

# Business Standard

**THE MARKETS ON TUESDAY**

		chg#
Sensex	83,079.7	▲ 90.9
Nifty	25,418.6	▲ 34.8
Nifty Futures*	25,449.8	▲ 31.3
Dollar	₹ 83.8	₹83.9**
Euro	₹93.3	₹93.3**
Brent crude (\$/bbl)	73.5 ##	73.1**
Gold (10 gm)###	₹72,983.0	₹212.0

\* (September) Premium on Nifty Spot; \*\* Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBA



**COMPANIES P2**

**FROM TAMO-JLR TO FORD: TN'S EV ECOSYSTEM EXPANDS IN 2024**

**ECONOMY & PUBLIC AFFAIRS P7**

**ATISHI SET TO TAKE CHARGE AS DELHI CHIEF MINISTER**



PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHOPAL, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI AND PUNE

## NBFCs throng bond mkt to fund festival credit demand

Raise nearly ₹74K cr since Aug via debt offers as bank lending slows

**ANJALI KUMARI**  
Mumbai, 17 September

A number of non-banking financial companies (NBFCs) have tapped into the debt capital market ahead of the festival season to meet increasing credit demand as bank funding slows.

On Tuesday, Aptus Value Housing Finance secured ₹300 crore at an interest rate of 8.75 per cent through bonds maturing in five years. ICICI Home Finance Company turned to the market to raise ₹275 crore at 7.94 per cent, alongside

another ₹300 crore at 7.95 per cent, through bonds maturing in five and three years, respectively. Bids for ICICI Home Finance are expected to close on Thursday. Meanwhile, InCred Financial Services raised ₹215 crore.

Since August 1, NBFCs have raised ₹73,820 crore via corporate bonds, according to PRIME Database.

"Following the Reserve Bank of India's decision to increase risk weight (in November 2023), banks have hiked interest rates and become more selective in their lending practices, driving

companies towards alternative funding sources like commercial papers (CP) and bonds," said Venkatakrishnan Srinivasan, founder and managing partner at Rockfort Fincap LLP. "Firms expecting rate cuts soon are opting for CP issuances, while larger AAA-rated firms and PSU entities seeking long-term financing are favouring the bond market, where investor appetite remains robust. High-credit NBFCs, particularly those rated AAA and AA+, are increasingly turning to the market for long-term funds."

Turn to Page 6

ILLUSTRATION: AJAY MOHANTY

**TURNING TO DEBT MARKET**

NBFC bond offers from Aug 1-Sep 16 (in ₹ cr)

**Total amount: 73,820**

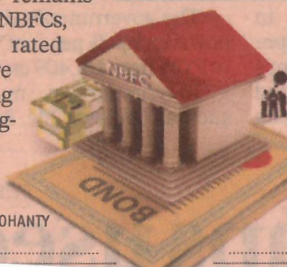
**5 leading issuers**

Issuer	Amt
REC	6,820
Power Finance Corp	5,791
LIC Housing Finance	5,760
National Bank for Agriculture & Rural Development	5,000
Small Industries Development Bank of India	5,000

**Offerings by better-rated NBFCs**

Credit rating	Amt
AAA	54,680
AA+	5,960
AA-	1,104
AA	4,253
A+	1,056

Source: primedatabase.com



# AAA-rated firms account for 74% of bond issuances since Aug

"More than 80 per cent of total fundraising since April has come from NBFCs," Venkatakrishnan Srinivasan, founder and managing partner at Rockfort Fincap LLP said.

AAA-rated firms raised ₹54,680 crore through corporate bonds between August 1 and September 16, representing 74 per cent of the issuances, while AA+ rated NBFCs accounted for 8 per cent of the total.

In August, total CP issuances rose to ₹1.4 trillion, up from ₹1.05 trillion in July.

Banks have shown increasing reluctance to lend to NBFCs since the regulator increased the risk weight of such loans by 25 percentage points in November 2023. As on July 26, 2024, outstanding bank loans to NBFCs stood at ₹15.29 trillion, down from ₹15.48 trillion in March. Year-on-year growth in bank loans to NBFCs slowed to 12.7 per cent by July, compared to 19.9 per cent the previous year.

Borrowing rates for NBFCs in the market have softened, reflecting a fall in benchmark bond yields. "Rates have dropped as yields on G-secs have come down. However, large-value fundraising remains challenging, with volumes skewed towards PSU or corporate house-backed NBFCs," a rating agency executive said.

The yield on AAA-rated 10-year corporate bonds has fallen by 9 bps since August, while that on five-year bonds has softened by 29 bps. Meanwhile, AA+ rated 10-year and five-year corporate bond

yields have dropped by 3 bps and 6 bps, respectively, over the same period.

According to PRIME Database, during this period, REC led the mobilisation with a ₹6,820 crore mopup, followed by Power Finance Corp at ₹5,791 crore, LIC Housing Finance at ₹5,760 crore, and Nabard with ₹5,000 crore. The National Bank for Financing Infrastructure & Development issued bonds worth ₹3,911 crore in August.

## BS SUDOKU #4381

7		2					4	
					4			1
			5		6			9
		9	8				6	
2						4		
	1			6	5	7		
		8						
		5				1		3
					9			

SOLUTION TO #4380

1	8	6	5	9	7	3	4	2
4	3	7	1	8	2	9	6	5
2	9	5	3	6	4	1	8	7
9	7	8	6	4	3	5	2	1
6	1	2	7	5	9	8	3	4
5	4	3	8	2	1	7	9	6
8	2	1	4	3	5	6	7	9
7	6	9	2	1	8	4	5	3
3	5	4	9	7	6	2	1	8

**Very Hard:**  
★★★★★  
Solution tomorrow

**HOW TO PLAY**  
Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9