



Banking and Financial Services

Focusing on vulnerabilities

SERIES 3 # NBFC Liquidity position



April 2020

NBFCs getting squeezed from both sides?



Amidst all moratorium hullabaloo NBFCs are squeezed from both sides – Liability (no moratorium on capital market borrowing, working capital loans from banks) while on asset (repayments will largely be frozen). So it becomes incrementally challenging for them.

Thus you need to sift between a) NBFCs which has sufficient liquidity coverage (cash balances vs. liquid investments vs. repayment obligations) and b) having option of taking credit lines from banks – TLTRO is introduced by RBI. But then what happens to below investment grade NBFCs is something to look out for.

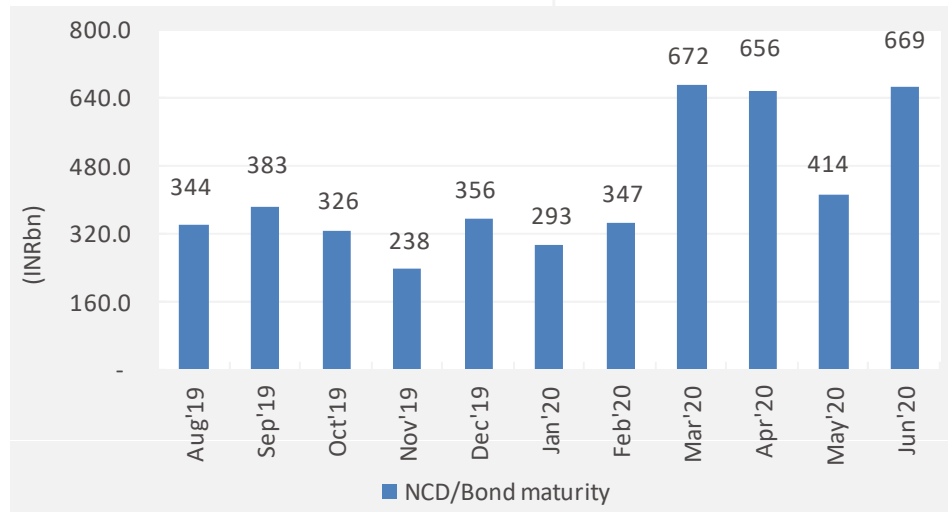
What have we done in here?

- ❖ **Looked at the repayment obligations (for CPs/NCDs) over next 2 months for system and for individual players**
- ❖ **How are various players stacked in terms of managing liquidity situation over next few months?**

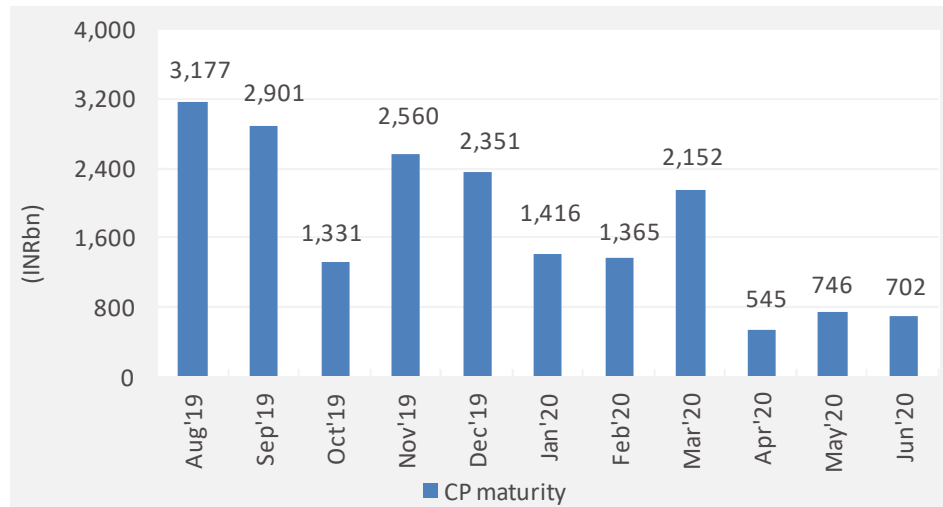
Challenges will be higher for players with NCD/CP redemptions



Over INR1tn of NCDs are coming for maturity over next 2 months (Apr'20/May'20)



..and > INR1.2tn of CP's coming for maturity over the same time



Source: Aimin

How are players stacked in terms of managing the situation



To start with, the caveat here is the fact that due to paucity of data we have used certain assumptions to arrive at the conclusion).

