

Renewed liquidity concerns singe NBFC stocks

New Delhi: Shares of non-banking financial companies (NBFCs) came under massive selling pressure Wednesday, plunging up to 13% on liquidity concerns.

Indiabulls Housing Finance Ltd Plunged 13%, leading a decline in financial stocks, on concern about its

exposure to a private real estate player whose credit facilities have been downgraded to default.

Shares of DHFL plunged 12.34%, Mahindra & Mahindra Financial Services 7.74% and Cholamandalam Investment and Finance Company 6.63 per cent on the BSE.

Among others, Ujjivan Financial Services declined 6.29%, Shriram Transport Finance Company fell 5.98% and Can Fin Homes dipped 4.56%.

NBFCs are facing enormous liquidity crunch in the wake of IL&FS crisis.

“The stock is reacting to

market reports of Indiabulls’ exposure to realty developer Supertech Ltd., which saw a credit rating downgrade following a slowdown in cash flow and payment delays,” said Deepak Kumar, an analyst at Narnolia Securities Ltd. “Investors are worried the stress in the real

estate sector

can deteriorate the asset quality of these lenders” Supertech long term fund-based facilities was cut to D from BB- at Brickwork last week. Indiabulls’ Housing may have loaned more than Rs 500 crore to Supertech. —Agencies