

## INDIAN SECURITISATION MARKET

Healthy improvement in securitisation volumes for FY2022; though still lower than pre-Covid levels

**JUNE 2022** 



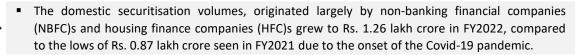
### Highlights





As per ICRA's estimates, securitisation volumes grew by ~45% to about Rs 1,26,500 crore in FY2022 against ~Rs 87,300 crore in FY2021.

The annual volumes are still lower than the pre-Covid levels of close to Rs. 2 lakh crore





 Securitisation activity was disrupted in the first quarters of FY2021 and FY2022 due to the Government-imposed lockdowns. However, sequential improvement in volumes in subsequent quarters was witnessed in both the years.



- ICRA expects annual securitisation volumes to witness 20-30% increase in FY2023 supported by improved growth outlook for non-banks. Unless the country witnesses further Covid-related disruptions, ICRA expects quarterly volumes to be comparatively evenly spread out in FY2023.
- Pool collections in ICRA-rated pools witnessed a contraction in Q1 FY2022 amidst the second wave, but saw a healthy bounce back supported by improved repayment capability of borrowers. Collections remained steady in Q4 FY2022 given the limited disruptions during the third wave.
- Mortgage loans and vehicle loans continue to have a major share in securitisation volumes. However, vehicle loans saw a decline, especially in the last quarter due to increasing fuel prices that made vehicle financiers cautious.
- After a gap of almost two years, unsecured MFI loans found favour with investors in the last quarter of the year. About 57% of the annual MFI volumes were securitised in Q4 FY2022 itself.



Newer asset classes (such as personal loans, two-wheeler, school loans, K-12 loans) continue to be
present in the securitisation market. This is driven by the emergence of new investors such as
NBFCs, FPIs, HNIs etc. with focus on returns rather than PSL compliance.

#### Agenda















Investor-cum-Segment Trends



Rating-wise Distribution





	Abhishek Dafria	Samriddhi Chowdhary	Sachin Joglekar
	Vice-President & Group Head	Vice-President & Co-Group Head	Assistant Vice-President & Sector Head
<u></u>	Abhishek.dafria@icraindia.com	samriddhi.chowdhary @icraindia.com	sachin.joglekar@icraindia.com
C	+91 22 6114 3440	+91 22 6114 3462	+91 22 6114 3470





	L. Shivakumar	Jayanta Chatterjee	Naznin Prodhani
	Executive Vice-President	Executive Vice-President	Head Media & Communications
Ŵ	shivakumar@icraindia.com	jayantac@icraindia.com	communications@icraindia.com
C	+9122- 6114 3406	+9180 – 4332 6401	+91124 – 4545 860







#### © Copyright, 2022 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



# **Thank You!**