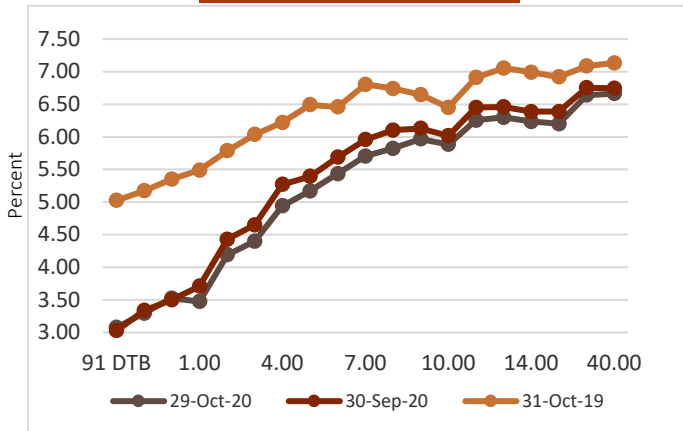


Market Overview

Yield Curve*



NBFC Bond Spread Over G-Sec Benchmark Indices*

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	50	42	80
AA	182	137	154
A	455	407	419
A-	505	457	469
BBB+	530	482	494
BBB	555	507	519
BBB-	605	557	569

In October 2020, the bond yield declined by 25 bps compared to the previous month, reflecting a cautious investor mindset. The 10-year G-sec closed at 5.88% lower by 13 bps than its previous month's level. The RBI has kept the repo rate unchanged at 4.00% and expect a 9.5% decline in growth for FY 21. The economy has largely unlocked and there has been an increase in industrial activity, indicating a faster economic revival. However, with continuing increase of COVID-19 cases in India and fresh lockdowns and restrictions announced globally, the bonds yields will continue to demonstrate pressure.

Green Bond Market in India – A Snapshot**

What is a Green Bond?

Green bonds (GBs) are bonds issued to raise funds to finance creation of **green assets** or for **climate change solutions**. The green bond label can be applied to any debt format, including private placement, securitization, covered bond and sukuk.

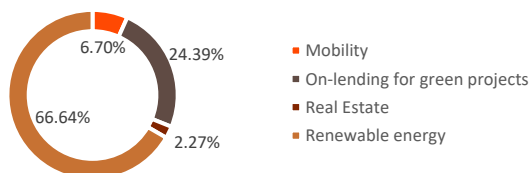
Who can issue a green bond?

Green bonds can be issued by governments, banks, local government or corporates.

Green Bond Market in India –

- India has set an ambitious target of installing 450 GW of renewable energy capacity by 2030. Till Q4 FY 2020, India has crossed 100 GW of capacity. The target is to be funded by increased government spending and mobilizing green capital.
- India's 1st GB was issued by Yes Bank in early 2015 where proceeds were to be used exclusively for financing of renewable energy projects. Subsequently, there has been a series of GB issuances by Banks and Corporates to channelize funds.
- Renewable energy (mainly solar & wind) has been the primary driver of GB issuance in India.
- INX – India's only international exchange - has a dedicated Green platform, for listing of green bonds where issuers can raise money in any currency. Till now, Indian Railway finance, Adani and SBI have listed their green bonds on INX.

Sector – Wise Green Bond issuance



Some recent Green Bond issuances in India

Issuer	Issue Month	Size (INR Crore)	Coupon	Tenor
CLP Wind Farms (India) Private Limited	Oct-2020	296.90	-	3 years
Renew Power Private Limited	Oct-2020	2,437.50	5.38%	5 years
State Bank of India	Apr-2020	750.00	LIBOR + 80 bps	-

Recent Issuance***

S. No.	Issuer	Issue Month	Seniority	Secured	Size (INR Crore)	Coupon	Tenor	Rating
1	Centrum Financial Services Limited	Sep-2020	NA	Yes	25.00	10.00%	1.5 Yrs	A-
2	Muthoot Capital Services Limited	Sep-2020	NA	Yes	-	9.30%	1.5 Yrs	A
3	Muthoot Finance Limited	Sep-2020	NA	Yes	-	8.25%	2.08 Yrs	AA

Impact Sector Bulletin^

- ✓ Issuance of green bonds has grown more than 12% so far this year and exceeded the \$1-trillion mark for the first time worldwide. The value of green bonds issued so far this year climbed to more than \$176 billion, a 26-percent increase from the same period in 2019
- ✓ Venture capital firm Sequoia Capital and private equity firm Faering Capital have pumped in \$35 million (the equivalent of about Rs 260 crore) in Finova Capital, a non-bank lender to unorganized sector businesses which lends to micro entrepreneurs and semi-skilled professionals who typically have limited access to credit from formal financing institutions
- ✓ Foreign investors poured \$538 million into Indian bonds in September, the first inflow in seven months, following the trend in other Asian debt markets. India's relatively high-yielding government debt has become attractive for foreigners

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.

UC Recent Select Deals Closed

Aviom India Housing	Finova	WheelsEmi	Save Solutions	Margdarshak Financial Services
DFC guarantee backed TL INR 35 Cr	Equity INR 259 Cr	Term Loan INR 5 Cr	Equity INR 120 Cr	Term Loan & NCD INR 4.5 Cr

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