Assumptions used?

- * There is no repayments across the board for all players over next 2 months.
- * There is no CP/NCD rollover over next 2 months – Apr'20/May'20
- * The NBFCs do avail interest moratorium and will have to pay interest on a) Capital market borrowing b) bank borrowings and c) deposits taken
- * The companies do not cut any staff expenses (per month payout remains steady), however the variable expenses (travel/ communications among others will be lower) thus have assumed 70% of overhead expenses (across players as outflow)
- * We have taken 60% of investments as the liquid investment , which along with cash and cash equivalents should ideally cover for outflows

Few players will have some pressure managing the same



		Cash & Cash Equ.	Maturity over Apr/May			Interest Cumulative int @ 2 mnths	Opex Exp @2 mnth	Inflow /Outflow
			CP	NCD	Overall			
Auto Finance								
MMFS	Q3FY20	38,654	0	2,650	2,650	6,085	2,830	27,089
SHTF	Q3FY20	66,987	0	4,800	4,800	7,209	3,022	51,956
SCUF	Q2FY20	11,736	1,120	4,650	5,770	2,743	2,064	1,158
Chola	Q2FY20	63,057		9,140	9,140	5,926	2,335	45,656
Sundaram	Q2FY20	33,214	9000	1,000	10,000	2,826	1,255	19,133
Magma	Q3FY20	18,382				179	2,098	16,105
Housing Finance								
Aavas	Q3FY20	9,231	-	-	-	520	363	8,347
LICHF	Q2FY20	32,382	10,100	35,450	45,550	23,602	698	-37,468
HDFC	Q2FY20	3,62,956	48,000	47,510	95,510	54,240	2,098	2,11,109
Repco	Q2FY20	5,253	-	-	-	1,325	145	3,784
Gold								
Muthooth	Q3FY20	48,828	23,000	984	23,984	3,367	3,210	18,267
Manappuram	Q3FY20	22,634	10,000		10,000	1,792	2,171	8,671

Source: Edelweiss research

* Note : These are based on certain estimates and are not validated by any company

