

# Indian Securitisation Awards 2017



*An initiative by –  
Indian Securitisation Foundation*





## *Background*

*As the securitization market in India is on a definitive upswing, it is time to recognize performance, innovation and service. Awards are not merely a sense of accomplishment - awards are to encourage players to move to better services and consistent performance. The Awards will be given by the Indian Securitisation Foundation at the 6th Securitisation Summit 2017 on May 12, 2017 at World Trade Center, Cuffe Parade, Mumbai and may be handed over to the awardees during the Securitisation Summit.*



# **Jury Members**

# Jury Members for various categories



Mr. M R Umarji – Former ED, Reserve Bank of India

Mr. V S Rangan – ED, HDFC Limited

Mr. D K Vyas – CEO, SREI Equipment Finance Limited

Mr. A P Saxena – General Manager, National Housing Bank

Mr. Kalpesh Gada – Consultant, Structured Finance

Mr. Devang Gada – Sattva Consultants

Ms. Leena Chacko – Partner, Cyril Amarchand Mangaldas & Co.

Ms. Bekxy Kuriakose – Head, Fixed Income, Principal Pnb AMC

Mr. Suresh Darak - Head – DCM & Selldown, L&T Finance Limited

Mr. G S Agarwal – CFO, Magma Housing Finance Limited

Mr. Debal Mitra – Sr. Vice President, SREI Equipment Finance Limited

Mr. Bijoy Daga



# **Innovative Deal of the Year**

N O M I N A T I O N S



*Innovative Deal of the Year*

- *Fullerton India Credit Company Ltd.*
- *India Mortgage Guarantee Corporation Ltd.*
- *Arohan Financial Services Pvt. Ltd.*
- *Kotak Mahindra Bank Ltd.*
- *IFMR Capital Finance Pvt. Ltd.*
- *Wadia Ghandy & Co.*
- *Trust Investment Advisors Pvt. Ltd.*



# **Innovative Deal of the Year**

WINNER



*Innovative Deal of the Year*

# India Mortgage Guarantee Corporation Ltd.

- Nature of Transaction: **MBS with mortgage guarantee**
- Volume of receivables securitised: **INR 240.39 crores**
- Rating obtained: **ICRA AAA [SO]**
- Key features:
  - ✓ **Securitisation transaction structured with Mortgage Guarantee, first of its kind for the Indian Market**
  - ✓ **Benefits originator/SPV with higher level of loss protection**
  - ✓ **Benefits originator with lower Credit Enhancement of ~50%^**
    - ✓ Capital efficient than normal Cash Collateral
    - ✓ Higher returns of the transaction
  - ✓ **Benefits to investor with enhanced Credit Enhancement**
    - ✓ Without MG - Cash Collateral of ~10%\*
    - ✓ With MG - Cash Collateral of 5% plus MG first loss cover of ~10%
- **What feature of this transaction marks a new innovation, tried for the first time in FY 2016-17? Securitisation transaction structured with Mortgage Guarantee, first of its kind for the Indian Market**





## India Mortgage Guarantee Corporation Ltd. contd.

- The manner in which this transaction create new trend, opens a new class of assets or investors, or generally will take the securitisation market in India forward

### Benefits to investor with enhanced Credit Enhancement

- Without MG - Cash Collateral of ~10%\*
- With MG - Cash Collateral of 5% plus MG first loss cover of ~10%

### Benefits to the originator -

- First loss Mortgage Guarantee cover up to 30% at loan level with 10% cap at pool level
- MG cover reduces credit enhancement requirement, resulting in capital relief for the originator post securitisation
- MG can be invoked once the account is NPA, outstanding principal and interest is paid to the beneficiary up to the covered amount
- Benefit calculations based on 7 years of life of pool
- In case of higher than assumed NPA, loss or tenor, the returns will increase for the originator



# **Arranger of the Year**

N O M I N A T I O N S



*Arranger of the Year*

- *Kotak Mahindra Bank Ltd. (Large Issuances)*
- *ICICI Securities Primary Dealership Ltd (Large Issuances)*
- *IFMR Capital Finance Pvt. Ltd. (Small Issuances)*



# **Arranger of the Year**

WINNER



Arranger of the Year

## Kotak Mahindra Bank Ltd. (Large Issuances)

- Total number of transactions handled during the year 2016-17: 6 transactions
- Total value of the receivables placed during the year 2016-17: Rs. 1400 crs
- Total value of the receivables placed by the company: Rs. 13,831 crs
- Innovations in securitisation deals in FY17:
  - Post clarity emerging from Finance Bill 2017 - Kotak was pivotal in reviving interest amongst MF/NBFC segment for Non PSL ABS pools originated by NBFCs
  - Further to make the PTCs more marketable, Kotak Advised Originator and Investors on Stripping the Principle Cash flows by Tenor Trenching, the same was achieved for 3 of the transactions - MFL XXXVIII, MFL XLI, STFC Sansar Sep
    - Shorter STRIPPs can be placed to MFs for their Liquid/Liquid Plus schemes
    - STRIPPs above 1 year can be placed to duration funds or Banks (who are otherwise as per RBI regulation not allowed to invest in PTCs with tenor less than 1 year)
    - Longer duration STRIPPs can be placed with investors/schemes who have appetite for long tenor instruments (Insurance Companies, Certain Schemes of MFs)



## IFMR Capital Finance Ltd. (Small Issuance)

- Total number of transactions handled during the year 2016-17:  
86 PTC transactions and 10 Assignment transactions
- Total value of the receivables placed during the year 2016-17:  
Rs. 63,295 millions
- Total value of the receivables placed by the company:  
Rs. 2,01,863.19 millions
- Innovations in securitisation deals in FY17: PAR MOSEC (Multi Originator Securitisation)



# **Trustee of the Year**

N O M I N A T I O N S



## *Trustee of the Year*

- *Catalyst Trusteeship Ltd.*
- *IDBI Trusteeship Services Ltd.*





# **Trustee of the Year**

WINNER



*Trustee of the Year*

## Catalyst Trusteeship Ltd.

- Total number of transactions during the year 2016-17: **250 transactions**
- Total value of the receivables handles during the year 2016-17: **Rs 51,700 crores**
- Total value of the receivables handled during the lifetime: **Approx Rs 1,00,000 crores**
- Total value of the receivables currently under management: **Rs 60,000 crores**
- Innovative structure handled during the year: **Vendor Receivable**



# **Law Firm of the Year**

N O M I N A T I O N S



*Law Firm of the Year*

- *AZB & Partners.*
- *Shardul Amarchand Mangaldas & Co.*
- *Wadia Ghandy & Co.*
- *Cyril Amarchand Mangaldas*



# **Law Firm of the Year**

WINNER



## Wadia Ghandy & Co.

- Total number of securitisation transactions during the year 2016-17: **More than 200**
- Type of transactions handled during the year: **PTC & Direct Assignment**
- Innovative structure handled during the year:
  - **Securitisation of receivables arising under documents and bills submitted under letters of credit (Trade Receivables Securitisation)**
  - **Multi - originator structures**