, it offers advice on privatisation, business valuation, and restructuring. In the capital markets, it handles public and rights offers,

private placements and buybacks, while 'project advisory' involves handling core sectors such as power and telecom. It has also been exploring new avenues like securitisation.

We evaluated SBI Caps purely on the performance of its merchant banking division, restricted to the public offerings it handled between July 2003 and June 2004. SBI Caps has not disgraced its lineage, beating the likes of ICICI Securities and Kotak Mahindra to the top spot.

Merchant banks were ranked on parameters like number and quality of issues handled, and post-IPO returns to investors. Another factor was the number of IPOs whose stock prices dipped below offer price vis-a-vis the number of IPOs the merchant bank handled: the lesser this percentage, the higher the score.

### Runner-up Kotak Mahindra Capital

It may have lost out to SBI Caps in the awards stakes but it's not without reason that Kotak Mahindra Capital had the mandate to manage 13 equity issues (against SBI Caps' 8) in the year to 30 June 2004—among them several high-profile ones too, such as the ONGC, Biocon, and Infosys ADR offerings. It garnered Rs 19,643 crore from 20 issues between July 2001 and June 2004, which is a measure of its pedigree. However, one of the critical counts on which Kotak lost out to SBI Caps was the average post-listing returns from the issues it had managed.

	SBI Caps	Kotak Cap.
Equity issues <sup>1</sup>	8	13
Allottees (million)	2.62	2.81
Avg. IPO returns <sup>2</sup>	167.8	79.6

<sup>1</sup>For year to 30 Jun 2004

<sup>2</sup>Annualised as on 3 Jan 2005

### Methodology

**Best Merchant Banker Awards** All IPOs handled by merchant bankers for the year ended 30 June 2004 were considered. The ratings were based on I number of equity issues handled I weighted average of successful allottees to valid applications I average annualised returns of all IPOs since listing until 3 Jan 2005 I percentage of issues where stock prices did not fall below issue price