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Key Updates from Regulators

RBI Tightens HFC Norms to Align with NBFC Standards



- **The Reserve Bank of India (RBI)** has tightened regulations on **housing finance companies (HFCs)** to align them with non-banking financial companies (NBFCs). **The new rules reduce the ceiling on public deposits an HFC can hold from 3 times to 1.5 times its net owned fund**, restricting fresh deposits until they comply. This change aims to harmonize the prudential norms across both sectors.
- Moreover, **deposit-taking HFCs now need to increase their liquid asset holdings from 13% to 15% by July 2025**, ensuring greater financial stability. The RBI has also permitted HFCs to hedge risks, participate in futures exchanges, and use credit default swaps, enhancing their operational flexibility.

RBI's New Digital Payment Rules: Stronger Security, Dynamic Authentication



- **The Reserve Bank of India (RBI)** has proposed a new framework to enhance digital payment security, requiring an **additional factor of authentication (AFA)** for most transactions. To boost security, the first authentication factor and the AFA must come from different categories. One of these factors must be dynamically created and unique to each transaction.
- Issuers must provide real-time alerts for eligible transactions and avoid exclusivity with service providers. Compliance with these rules is expected within three months, signaling a significant shift in India's digital payment landscape.

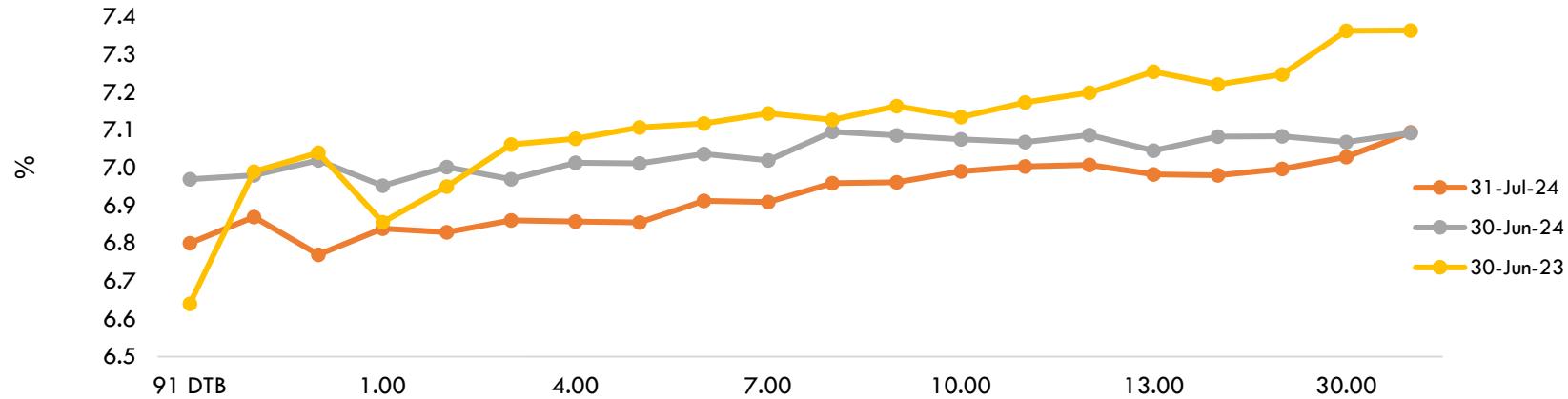
7 in 10 Traders Face Losses, primarily young traders - averaging ₹74K Per Year



- Recent reports from SEBI indicate that 7 out of 10 intraday traders in the equity cash segment incurred losses during the financial year 2022-23. The findings showed that younger traders, particularly those under 30, are more likely to experience losses, with 76% losing money and the average loss by loss-makers was Rs.74,575 during FY23. The study also revealed that the average number of trades made by loss-makers was higher than that of profit-makers.
- Across Tier-I, II, and III cities, the proportion of profit-makers was highest in Tier-I cities, followed by Tier-II and Tier-III cities.
- The SEBI report emphasizes the need for increased awareness and caution among traders, especially those who might be enticed by the seemingly easy profits in intraday trading

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	85	83	55
AA	162	158	135
A	371	360	345
A-	396	385	370
BBB+	421	410	395
BBB	446	435	420
BBB-	471	460	445

Key market rates

Repo Rate
6.50%

Reverse Repo Rate
3.35%

MSFR
6.75%

EURIBOR-6M
3.563%

SOFR-6M
5.39082%

Sector-	Market Capitalization #	% Change*
Finance		
• Housing	203,382	14.8%
• NBFC's	1,427,900	21.9%
• Lending^	414,982	8.5%
Agriculture	348,103	11.6%
Climate		
• Power	1,892,654	7.2%
• Oil and Gas	3,105,005	3.7%
• Plastics	229,231	3.0%

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

*% Change from 15/07/2024-22/08/2024

^Does not include private banks

Company	Funding raised/ Stage
Continuum Wind Energy	\$150.0 Mn: Series D
CTPL	\$4.0 Mn: Series A
Pharmazz	\$15.0 Mn: Series A
Ather Energy	\$71.5 Mn: Series E
Innoviti	\$8.3 Mn: Series E
Kazam	\$8.0 Mn: Series A
Infinyte Club	\$3.6 Mn: Series A
BiofuelCircle	\$5.4 Mn: Series A
Fourth Partner Energy	\$275.0 Mn: Series D

Select fundraises from Mid July 2024 to Mid August 2024

Annual Climate Report: The State of Climate Finance in India 2024

The State of Climate Finance in India 2024

The 4th edition of The State of Climate Finance in India 2024 annual report is back and published in partnership with Climake. We're excited to have Forbes support our launch.

In this 2024 edition, we identify adaptation investment areas that offer both impact and returns and outline pathways for private sector participation.

Click on the link below to check out the full report and share your thoughts!

[The State of Climate Finance in India 2024](#)

Also, join us for a **WEBINAR** on “**CLIMATE FINANCE OPPORTUNITIES IN INDIA**” based on the climate report, moderated by co-author **Simmi Sareen**. The discussion would be led by the Industry experts:

- Aanchal Jain (CEO, **PMI Electro Mobility**)
- Dhruva Purkayastha (Director-Growth and Institutional Advancement at **CEEW**)
- Saurabh Marda (Co-Founder at **Freyr Energy**)

Please register for the webinar using this link – [RSVP here](#)

Thank You
