

IFMR Capital and **CRISIL**
Announce a Workshop on
Securitisation for Microfinance
Taking MFIs to Capital Markets

A primer on microloan-backed securitisation structures that enable MFIs to access a wide range of debt market investors including mutual funds, insurance companies & banks.

Dates

15th - 16th,
December 2009

Venue

IFMR Campus,
24 Kothari Road,
Nungambakkam,
Chennai 600 034,
India

Overview

IFMR Capital in association with CRISIL invites participation for a two day workshop on "Securitisation for Microfinance". This workshop intends to provide participants a sound knowledge on securitisation transactions, the benefits and risks associated with it and pre-requisites for securitisation for MFIs. More importantly, MFIs will carry with them an action plan with timelines that will guide them in future securitisation transactions. In addition, participants will take with them a variety of reading material and will gain from their interactions with industry experts.

Background

Securitisation involves the conversion of assets which have predictable future cash flows (e.g. a pool of micro-loans) into standardized, tradable securities. IFMR Capital pioneered the securitisation of micro-loan pools originated by high-quality MFIs in India by concluding the first rated securitisation of portfolio originated by Equitas, a leading MFI. This transaction created the first 'AAA' rated asset in the Indian microfinance industry. Such rated securities are much more liquid than plain-vanilla term loans or portfolios purchased under assignment. They also have the potential to tap new sets of investors including mutual funds, insurance companies, high networth individuals, banks and NBFCs.

Benefits of Securitisation for MFIs

Securitisation provides several benefits to MFIs, including:

1. Diversification of sources of funds (as it enables a wide investor base to purchase rated securities)
2. Capital release and better liquidity management
3. Access to capital markets - regular source of funds
4. Reduction in cost of funds

The workshop will cover the following topics:

- **Basic debt concepts:** This session covers the concept of time value of money, calculation of IRR, concept of discounting through an exercise, debt instruments which can be used for financing - Loan, Bonds, Sale of assets, Short term CP - and comparison of sale-of-assets vis-a-vis loan and its effect on the balance Sheet.
- **Securitisation market overview and basics of securitisation:** This session covers the basics of securitisation and its benefits, the role of the various counterparties involved in a securitisation transaction and a brief overview of Indian and global securitisation markets.
- **Securitisation concepts:** This session covers the structuring concepts (Par and Premium structures), tranching concepts (credit tranching, time tranching etc.) and different forms of credit enhancement.
- **Accounting and tax-related issues in securitisation:** This session provides an overview of accounting and taxation from the originator's perspective and key points in the ICAI guidelines
- **Rating methodology:** This session highlights key risks associated with a securitisation transaction (credit risk, market risk, counter party risk and legal risk) and ways to mitigate them to achieve a desired rating level.
- **Legal and regulatory issues:** This session explores the legal and regulatory issues (true sale/bankruptcy remoteness, stamp duty, documentation related issues, compliance with extant regulatory guidelines) associated with a securitisation transaction.
- **Discussion on a live CRISIL rated micro-loan securitisation transaction:** A brain-storming session where the structuring concepts used in a live MFI securitisation transaction will be discussed. This section will also discuss the benefits of securitisation.
- **Market feedback:** This session will provide participants feedback from investors in securitisation transactions and prevailing market rates in the context of securitisation of microfinance assets.

Faculty

Prasad Koparkar

Prasad is Head, Structured Finance Ratings group in CRISIL. He oversees a 20-member strong credit team and has handled a large number of rating assignments for securitisation transactions across a wide range of asset classes and originators. Prasad is a key member in the Rating Committee and has put in a robust framework towards rating and analysing the securitization and other structured transactions. Prasad is a qualified Chartered Accountant, Cost Accountant and also holds CFA and FRM certifications.

Pramod Jain

Pramod is a practicing Chartered Accountant with over 20 years of rich experience in varied multinational and Indian companies. His experience includes managing of funds mobilisation through debt and equity from Indian and international markets, corporate and financial restructuring activities including M&A, financial control & administration, maintenance and finalisation of Financial Accounts as per Indian and International GAAP, management of audits of all types, taxation and budgetary controls.

Meenal Madhukar

Meenal heads the Investor Relations Team at IFMR Capital. She is a financial services professional with 17 years of experience in India, US, and UK. She has held senior level positions in treasury management, corporate banking and credit with Deutsche Bank, Standard Chartered Bank and US Bancorp. Meenal has an MBA from INSEAD in France, as well as an MBA from Clarion University in Pennsylvania, USA.

Kartikeya Singh

Kartikeya is part of the Legal & Risk Management Team at IFMR Capital. He has handled matters relating to private equity investments, mergers and acquisitions, joint ventures, real estate, funds, and foreign investment at the law firm AZB & Partners in New Delhi. Prior to this he was working with the Corporate Legal Group, ICICI Bank Ltd., in Mumbai and New Delhi. Kartikeya graduated from the National Law School of India University, Bangalore.

Who Should Attend

This course is designed for CEOs and CFOs who are looking for innovative ways to diversify the sources of debt funding and to grow their MFI's portfolio and want to learn about the practical aspects of a securitisation transaction.

When and Where

This training will be held for two days between **15-16 December, 2009 (Timings: 10:00AM to 07:00PM)** at the *IFMR Campus, 24 Kothari Road, Nungambakkam, Chennai 600034, Tamil Nadu, India*

Course Fee

Rs 5000/- per participant. The participant has to bear his or her own travel and accommodation costs.

Registration

Deadline	:	10th December, 2009
How to Register	:	For registration and more information please send an email to Bhagirath Iyer at bhagirath.iyer@ifmr.co.in or call +91 96770 22565 Gaurav Kumar at gaurav.kumar@ifmr.co.in or call +91 97909 98016
Payment Options	:	(1) DD in favour of "IFMR Capital Finance Private Limited" at IFMR Capital, 1, Cenotaph Road, Teynampet, Chennai - 600018 (2) RTGS details: Name of the Bank : ICICI Bank Branch Address : 459/1, Anna Salai Road, Teynampet, Chennai-18 Bank a/c no : 000 105 023 113 RTGS/NEFT/IFSC Code : ICIC0000001 MICR Code : 600229002