

FINOLOOK

by unituscapital

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

BANYAN NATION

Debt + Equity
29Cr

RESHA-MANDI

Stakeholder financing
₹ 25 Cr

VISTAAR

Debt
₹ 20 Cr

FINOVA

Equity
₹ 500 Cr

KALEIDO-FIN

Equity
₹ 38 Cr

RBI's Priority Sector Lending

What is PSL?

Extending credit to sectors considered as important by GOI and RBI for the development of the country's basic needs and are to be given priority over other sectors.

Categories under PSL



Agriculture



MSME



Export Credit



Education



Housing



Social Infrastructure



Renewable Energy



Others

Previously under PSL

Lending to NBFCs and NBFC-MFIs by Commercial banks and Small Finance Banks (SFBs) respectively for the purpose of on-lending were allowed to be classified under priority sector by RBI upon fulfilling certain criteria till March 31, 2022.

As of March 31, 2022, the priority sector lending (PSL) for scheduled commercial banks (SCBs) was 42.8 percent. During 2021-22, all bank groups met the prescribed PSL objective of 40%.

Changes as per notification dated May 13, 2022

RBI decided that the aforesaid facility to remain open on an ongoing basis in order to maintain the synergies that have formed between banks and NBFCs in supplying credit to the defined priority sectors. This was done by acknowledging the role played by NBFCs in providing credit to the sectors at the bottom of the pyramid, which contribute considerably in terms of exports and employment, and to enhance the liquidity position of the NBFC.

The above notification affects the following

Commercial bank credit to NBFCs (including HFCs) for on-lending, will be allowed up to an overall limit of 5% of an individual bank's total PSL.

SFB credit to MFIs - Credit to NBFC-MFIs and other MFIs* which are members of RBI recognized SRO** of the sector, will be allowed up to an overall limit of 10% of an individual bank's total PSL.

The above limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap. SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a GLP*** of up to ₹500 crores as of March 31, 2022, for on-lending to the priority sector. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all PSL created before exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier.

*Societies, Trusts, etc. **Self-Regulatory Organization. ***Gross loan portfolio.

Corporate Debt Issuance***

Issuer	Secured	Size (₹ Cr)	Coupon	Tenor (years)	Rating
Blacksoil Capital Private Limited	Yes	35	10.00%	3.0	NA
Lendingkart Finance Limited	Yes	25	11.50%	3.0	NA
Satya Microcapital Limited	Yes	24	11.61%	1.8	A- Acuite
Sk Finance Limited	Yes	175	G-Sec Linked	2.0	AA- Acuite
Ugro Capital Limited	Yes	50	G-Sec Linked	1.6	A+ Acuite

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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.



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.



Jagrati Goyal
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:

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