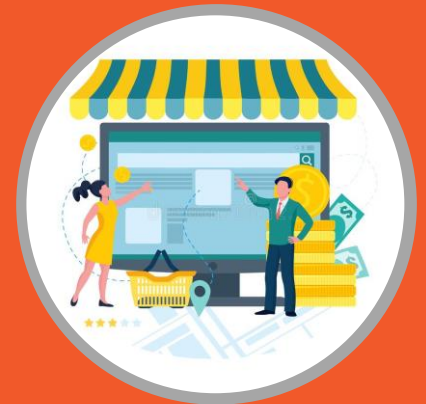




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CHANGING LIVES.

*A tech-focused impact-first
investment bank*



Key Updates from Regulators

RBI releases finalised framework for SROs in FinTech



- The RBI has issued a final framework for recognizing self-regulatory organizations in the financial technology sector (SRO-FT), **encouraging broad membership from fintech entities** regulated by the RBI, such as NBFC-account aggregators and P2P lending platforms, excluding banks
- **SRO-FTs must establish a dispute resolution framework**, representing member interests during engagements with the RBI and addressing broader fintech sector concerns. They are also tasked with updating the RBI on industry developments and regulatory violations, aiding in policymaking
- Additionally, the **RBI mandates oversight and enforcement mechanisms for SRO-FTs**, ensuring data confidentiality and implementing surveillance tools to monitor fintech activities, ensuring sector integrity and compliance

SEBI's regulations on verifying market rumors are now active for the top 100 listed entities



- SEBI has enacted new regulations requiring the top 100 listed companies to promptly verify and respond to market rumors within 24 hours. This initiative aims to enhance transparency and mitigate misinformation impacting investor sentiment. By clarifying specific material events reported in mainstream media, SEBI seeks to stabilize stock price movements and foster a fairer investment environment
- As SEBI prepares to extend these regulations to an additional 250 companies, industry experts anticipate a more stable market environment post-elections, amidst predictions of volatility driven by political developments and global economic factors

SEBI demands more IPO disclosures to accelerate approval process



- SEBI is enhancing IPO disclosure requirements to accelerate the clearance process. Lead managers now need to provide more details when filing draft documents, with over two dozen new requirements listed. This move has already reduced the average clearance time to under 3 months in 2024, compared to longer durations in previous years
- Since January, 45 IPO applications have been submitted, with nine approvals averaging 87 days. New disclosures include information on pre-IPO placements, shareholders, and significant supplier or customer relationships. These details aim to streamline the process but might increase preparatory work for merchant bankers
- This new approach is expected to reduce the need for clarifications, expediting the IPO process, though it may require more documentation from companies

IRDAI mandates 7-day claim settlements, 15-day surveys

- The IRDAI has introduced new rules to make general insurance policies more customer-friendly and efficient. Key changes include flexible policy durations, faster claim settlements, and innovative insurance products. **Claims must now be settled within 7 days**, with surveyors submitting reports within 15 days
- The new rules simplify documentation, ensuring no claim is rejected due to missing documents and shifting salvage responsibility to insurers in cases of partial motor insurance loss. **Additionally, customers can benefit from usage-based motor insurance options like "Pay as you Drive," offering significant cost savings and tailored solutions**
- These reforms **encourage the use of telematics in motor insurance, allowing insurers to set premiums based on actual driving data.**

IRDAI revamps norms for wider choices, affordability, and cashless settlements

- The IRDAI has revamped health insurance norms, aiming to empower policyholders and enhance inclusivity. A comprehensive Master Circular was issued, repealing 55 previous circulars, to streamline the regulatory framework
- **Key changes include removing the upper age cap, introducing a Customer Information Sheet for transparency, and allowing policyholders to distribute claims across multiple policies**
- The new norms emphasize providing a seamless, hassle-free claims experience and improving service standards. Insurers must offer diverse products catering to various needs, ensuring affordability and suitability. Policyholders now have the flexibility to choose products based on medical conditions and can receive refunds for canceled policies.

Clean Cooking Landscape

Traditional cooking vs Clean cooking

Traditional cooking uses solid biomass, kerosene or coal as their primary cooking fuel which is harmful to health as the smoke released during cooking can cause several illnesses.

As per IEA*, 1 gigaton of carbon dioxide equivalent is produced every year from burning wood fuels, equating to about 2% of global CO2 emissions.

The average monthly cost of using traditional fuel for cooking is USD 3 – USD 7 for a household.

