

2 day's workshop on Securitisation – A practical guide

Date: 22nd & 23rd July, 2016

Place: Mumbai



Organised by: Vinod Kothari Consultants P. Ltd

To register kindly drop a mail or call at:

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Why this workshop?

The Indian securitisation market is still at a nascent stage driven by the needs for meeting priority sector lending targets by banks. The band of originators and investors is narrow with NBFCs as the main originators and banks as investors. Asset backed securitisation (ABS) is the largest securitisation class in India, driven by retail loan portfolio of banks. The micro finance companies play a larger role mainly due to their PSL underlying pools.

Though significant progress has been made in reconfiguring Securitisation markets in the aftermath of the global financial crisis, the task of ensuring that these markets contribute to economic growth and financial stability is unfinished. To parcel out high quality cash flows and share the spoils of good cash flows, foundation of every securitisation transaction lies in the effective shaping of the models.

Concepts of securitisation can be better understood with numbers running before you. Numbers provides clarity in seeing the structure of the transaction shaping up. At most basic levels cash flow will determine feasibility of the transaction and at complex levels numerous parties would rely upon cash flow modeling to ascertain different aspect of the transaction. Thus, cash -flow modeling is crucial to structuring of any securitisation transaction.

These 2 days of the workshop will be focused on the practical aspects of securitisation, right to the core and excel modeling will be understood in the best possible way, using practical illustrations. We will understand how numbers provide clarity to the concepts of securitisation; delve into case studies to understand various asset classes, typicality in structures and more.

If you have anything to do with securitisation, covered bonds or asset-backed funding, and getting inputs on this very important financial instrument, you would find it extremely sensible to be a part of this event. As the coverage is very comprehensive, you will emerge with complete inputs on securitisation. We will help you in learning the modeling and structuring for securitisation.



Course Outline

Day 1

Session 1: Introduction to Securitisation

- ❖ Securitisation: Concepts, motivators, market
- ❖ Overview of the securitisation market: India and world-over
- ❖ Asset classes and structures
- ❖ Waterfall and cash-flows in securitisation structures
- ❖ Introduction to synthetic securitisation
- ❖ Introduction to Covered Bonds

Session 2: Asset finance structures

- ❖ Various asset classes
- ❖ Typical risks in asset finance business
- ❖ Case Study of Auto Loan transaction
- ❖ Plain vanilla equipment lease deal: typical features

Session 3: Legal, taxation and accounting aspects of securitisation

- ❖ Principal legal structure and legal issues in securitisation
- ❖ Taxation issues in securitisation and latest developments
 - In the originator's hand
 - On the SPVs
 - In the hands of the investors
- ❖ Accounting for securitisation- For originator, SPV and investor
- ❖ Stamp duty on securitisation

Session 4: Regulatory aspects of securitisation

- ❖ RBI Guidelines on securitisation
- ❖ Bankruptcy code and its implications on securitisation
- ❖ Legal transfer and regulatory issues
- ❖ Risks and responsibilities in securitisation

Day 2

Session 1: Basics of securitisation modeling

- ❖ Waterfall of the transaction
 - Sequential pay-down
 - Proportionate pay-down
- ❖ Pass-through/ Pay-through structures
- ❖ Determining probability of default
- ❖ Determining classes of investments and ratings
- ❖ Impact of correlation
- ❖ Use of simulation

Session 2: Understanding RMBS structure:

- ❖ Introduction to RMBS structures;
- ❖ US RMBS market - agency and non-agency issuance;
- ❖ Case study: A US private label RMBS
- ❖ Key elements in CMBS transactions
- ❖ Comparative between RMBS and CMBS transactions

Session 3: Revolving asset deals:

- ❖ Essential nature of revolving credits: a securitized working capital.
- ❖ Extent of originator dependence in revolving type deals.
- ❖ Key risks and structural mitigation.
- ❖ Case study: a microfinance structure/ gold loan structure

Case study

About the trainer



Ms. Nidhi Bothra

(Executive Vice President, Vinod Kothari Consultants P Ltd.)

Qualification:

Associate Company Secretary

Ms. Nidhi Bothra is a commerce graduate from Kolkata and an associate member of the Institute of Company Secretaries of India. She has been the pillar of strength of Vinod Kothari Consultants Pvt. Ltd. (VKCPL). With her vast knowledge and expertise, she has always been a source of inspiration and has always been instrumental to take VKCPL to great heights.

Ms. Bothra is engaged as an expert with Globalexerts4u on Legal and Financial topics. She has been participating in the "Doing Business" research conducted by the IFC on several regulatory issues in India for the years 2010 - 2014, She was also engaged in research survey by Centre for the Study of the Financial Innovation (CSFI) - "Microfinance Banana Skins, 2012", assessing microfinance risks in India.

