

SRIJAN PANEL DISCUSSION

6:00 p.m. onwards, July 3, 2008
Grand Hyatt, Santa Cruz East, Mumbai

6:00 PM – 7:00 PM

Panel 1: The Great Credit Squeeze in Microfinance: Do We Need a New Debt Institution?

Targeted at the issues in financing Tier-3 and start-up MFIs

Moderator – Manju George, Vice President (Business Advisory), Intellectap

Points of Discussion

- In absence of grant funding what are the options in front of start-up MFIs?
 - Do the grant makers have a new role in the emerging story about start-up MFIs in India? Are grants an option to build sustainability?
- Are commercial banks choking at the risk of lending to start up commercial MFI?
 - What can motivate a commercial banker to lend to microfinance? Is it equity, team, partnership with a strong support system, guarantee or is it size alone that makes the banks enjoy lending? What do banks look at other than leverage for financing a start-up?
- What do start up think (even those who are well supported)?
- Are nationalized banks willing to enter private microfinance sector?
 - Their views on appropriate interest rate, Should there be a cap esp. relevant for a start-up since most are yet to breakeven?
 - Do the nationalized banks see these MFIs as potential business correspondents (example - refer to ALW-SBI model here)
- Are there alternative debt funds or debt funding mechanisms? What is the scope for new wholesale lending institutions?

Panelists

Mr. Ajit Kanitkar

Program Officer, Development Finance and Economic Security, Ford Foundation

Mr. Wim Van Der Beek

Aavishkaar Goodwell

Mr. Joseph Silvanus

Regional Head - Development Organisations, Financial Institutions, South Asia Client Relationships & Wholesale Banking Standard Chartered Bank

Mr. Vasudevan Vasu, Equitas

Managing Director, Equitas Micro Finance Company

Mr. N. K. Maini (invited)

Chief General Manager, Small Industries Development Bank of India (SIDBI)

Representative (invited)

International Finance Corporation (IFC)

7:00 PM – 8:00 PM

Panel 2: Innovation in Debt Financing Instruments

Moderator: Atreya Rayaprolu, Vice President (Investment Advisory & IDG), Intellectap

Points of Discussion

- Short overview presentation on the alternative debt structures before entering into the panel discussion.
- *Securitization versus Portfolio Buy-out*: What is the difference or are they same? Can both co-exist? What should an MFI choose?
- *Placement of securitized debt*: Is there sufficient interest from Mutual Funds or Insurance Companies in the current regime where foreign institutions cannot participate?
- *Rating of microloan tranches*: The challenges in rating a Microfinance Portfolio, and estimating Credit Enhancement
- *Technology*: Role played by technology in securitization or innovative debt financing.
- *Costs* - Impact of using Securitized Debt on overall cost of funding for MFI
- *Regulation*: Restrictions on issuing securitized debt to foreign investors, classification of Pass Through Certificates under the Priority Sector
 - Structure of the transaction - revolving structures not allowed in India as it is not considered a 'true sale'

Panelists

Mr. Philip Vassiliou (invited)
Managing Director, Legatum Capital

Mr. Royston Braganza
Grameen Capital India

Mr. Umesh Sharma
Lotus India Asset Management Co.

Representative (invited)
Head, Asset-backed Securitization, Standard Chartered Bank

Mr. Manish Khera (invited)
CEO, FINO

Mr. Prasad Koparkar (invited)
Head, Structured Finance, CRISIL

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