Player wise "NCD" redemption over next 2 months



Issuer Name (All amounts are in INR mn)	Apr'20	May'20	Jun'20	Grand Total	Issuer Name (All amounts are in INR mn)	Apr'20	May'20	Jun'20	Grand Total
HOUSING DEVELOPMENT FINANCE CORPORATION	12,510	35,000	65,500	1,37,990	LENDINGKART FINANCE LIMITED	-	6,000	-	6,000
LIC HOUSING FINANCE LIMITED	13,750	21,700	37,000	78,400	SHRIRAM CITY UNION FINANCE COMPANY LIMITED	1,150	3,500	1,050	5,700
BAJAJ FINANCE LIMITED	10,949	14,533	26,720	60,060	SUNDARAM FINANCE LIMITED	-	1,000	2,500	5,500
ADITYA BIRLA FINANCE LIMITED	4,355	15,625	7,690	32,070	INDIA INFOLINE HOUSING FINANCE LIMITED	4,610	830	-	5,440
SHRIRAM TRANSPORT FINANCE COMPANY LIMITED	1,500	3,300	8,100	31,100	ANAND RATHI GLOBAL FINANCE LIMITED	3,528	407	166	5,352
CITICORP FINANCE (INDIA) LIMITED	6,350	750	6,363	23,646	INDIABULLS COMMERCIAL CREDIT LIMITED	5,000	-	-	5,000
L&T FINANCE LIMITED	1,000	7,260	12,850	21,360	TATA MOTORS FINANCE LIMITED	1,750	2,000	-	4,500
HINDUJA LEYLAND FINANCE LIMITED	5,217	3,000	10,590	19,307	PIRAMAL FINANCE LIMITED	-	-	4,400	4,400
MUTHOOT FINANCE LIMITED	864	120	17,768	18,752	INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LIMITEI	-	3,700	500	4,200
TATA CAPITAL FINANCIAL SERVICES LIMITED	-	3,300	13,650	16,950	AU FINANCIERS (INDIA) LIMITED	2,450	500	500	4,100
MAHINDRA AND MAHINDRA FINANCIAL SERVICES	2,000	650	11,200	16,450	ASIRVAD MICRO FINANCE PRIVATE LIMITED	-	3,100	500	3,600
HDB FINANCIAL SERVICES LIMITED	-	1,350	14,600	15,950	KKR INDIA FINANCIAL SERVICES PRIVATE LIMITED	3,550	-	-	3,550
INDIABULLS HOUSING FINANCE LIMITED	562	555	10,030	15,597	MAHINDRA RURAL HOUSING FINANCE LIMITED	1,535	1,150	100	3,435
INDIABULLS VENTURES LIMITED	-	-	15,392	15,392	VOLKSWAGEN FINANCE PRIVATE LIMITED	-	2,000	1,000	3,000
KOTAK MAHINDRA PRIME LIMITED	5,112	3,958	5,995	15,065	ECAP EQUITIES LIMITED	300	100	201	2,601
RELIANCE INDUSTRIAL INVESTMENTS AND HOLDINGS	-	7,375	7,375	14,750	GEETANJALI TRADING AND INVESTMENTS PRIVATE LIMITED	-	-	2,500	2,500
DEWAN HOUSING FINANCE CORPORATION LIMITED	550	12,400	1,500	14,450	EDELWEISS FINVEST PRIVATE LIMITED	250	399	1,116	2,379
JSW INVESTMENTS PRIVATE LIMITED	-	-	13,860	13,860	PNB HOUSING FINANCE LIMITED	-	2,350	-	2,350
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY	2,290	6,850	2,200	11,840	RELIANCE HOME FINANCE LIMITED	-	2,200	-	2,350
TOYOTA FINANCIAL SERVICES INDIA LIMITED	3,000	1,950	4,200	11,150	IIFL WEALTH FINANCE LIMITED	128	1,931	-	2,059
EDELWEISS COMMODITIES SERVICES LIMITED	9,384	352	900	10,636	JM FINANCIAL ASSET RECONSTRUCTION COMPANY PRIVATE I	1,000	500	500	2,000
ECL FINANCE LIMITED	6,514	702	590	10,265	PIRAMAL FINANCE PRIVATE LIMITED	-	2,000	-	2,000
HERO FINCORP LIMITED	200	4,400	4,790	9,390	INDIA INFRADEBT LIMITED	-	-	2,000	2,000
BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED	-	500	500	9,300	REPCO HOME FINANCE LIMITED	-	-	2,000	2,000
RELIANCE CAPITAL LIMITED	3,775	4,821	482	9,078	VISU LEASING AND FINANCE PRIVATE LIMITED	-	-	2,000	2,000
CAPITAL FIRST LIMITED	4,700	4,000	250	8,950	IL&FS EDUCATION AND TECHNOLOGY SERVICES LIMITED	1,986	-	-	1,986
INDIA INFOLINE FINANCE LIMITED	7,823	-	100	7,923	L&T INFRA DEBT FUND LIMITED	50	1,900	-	1,950
CANFIN HOMES LIMITED	5,000	2,000	-	7,000	KOTAK MAHINDRA INVESTMENTS LIMITED	500	1,158	289	1,947
TATA HOUSING DEVELOPMENT COMPANY LIMITED	7,000	-	-	7,000					
L&T HOUSING FINANCE LIMITED	1,100	500	5,060	6,660					

