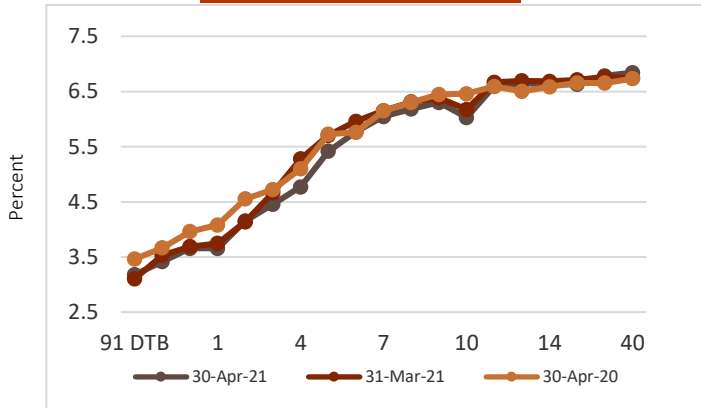


## Market Overview

Yield Curve\*



NBFC Bond Spread Over G-Sec Benchmark Indices\*

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	39	8	48
AA	165	115	123
A	440	382	388
A-	465	407	413
BBB+	515	457	463
BBB	540	482	488
BBB-	590	532	538

In April 2021, the bond yields have slightly decreased, reflecting a cautious investor mindset after showing improvements in the month prior. The 10-year bond yields closed at 6.03%. Lockdowns, curfews and resurging case count are leading to uncertainty about the timing of the recovery. With the vaccination campaign liberalized along with age limit removals, there are expectations of levelling off of the case count.

## Affordable Housing in India – A Snapshot\*\*

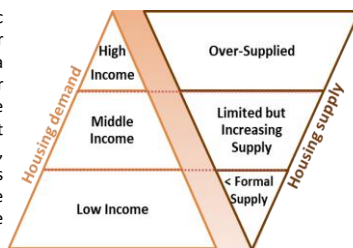
### What is affordable housing?

Broadly, loans under INR 20,00,000 ticket size geared towards semi-urban and rural areas are affordable housing loans. Under the #PMAY scheme, affordable housing is a function of income, size of house and loan amount, as follows:

Category	Household Income	Ticket Size	Interest Subsidy	House Size
EWS & LIG	Up to Rs. 3 Lakhs	Up to Rs. 6 Lakhs	6.50%	60 sq mt
MIG-I	Rs. 6-12 Lakhs	Up to Rs. 9 Lakhs	4.00%	160 sq mt
MIG-II	Rs. 12-18 Lakhs	Up to Rs. 12 Lakhs	3%	200 sq mt

### Demand-supply gap

As India is going through an economic transition characterized by demand for better housing facilities, there is a widening gap between the demand for houses and its availability, both in the urban and rural areas. The government has introduced many policies in support, encouraging more private sector players to enter the field as typically private players tend to focus on middle income and high-income segments.



### Favorable Policy Progression by Government of India

- 2007** **National Urban Housing and Habitat Policy**  
Established to deepen the role of Govt. as 'facilitator' for Affordable housing.
- 2013** **Rajiv Awas Yojana**  
Centrally sponsored 'Slum-free India' movement.
- 2015** **Pradhan Mantri Awas Yojana**  
#Housing for all by 2022, focus on EWS and LIG. As of FY21: ~45% of houses for sanction have been completed.
- 2017** **Credit Linked Subsidy Scheme**  
Operational guidelines for Credit Linked Subsidy Scheme for MIG.
- 2021** **Tax Holiday Extended**  
To achieve 'Housing For All' by 2022, tax holiday on profits earned by developers has been extended to FY22. This scheme was introduced in the interim budget of 2019.

### Recent Corporate Debt Issuance\*\*\*

S. No.	Issuer	Issue Month	Seniority	Secured	Size (INR Crore)	Coupon	Tenor	Rating
1	Samunnati Financial Intermediation & Services Pvt. Ltd.	April-2021	-	Yes	40.00	11.00%	3 years	-
2	Tata Capital Financial Services Ltd.	April-2021	-	Yes	-	5.45%	2 years	-
3	IIFL Home Finance Ltd.	April-2021	-	Yes	50.00	8.70%	8 years	-

### News Bulletin\*\*

- ✓ Despite Covid-19 Crisis, in the second week of April, the country notably minted at least six new unicorns – Groww, Gupshup, PharmEasy, ShareChat, Meesho, and Cred. For context, India had a total of seven new unicorns in all of 2020, and six in 2019.
- ✓ This month, CDC Group invested INR 250 Cr into solar energy company Fourth Partner Energy. The capital is in the form of Non-Convertible Debentures and will be utilised for expanding its solar portfolio.
- ✓ Showcasing favor for microfinance, Proparco recently made a USD 75 M investment in IndusInd Bank for its MFI division.
- ✓ At the Amazon Smbhav Summit, Nitin Gadkari remarked that with the cost of developing and operating EVs expected to decline substantially with a drop in prices of lithium-ion batteries, India is likely to become a leading hub for manufacturing EVs and EV components.
- ✓ In April, Amazon announced the launch of a USD 250 M venture fund. This fund will focus on tech-based MSME start ups, key in the overseas market.

**Disclaimer:** The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. The information provided herein is from public domain except the transactions done by Unitus Capital (UC). UC does not take any responsibility for any errors or omissions thereto.

EWS – Economically weaker section, LIG – Low-income group,  
MIG – Middle-income group, NHB – National Housing Bank

### UC Recent Select Deals Closed

MyShubhLife	Avanti Finance	Kinara	Annapurna	Micro Enterprise Finance Company
Equity INR 28 Cr	Equity INR 195 Cr	Co-lending INR 15 Cr	Equity INR 228 Cr	PTC Sale INR 145 Cr

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