

FIN O L O O K

by **unituscapital**

Debt Newsletter for February 2022 | Unitus Capital, RECENT DEALS CLOSED

ANNA-PURNA
Equity
₹ 260 Cr

LENDING-KART
Debt
₹ 44 Cr

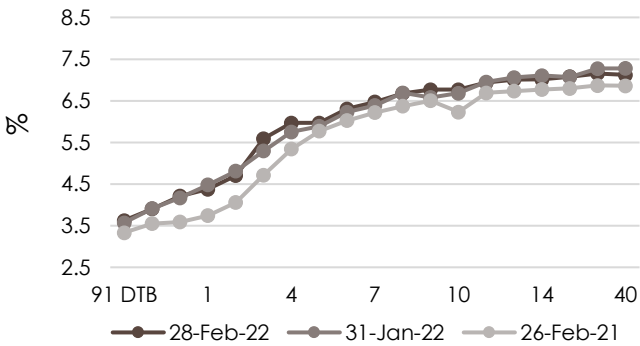
REAN
ECB
₹ 33 Cr

ANNA-PURNA
Equity
₹ 150 Cr

KALEI-DOFIN
Equity
₹ 75 Cr

Market Overview*

Yield Curve



NBFC Bond Spread Over G-Sec Benchmark Indices

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	46	(26)	34
AA	126	62	112
A	371	304	351
A-	396	329	376
BBB+	446	379	426
BBB	471	404	451
BBB-	521	454	501

In February 2022, the bond yields showed marginal improvement on a month-on-month basis. Further, the RBI MPC voted to keep policy rates intact, with the repo rate at 4%. The MPC maintained an accommodative stance - "continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy". The cautious recovery and excess liquidity in the market continue to pressure bond yields.

Climate Tech – Funding Landscape

Overview –

Climate tech businesses received **USD 7 billion** in equity funding in 2021. This is a **4X increase** over the **USD 1.87 billion** in equity funding raised by all climate tech sectors in 2020.

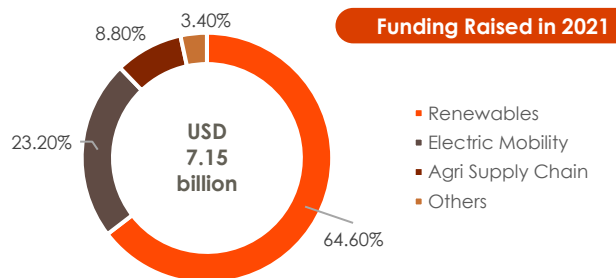
Funding Landscape in India –

A major chunk of the climate financing still goes towards **renewables**, with **electric vehicles** a distant second. Later stage rounds skew the funding that has gone into climate tech – the 25 Series C and beyond deals constitute 86% in value terms of the USD 7 billion in funding.

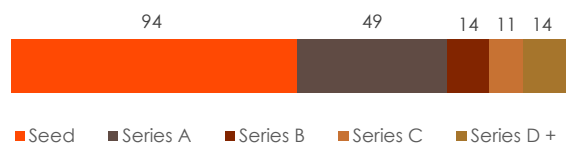
In **early-stage financing**, funding interest is expanding into **other areas of climate innovation**. **Renewables account for only 12%** of the 182 deals we tracked in 2021. **Electric mobility** was the **largest segment** with 68 deals. Agri and F&B sector saw 52 deals spread across the value chain.

Future Prospects –

Climate funding in India is also becoming more vibrant with a **growing segment diversity**, a **wider range of investors**, **focus by the government and companies on Net-Zero carbon emissions** gives some indication that climate tech is inching towards mainstream finance.



Stage wise number of deals in 2021



Corporate Debt Issuance***

Issuer	Secured	Size (₹ Cr)	Coupon	Tenor (years)	Rating
Avanti Finance Pvt. Ltd.	Yes	26	12.00%	3	-
Aadhar Housing Finance Ltd.	Yes	100	Repo+3.05%	4	AA
Belstar Microfinance Ltd.	Yes	125	G-Sec linked	2	PP-MLD AA

Meet the Team



Eric Savage
Co-Founder & CEO

25+ years of investment banking experience with strong relationships with domestic and foreign investors; serves on the boards of multiple companies, and other institutions.



Amit Kumar Rathi
Managing Director

20+ years of post-qualification experience which includes 15+ years in the broad PE / VC investing and M&A as either an Investment Banker, Diligence Advisor, and Investor.



Simmi Sareen
Director

23+ years in financial services with extensive experience in supporting access to capital for sustainable startups & social enterprises. Recognized as a thought leader for impact investing and climate finance in India.



Rima Agarwalla
Vice President

11+ years experience with Bank of Baroda in corporate credit, transaction Banking, in India and Middle East. Specialized in structuring deals.



Vivek Pathak
Associate

At Unitus Capital Vivek covers financial services, WASH & electric vehicles. A CA by profession, Vivek has prior experience with a boutique IB.



Pratik Bohra
Analyst

Pratik focuses on financial inclusion and clean tech. Previously with EY, where he worked on assurance & transaction engagements, while completing CA.



Jagrati Goyal
Fellow Analyst

Jagrati covers financial inclusion, healthcare, and agriculture at Unitus Capital. She was previously with State Street in alternative investments.



Ishita Jain
Junior Analyst

Ishita covers financial inclusion and agriculture at Unitus Capital. She has 2+ years of experience with a boutique IB in Mumbai, while pursuing CA.

For any queries, please contact:

Vivek Pathak (vpathak@unituscapital.com) | Pratik Bohra (pbohra@unituscapital.com) | Jagrati Goyal (jjgoyal@unituscapital.com)
Ishita Jain (ijain@unituscapital.com)