Player wise "CP" redemption over next 2 months



Issuer Name	Apr'20	May'20	Jun'20	Grand Total
HOUSING DEVELOPMENT FINANCE CORPORATION	-	48,000	-	48,000
MUTHOOT FINANCE LIMITED	18,000	5,000	13,500	36,500
TATA MOTORS FINANCE LIMITED	21,250	14,000	500	35,750
TATA CAPITAL FINANCIAL SERVICES LIMITED	5,000	12,250	7,200	24,450
ADITYA BIRLA FINANCE LIMITED	-	-	16,050	16,050
LIC HOUSING FINANCE LIMITED	-	10,100	7,000	17,100
BAJAJ FINANCE LIMITED	-	-	19,000	19,000
SUNDARAM FINANCE LIMITED	4,000	5,000	6,500	15,500
MANAPPURAM FINANCE LIMITED	-	10,000	4,500	14,500
KOTAK MAHINDRA PRIME LIMITED	3,550	6,350	5,600	15,500
L&T FINANCE LIMITED	5,500	9,500	1,250	16,250
ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	11,000	4,000	-	15,000
TATA CAPITAL HOUSING FINANCE LIMITED	5,000	9,250	-	14,250
SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED	2,000	2,000	5,500	9,500
ICICI SECURITIES LIMITED	8,500	5,000	-	13,500
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION	-	6,000	-	6,000
HERO FINCORP LIMITED	2,500	5,450	5,000	12,950
KOTAK MAHINDRA INVESTMENTS LIMITED	4,180	500	4,650	9,330
JULIUS BAER CAPITAL (INDIA) PRIVATE LIMITED	2,150	4,750	4,250	11,150
BIRLA GROUP HOLDINGS PRIVATE LIMITED	-	4,500	5,000	9,500
KOTAK SECURITIES LIMITED	-	10,000	-	10,000
AXIS FINANCE LIMITED	2,000	5,500	2,000	9,500
MOTILAL OSWAL FINANCIAL SERVICES LIMITED	4,750	2,000	2,500	9,250
HDB FINANCIAL SERVICES LIMITED	3,400	5,350	1,300	10,050
THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED	-	-	-	-
SHRIRAM TRANSPORT FINANCE COMPANY LIMITED	-	-	-	-
ADITYA BIRLA HOUSING FINANCE LIMITED	5,750	1,000	2,000	8,750
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED	-	-	8,750	8,750
BARCLAYS INVESTMENTS AND LOANS (INDIA) LIMITED	-	3,700	4,350	8,050
TATA HOUSING DEVELOPMENT COMPANY LIMITED	-	750	6,000	6,750
GIC HOUSING FINANCE LIMITED	5,500	-	-	5,500
CANFIN HOMES LIMITED	-	3,000	3,250	6,250
FULLERTON INDIA CREDIT COMPANY LIMITED	-	-	6,250	6,250
TVS CREDIT SERVICES LIMITED	2,000	3,000	-	5,000
STANDARD CHARTERED INVESTMENTS AND LOANS (INDIA) LIMITED	-	1,650	4,200	5,850
DEUTSCHE INVESTMENTS INDIA PRIVATE LIMITED	-	2,500	3,000	5,500
L&T FINANCE HOLDINGS LIMITED	5,000	-	-	5,000
PNB GILTS LIMITED	-	2,000	3,000	5,000
TATA MOTORS FINANCE SOLUTIONS LIMITED	5,000	-	-	5,000
SBI GLOBAL FACTORS LIMITED (FORMERLY GLOBAL TRADE FINANCE	2,200	550	-	2,750

Issuer Name	Apr'20	May'20	Jun'20	Grand Total
JM FINANCIAL SERVICES LIMITED	-	3,000	1,250	4,250
MUTHOOT FINCORP LIMITED	-	-	-	-
TATA CAPITAL LIMITED	-	3,000	1,000	4,000
SUNDARAM BNP PARIBAS HOME FINANCE LIMITED	-	2,000	-	2,000
TATA CLEANTECH CAPITAL LIMITED	2,000	-	-	2,000
JM FINANCIAL CREDIT SOLUTIONS LIMITED	150	-	-	150
L&T HOUSING FINANCE LIMITED	-	3,000	-	3,000
PNB HOUSING FINANCE LIMITED	-	-	3,000	3,000
HDFC SECURITIES LIMITED	-	3,000	-	3,000
ADITYA BIRLA MONEY LIMITED	-	1,000	-	1,000
DAIMLER FINANCIAL SERVICES INDIA PRIVATE LIMITED	-	-	2,500	2,500
MOTILAL OSWAL FINVEST LIMITED	2,500	-	-	2,500
HDFC CREDILA FINANCIAL SERVICES PRIVATE LIMITED	-	2,000	-	2,000
ICICI HOME FINANCE COMPANY LIMITED	-	1,500	-	1,500
HSBC INVESTDIRECT FINANCIAL SERVICES LIMITED	1,000	-	500	1,500
ECL FINANCE LIMITED	-	1,250	-	1,250
SHRIRAM CITY UNION FINANCE LIMITED	1,120	-	-	1,120
CLIX CAPITAL SERVICES PRIVATE LIMITED	-	-	-	-
CREDIT SUISSE FINANCE (INDIA) PRIVATE LIMITED	-	1,000	-	1,000
FEDBANK FINANCIAL SERVICES LIMITED	-	500	500	1,000
PHILLIP FINANCE AND INVESTMENT SERVICES INDIA PRIVATE LIMITED	378	210	206	793
JM FINANCIAL PRODUCTS LIMITED	350	-	-	350
BAJAJ HOUSING FINANCE LIMITED	-	-	750	750
SUNDARAM HOME FINANCE LIMITED	750	-	-	750
EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED	750	-	-	750
RELIANCE HOME FINANCE LIMITED	440	-	-	440