

# Business Standard

## Banks gave about Rs 72,136 crore to NBFCs from April to October 2019

**Banks are supporting finance companies also by buying the high retail loan pools and SME**

**Abhijit Lele November 30, 2019 Last Updated at 01:57 IST**



- Banks gave about Rs 72,136 crore to non-banking financial companies (NBFCs) from April to October 2019, as against Rs 66,222 crore in same period last year

- Banks are supporting finance companies also by buying the high retail loan pools (home, consumer loan) and

SME

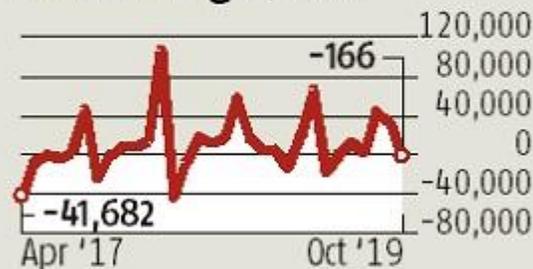
- After IL&FS default in Q2FY19 banks have turned cautious in taking additional exposure
- Giving money mostly to NBFCs which extend retail and SME loans. The wholesale lenders are struggling to get extra funds
- Lenders have stepped up scrutiny of loan profile of finance firms. They are charging higher interest rate and higher collateral cover for exposures.

# OUTSTANDING BANK CREDIT TO NBFCs

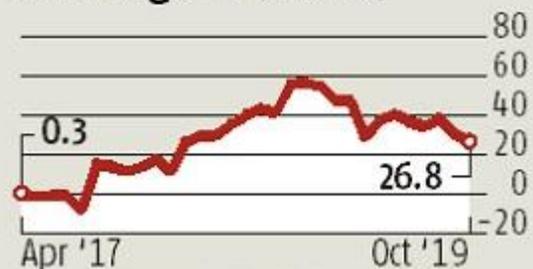
**Total** (₹ crore)



**MoM change** (₹ crore)



**How it grew** (YoY in %)



Source: RBI; compiled by BS Research Bureau