

FIN O L O O K

by **unituscapital**

Debt Newsletter for January 2023 | RECENT DEALS CLOSED

Orb Energy

Debt
₹ 160 Cr

Testbook

Acquisition
₹ 260 Cr

Vilcart

Equity
~₹ 147 Cr

Progcap

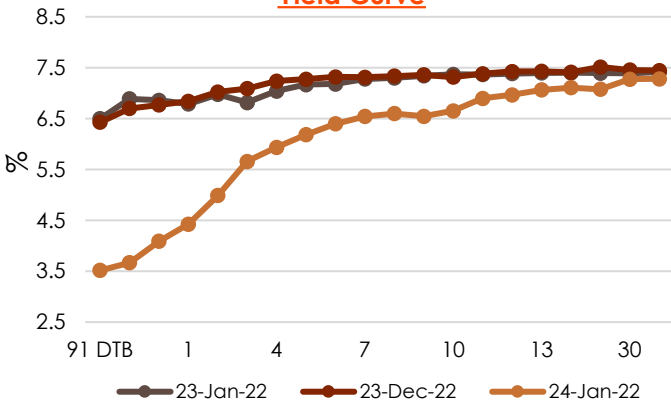
Equity
₹ 383 Cr

Work India

Equity
~₹ 98 Cr

Market Overview*

Yield Curve



NBFC Bond Spread Over G-Sec Benchmark Indices

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	63	54	26
AA	139	135	115
A	380	372	355
A-	405	397	380
BBB+	455	447	430
BBB	480	472	455
BBB-	530	522	505

The RBI raised repo rates by **225 bps** in so far in **FY23** bringing it to **6.25%** in its attempt to tame inflation. The **hawkish stance** taken by the central bank has made a meaningful **dent on inflation**, as it **cooled off to 5.72%** in December, marking a 1-year low. The RBI is scheduled to meet in the **1st week of February**, where they are **expected to increase repo rates by another 25 bps**, bringing it up to **6.50%**. These expectations are a result of a poll conducted by Reuters, where **40 out of 52** economists forecast a rate hike in the Feb meeting. Market participants expect the RBI to **hold interest rates steady** post the Feb meeting, there-after **pausing** with their rate hikes. This would **prevent** the central bank from **overtightening** & help achieve a **soft landing**.

Budget Highlights**

Key Priorities of the Budget



Category	Priority
Agriculture	Agriculture accelerator fund to be setup to support young Agri-Tech startups in rural areas
	Launch Atmanirbhar Horticulture Clean Plant Program to boost the supply of disease-free planting material, allocating Rs. 2,200 Cr
	Increase agriculture culture credit limit to Rs. 20,00,000 Cr. focusing on animal husbandry, dairy & fisheries
Climate	Launch National Green Hydrogen Mission allocating Rs. 19,700 Cr. with an aim to produce 5 MMT per annum by 2030
	Support battery energy storage system with a capacity of 4,000 MWH via viability gap funding
	Rs. 35,000 Cr. of investments to transition towards greener energy sources , meeting net zero objective
Technology	To set up 30 Skill India International Centers to upskill youth in fields like coding, AI, robotics, mechatronics, 3D printing & IOT
	Extend fiscal support to digital public infrastructure as 2022 recorded an uptick of 76% in transaction volumes
	Support services of Digilocker , enabling digital document sharing with govt agencies, regulators & financial institutions

Corporate Debt Issuance in January***

Issuer	Secured	Size (₹ Cr)	Coupon	Tenor (years)	Rating
Satin Creditcare Network	Yes	25.00	12.30%	4.00	BBB
Kotak Mahindra Prime	Yes	260.00	7.88%	2.35	AAA
Incred Financial Services	Yes	1,400.00	9.86%****	2.74*****	A

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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.



Anshul Agarwal
Associate

6+ years of experience in financial services. At Unitus Capital Anshul covers Financial inclusion, climate action and agriculture.



Jagrati Goyal
Analyst

Jagrati covers climate and financial inclusion, at Unitus Capital. She previously worked 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. She is a CA.



Mohammed M E
Junior Analyst

1+ years of experience with a financial services company in Bangalore and is currently pursuing his CFA & FRM.