

# INDIAN SECURITISATION MARKET

Securitisation volumes for FY2024  
reach pre-pandemic levels; expected  
to cross Rs. 2 lakh crore in FY2025

MAY 2024



## 1 Securitisation Volume Trends



## 2 Asset Class-wise Securitisation Volume Trends



## 3 Investor-cum-Segment Trends



## 4 Rating-wise Distribution





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*Overall securitisation volumes, originated mainly by financial institutions, stood at ~Rs. 1.92 lakh crore in FY2024, a growth of ~6% over FY2023.*

*ICRA expects securitisation volumes to comfortably cross Rs 2 lakh crore in FY2025 if the macro-environment remains stable.*



- The growth in securitisation reflects high retail credit demand being catered by non-banking financial companies (NBFCs) and housing finance companies (HFCs), increased reliance on securitisation as a funding tool, and a growing investor base.
- FY2024 also witnessed a sharp increase in securitisation by small finance banks (SFBs) as well as initial steps taken by a few private sector banks to support their portfolio growth, given the recent challenges in deposit growth rates.
- The total number of originators significantly increased in FY2024 as securitisation becomes a more broad-based mode of funding for entities.
- In FY2024, vehicle loans dominated the securitisation market following the exit of HDFC Limited in Q2, a leading originator who earlier drove the share of mortgage-backed securitisation. The share of microfinance loans was second highest, behind vehicle loans.
- Pass-through Certificates (PTCs) yields seem to have stabilised consequent to the stability of policy rates in FY2024. Historically, the movement in PTC rates has moved in tandem with policy rate changes.
- Banks continue to remain the dominant investors in the securitisation market in India constituting ~78% of all ICRA-rated transactions in FY2024.
- Rating upgrades for ICRA-rated PTC transactions increased in FY2024, largely driven by healthy collections and build-up in credit enhancement. The minimal rating downgrades in the year occurred because of poor pool performance as well as credit quality issues of one originator.



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