She is also a well-known writer in the field of finance whose authored articles made their place in esteemed journals, websites and other forms of mass media. Briefing her accolades below:-

DIRECTORSHIPS:

- ❖ Executive Vice President, Vinod Kothari Consultants P Ltd
- ❖ Director, Indian Securitisation Foundation
- ❖ Director, JSW Natural Resources India Limited

AREAS OF EXPERTISE:

- ❖ Securitization & Covered Bonds
- ❖ Affordable housing finance
- ❖ Mortgage lending, secured lending laws
- ❖ Leasing, asset-backed lending
- ❖ Asset reconstruction business



- ❖ Corporate laws and corporate finance
- ❖ Fund based advisory

PUBLICATIONS:

- ❖ Guide to Start ups , A Taxmann publication (Lead contributor)
- ❖ Your Queries on Companies Act 2013, A Taxmann publication
- ❖ Guide to Factoring, 2015 edition
- ❖ Contributor to the book - Guide to Structured Finance, 2014
- ❖ Co-author of the book - 'Understanding Companies Act, 2013', Taxmann publication, 2013 edition.

CONSULTING EXPERIENCE:

- ❖ Led a capacity building program for IFC on developing a toolkit on Housing Microfinance and Micro-mortgages in India, 2012
- ❖ Engaged on study on Covered Bonds into India for a Working Committee set up by National Housing Bank India, 2012
- ❖ Currently acting as a leasing consultant to several NBFCs in India
- ❖ Assisted on project for leasing in Egypt for a microfinance entity in Egypt in 2010
- ❖ Assisted on Affordable Housing Project for the Govt. of Jordan in 2009

LECTURING:

- ❖ Lectured for 2 days at 16th Securitisation & Covered Bonds Masterclass, a public workshop open for corporates held in Mumbai.
- ❖ 2 days public workshops on Asset Backed Lending & Operating Leases 5 days
- ❖ Training on securitization at African
- ❖ Lectured in Calcutta University on Functioning of Financial Markets
- ❖ Corporate trainings, trained over 200 employees across India on asset backed funding
- ❖ Part of training team for SME lending business for a leading NBFC in India
- ❖ Guest Lecture at ICAI's Masters of Business Finance course
- ❖ Lectured in Institute of Chartered Accountants of India on Carbon Credits
- ❖ Lectured several CS students in Institute of Company Secretaries of India (ICSI)



ARTICLES & PUBLICATIONS:

- ❖ Article on Euromoney Handbook on Structured Finance on “Securitisation in Asia”
- ❖ Co-Authored article on “Islamic Lease” published in World Leasing News
- ❖ Articles on Islamic Finance News, Red Money publication “Understanding of Sukuk” and “Islamic securitisation structures – more needs to be done?”
- ❖ Articles in Asset Finance International on “India’s leasing rebirth in the wake of economic boom”
- ❖ Articles in moneylife.com on “FDI in Retail – FAQs” and “Securitisation Guidelines impact on India”
- ❖ Articles in Easter India Regional Council Newsletter, ICSI on “Microfinance in India”
- ❖ Articles on Easter India Regional Council Newsletter, ICAI on “Carbon Credits Regulatory, Accounting, Taxation Issues”
- ❖ Articles and reviews on the microfinance industry in microfinancefocus.com
- ❖ Several articles published in www.vinodkothari.com, www.india-financing.com, www.credit-deriv.com and www.suvidha.com on Micro finance, laws of venture capital, mortgage industry and carbon credits, leasing, cost management, Introduction to Financial Markets etc.
- ❖ Analysis of the state of securitization and leasing industry in several countries

OTHER ENGAGEMENTS:

- ❖ Director of Indian Securitisation Foundation, the only forum representing the securitisation industry, focused towards promoting securitisation in India.
- ❖ On the Correspondent Board for Islamic Finance News, Red Money Publications for “Securities and Securitisation.”
- ❖ Profile of the month for January, 2012, in Asset Finance International, an international online journal focused on asset backed lending.
- ❖ Presently retained as an expert with Globalexerts4u as an expert on legal and financial topics
- ❖ Participated in Doing Business 2010, 2012 & 2013 by IFC, World Bank on regulatory scenario in India

COUNTRIES OF WORK EXPERIENCE: India, Africa, Sri Lanka, Jordan, Egypt

✚ **Our websites may be viewed at:**

<https://www.india-financing.com/>

<http://vinodkothari.com/>

✚ **Our list of other courses, past and upcoming courses may be viewed at:**

<http://vinodkothari.com/secwork/>

