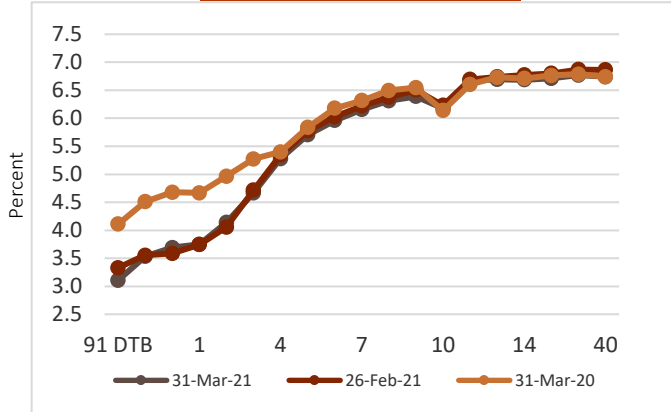


Market Overview

Yield Curve*



NBFC Bond Spread Over G-Sec Benchmark Indices*

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	41	21	55
AA	165	124	129
A	443	386	385
A-	468	411	410
BBB+	518	461	460
BBB	543	486	485
BBB-	593	536	535

In March 2021, the bond yields have largely remained constant, reflecting a cautious investor mindset after showing improvements in the month prior. The 10-year bond yields closed at 6.18%. While high frequency indicators and growing vaccination numbers had resulted in improvements in bond yields last month, the second wave and sporadic lockdowns have stemmed the further improvements in the yields. Successful containment of case count and acceleration of the vaccination program are key to the economic recovery.

Renewable Energy in India – A Snapshot**

Historically, power generation & fossil fuels have been inextricably linked with renewable energy (RE) gaining momentum slowly over the years. Over the last decade, RE sector in India has seen a lot of traction with a strong government push and an uptick in private sector investments.

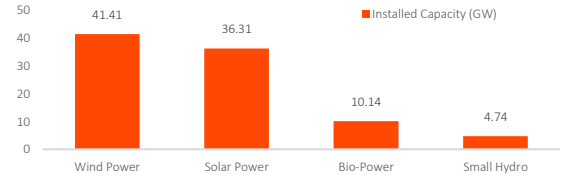
The India Context

- India has revised its target for installed RE capacity to 227 GW by 2022 which is significantly higher than its commitment of 175 GW as per the Paris agreement.
- As of January 2021, the cumulative installed RE capacity is 92.6 GW with Solar & Wind energy leading the pack followed by bio-fuel and small hydro projects.
- Power generation from RE has increased considerably with output doubling from 65.78 billion units in 2016 to 127.01 billion units in 2020.

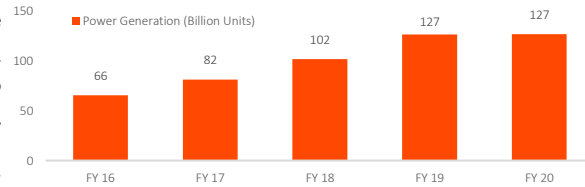
Government Support & Road Ahead

- The Government is committed to increase the use of clean energy by undertaking various large scale sustainable power projects.
- Of the 227 GW RE capacity, 114 GW is planned for Solar, 67 GW is planned for wind and the balance for Bio – fuel and small hydro projects. To improve RE penetration in rural areas, the government plans to set up 5,000 compressed biogas plants by 2023.
- Government has rolled out PLI-scheme worth Rs. 4,500 Crore to incentivize high efficiency Solar PV manufacturing over a 5 year period.
- The Government expects that by 2029 – 30, the share of RE in power generation will increase to ~44% as compared to current levels of ~18%.

Installed Capacity Split – RE – January 2021



Power Generation Trend from RE



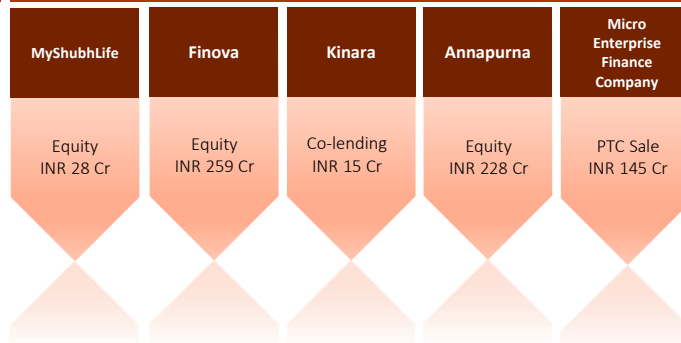
Recent Corporate Debt Issuance***

S. No.	Issuer	Issue Month	Seniority	Secured	Size (INR Crore)	Coupon	Tenor	Rating
1	Ess Kay Fincorp Limited	March-2021	Senior	Yes	125.00	G-Sec Linked	5 years	N.A.
2	Fusion Microfinance Private Limited	March-2021	Senior	Yes	70.00	11.15%	6 years	N.A.
3	Asirvad Micro Finance Limited	March-2021	-	Yes	50.00	10.50%	2 years	N.A.
4	Pahal Financial Services Private Limited	March-2021	Senior	Yes	15.00	14.50%	2 years	N.A.

News Bulletin**

- The Supreme Court, vide its order dated March 23, 2021, among other items, rejected the plea to waive interest charged during the moratorium period and for extension of the moratorium period. It also directed that any interest on interest collected/charged be refunded/adjusted.
- This month, the Financial Services sector witnessed strong equity support with many NBFCs concluding fresh equity rounds. Annapurna Finance, a microfinance entity, raised \$30 million from Global Impact investor Nuveen. Five-star business finance raised \$234 million from a consortium of investors including KKR & TVS Capital.
- The RBI sets average base lending rate for NBFC-MFIs at 7.81% for April-June quarter
- Dvara KGFS, a microfinance entity with a strong presence in Southern India, raised 8 million Euros from Germany based Impact Investor – Invest in Visions (IIV) and Darlehenskasse Muenster through External Commercial Borrowing.

UC Recent Select Deals Closed



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