Clean cooking refers to the eco-friendly ways to prepare meals using clean cooking technologies such as LPG, Improved Biomass cookstoves (ICS), Biogas and Piped Natural gas (PNG).

As per International Energy Agency, in India, around one third of the population do not have access to clean cooking.

The average monthly cost of using clean fuel for cooking is USD 10 – USD 20 for a household. High upfront costs affect end-user affordability of clean cooking solutions, with custom solutions like pay-as-you-cook (PAYC) being introduced to tackle this problem.

Financial ecosystem for clean cooking energy solutions

Government – Since May 2016, The 'Pradhan Mantri Ujjwala Yojana' (PMUY) acts as the flagship scheme with an objective to make clean cooking fuel such as LPG available to the rural and deprived households with more than 103 Mn connections released as of June'2024.

Banks & Financial Institutions – Inadequate balance sheet size and insufficient company track record act as deterrents for entrepreneurs and companies to acquire a better access to credit.

Development financial institution (DFI) – DFIs, especially Impact Investors, have shown interest in the sector backed by investments to support the ecosystem.

Stakeholders in the ecosystem – Other stakeholders in the Clean Cooking space include Venture development platforms and funds like Social Alpha, Acumen, Village Capital, and Asha Impact.

Present Gaps in scaling and finance

- In 2020, Clean Energy Access Network (CLEAN), estimated that the largest enterprises in the sector will require INR 10 crores in debt (USD 1.5 million), INR 58 crores in equity (USD 9 million) and INR 5 crores (USD 761,500). This was further supported when DRE (De-Centralized Renewable Energy) enterprises preferred debt finance from private and public sector banks as the most popular form of fund raising in FY22.
- Sustainable Energy for All (SEforALL) estimates that USD 4.4 Billion of minimum annual investment needed to achieve universal access to clean fuels and technologies for cooking by 2030, however the current financial commitments for residential clean cooking annually averaged only USD 32 million.
- According to the World Bank (Energy Sector Management Assistance Program, 2020), the negative impacts of solid fuel cooking on the environment, public health, and gender equality is US\$2.4 trillion annually.
- Based on the India Energy Security Scenarios (IESS), about 20% of all rural households in India will continue to rely on traditional biomass for cooking in 2047. Assuming these households use ICS for cooking, the investment in manufacturing and assembly of ICS alone (at current average prices of natural draft cookstoves ~INR 1200 / USD 18) would be USD 1.2 billion.

Way Forward

Blended Finance Structures - Blended financing leverage public, philanthropic, and private funding to create blended structures like guarantees, returnable grants, and outcome-based contracts. USAID-USDFC have been instrumental in unlocking approximately USD 540 million in commercial capital since 2015 through a partial pari-passu guarantee facility, benefiting a range of sectors including clean energy, WASH, healthcare, agri-tech, forestry, etc.

Clean Cooking Summit - At the Clean Cooking Summit organized by the International Energy Agency (IEA), Total Energies, a global integrated energy company, announced its ambition of giving 100 million people in Africa and India access to clean cooking by 2030, by investing more than \$400 million in the development of liquefied petroleum gas (LPG) for cooking.

Employment Potential - Every 1 million increase in annual unit sales of solar lantern, ICS and portable biogas requires roughly:

- 5000 new sales and service associates spread across rural areas
- 500 Area sales and marketing managers in adjoining semi-urban areas
- 50-100 highly skilled business development managers and product engineers in urban areas

About the company

- Founded in 2011, Greenway Grameen Infra (or the 'Company') is a global leader in manufacturing improved green cookstoves with the objective of the Company is to design and deploy suitable products for rural energy access with focus on clean cooking energy.
- The company has established 15 carbon offset projects with various counterparties across the globe.
- Greenway offers two products – Jumbo stove with a loading capacity of 40 kg and Smart stove with a loading capacity of 25 kg.

Traditional Vs Clean Cooking

Comparison	Mud Stoves	Greenway Jumbo Stoves
Thermal efficiency	10%	38%
Fuel consumption (per 1,000 families)	~3,500 tones	~1,225 tones
Carbon emission (Tones of Co2 per year)	~7,043	~2,113
Cost (INR)	500 – 700	3,500

Fund Raise

Unitus Capital had advised Greenway Grameen Infra in a debt raise of USD 6.5 Mn from Asian Development Bank (ADB) to distribute 1 Million Jumbo Cookstoves in rural MP and Odisha.

The facility is also supported by a first loss liquidity reserve of USD 3.25 Mn from Climate Innovation and Development Fund, managed by ADB.

This is also one of the first Carbon-linked financing in India.

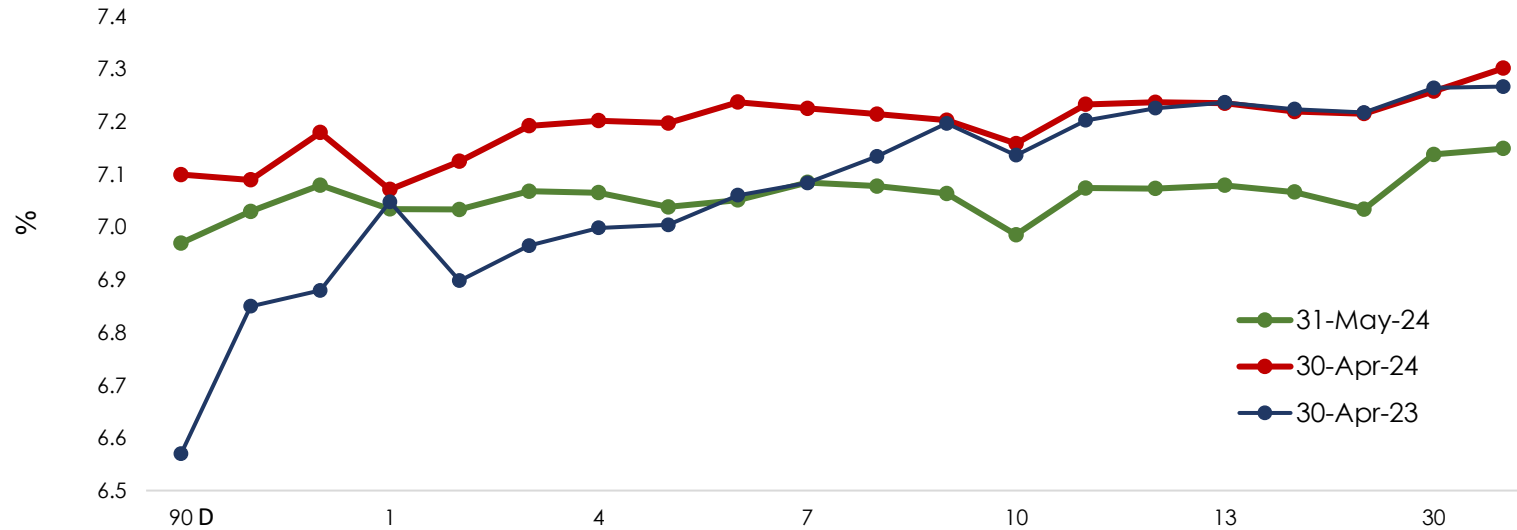


ASIAN DEVELOPMENT BANK



Market and Investment Updates

Yield Curve



NBFC Bond spread over G-sec Benchmark indices

Tenor	3 Year Spread	5 Year Spread	10 Year Spread
AAA	74	73	60
AA	150	154	131
A	383	384	368
A-	396	384	378
BBB+	458	459	443
BBB	483	484	468
BBB-	533	534	518

Key market rates

Repo Rate
6.50%

Reverse Repo Rate
3.35%

MSFR
6.75%

EURIBOR-6M
3.745%

SOFR-6M
5.38857%

Sector-	Market Capitalization #	% Change*
Finance		
• Housing	166,814	13.7%
• NBFC's	1,184,230	8%
• Lending^	333,281	3.3%
Agriculture	296,759	5.3%
Climate		
• Power	1,728,558	6.6%
• Oil and Gas	2,986,205	2.5%
• Plastics	223,049	6.7%

#Market capitalization based on top 5 companies listed in BSE within the sector

*% Change from 20/05/2024-18/06/2024

^Does not include private banks

Company	Funding raised/ Stage
Sabine Hospital	\$50.0 Mn: PE
Aarthan Finance	\$5.99 Mn: Series B
Vikram Solar	\$85.6 Mn: Series B
Orbicular Pharmaceuticals	\$20.0 Mn: PE
Infra.Market	\$50.0 Mn: Series D
Flipkart	\$350.0 Mn: Series J
Ananya Finance	\$13.0 Mn: Series B
Save Solutions	\$13.0 Mn: Series C
Sitara	\$81.8 Mn: Series E

Select fundraises from Mid May 2024 to Mid June 2024

UC Deal Alert

Equity Deal Alert

Unitus Capital advises Avanti Finance in its equity raise from Dia Vikas Capital



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Dia

Thank You
