

By India's leading expert on the subject

Most
Comprehensive
Coverage on
NBFC'S

Non-banking finance companies: Products, Legalities and Risks

Venue: TBA

In Mumbai, India
June 20th -21st, 2011

The course will
provide a complete
understanding of
NBFCs

Presented By: VINOD KOTHARI CONSULTANTS P LTD
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Why this Course

The 11th Five Year Plan puts infrastructural development as quintessential for economic growth and development. Tons of money are being invested in infrastructure, equipment, aircrafts, vehicles, consumer durables and so on and NBFCs are at the forefront of this development. Having mobilized resources from equity and debt markets, NBFCs are vying to make the most out of the India growth story.

Understanding the need of the hour, this course includes a variety of products – from trade finance to project finance, venture capital funding, operating lease, asset finance, commercial real estate finance. The course has a very wide and comprehensive coverage.

And it is not limited to legal issues only – it covers products, risks inherent, strategic and entity wide risk management, risk capital and controls.

In short, the course is simply **INDISPENSABLE** for those who are connected with NBFCs.

For Whom

- Banks & Financial Institutions
- Non Banking Financial Companies
- Financial Analysts
- Financiers, Consultants & Researchers

Time and venue details

Date: 20th -21st June, 2011

Venue: TBA, Mumbai

Time: 9.30 a.m. to 5.30 p.m.

About the Faculty



Vinod Kothari is internationally recognized as author, trainer, consultant and expert on specialized financial subjects, viz., securitisation, credit derivatives, accounting for financial instruments, etc. As such, he lectures all over the world. The locations where he has lectured on these subjects include New York, Washington, London, Milan, Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Jordan, Egypt, Dubai, Kuwait, Sri Lanka, Bangladesh, etc., besides almost every important location in India.

And we have handled very diverse groups – from rating agency professionals in Malaysia, to group of investors in Sydney, to tax officers in South Africa, to group of lawyers in India, to executives of the World's largest securitisation agency in Washington, to a group of quants in New York.

Consulting assignments:

Vinod Kothari claims extensive consulting experience in securitisation – offering comprehensive securitisation-related consulting services to a variety of clients including originators, investors, IT companies, etc. Apart from one-off services to several companies in different countries, Vinod Kothari has been retained by an Indian rating agency for structured finance ratings. Vinod Kothari had been retained by Govt. of Jordan for suggesting and working on funding for a high-profile low-cost housing project. Vinod Kothari has been currently engaged as a consultant by a micro finance company in Egypt for their Leasing venture.

Author of Books:

- **Securitisation, Asset Reconstruction and Enforcement of Security Interests, 2010 Third edition:** This book is a detailed commentary on the law by the same name enacted in India. Besides a thorough and incisive commentary on the law, the book contains generic chapters dealing in detail with the law of enforcement of security interests in global context.
- **Editor** - Guide to the Companies Act, 1956, A. Ramaiya, 17th Edition, 2010
- **Credit Derivatives and Structured Credit Trading, 2009 edition:** This is one of the very few comprehensive texts on credit derivatives and is read all over the World.
- **Introduction to Securitisation by Frank J. Fabozzi and Vinod Kothari, July 2008** outlines the basics of securitization, addressing applications for this technology to mortgages, collateralized debt obligations, future flows, credit cards, and auto loans. The authors present a comprehensive overview of the topic with experience they have gathered through years of interaction with practitioners and graduate students around the world. This book contains coverage of such key topics as: structuring agency MBS deals and non-agency deals, credit enhancements and sizing, using interest rate derivatives in securitization transactions, asset classes securitized, operational risk factors, implications for financial markets, valuation of MBSs and ABSs, and applying securitization technology to CDOs.
- **Securitisation: The Financial Instrument of the Future, Third edition 2006:** Published by Wiley, this highly popular book runs over nearly 1000 pages, and is an internationally-read publication. The book has received rave reviews from readers and reviewers all over. The book explains securitisation techniques in lucid details and includes comprehensive coverage on multi-faceted issues relating to securitisation and international case studies to illustrate different aspects of securitisation.
- **Lease Financing and Hire purchase (4Th edition, 1996):** This book, first published in 1985, is widely recognised as the bible on leasing in the continent and has been the most popular text on the subject for last 15 years. The book runs over 2000 pages and has elaborate contents on leasing, hire purchase and similar credit agreements.
- Author of 3 Chapters in Handbook of Finance, (editor Frank Fabozzi), published by Wiley, USA

Articles:

- Vinod Kothari's articles on asset-based finance, securitisation etc. have appeared in several national and international journals including Duke Journal of Comparative International Law (USA), US Banker (USA), Exportrader (Spain), Trade and Forfaiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), MonitorDaily (USA), Analyst (India), etc.
- Vinod Kothari also contributes to Euromoney's yearbooks on leasing and securitisation.

Lecturing:

- Regular speaker at professional institutes,
- Visiting faculty at Indian Institute of Management, Joka, Calcutta for several years. Currently, offering a course on structured finance, rated as one of the most popular courses (last term had 130 registrations).
- Guest faculty at National University for Juridical Sciences: the subject taught here are insolvency and credit interest enforcement laws in India and other countries. The course included a comparative study of the insolvency and creditors' rights in USA, UK and Australia.

Websites

Vinod Kothari owns and runs some of the World's most popular websites on specialized financial subjects:

- Securitisation: <http://vinodkothari.com>
- Credit derivatives: <http://credit-deriv.com>
- Leasing and asset-backed financing: <http://india-financing.com>
- Asset reconstruction companies: <http://india-financing.com/arc/>

Positions

Vinod Kothari has been retained by the Asian Development Bank, Manila for two important projects: to advise the Govt. of India on reforming secured lending law in India; and to develop securitisation-related legal framework in the Asian region.

Vinod Kothari is the Director of Association of Leasing and Financial Services Cos., a body of over 500 top leasing companies in India and is editor of its Newsletter Fin-n-lease.

Vinod Kothari is the former Chairman of the Institute of Company Secretaries of India.

Vinod Kothari is the Executive Director of the Asian Securitisation Forum

Vinod Kothari is the Director on the Board of Ispat Industries

Awards

In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation. Vinod Kothari won several academic awards.

Your Investment

The fee for this non-residential course is Rs 20000/- (USD 750) per participant.

Course fee includes:

- Tuition fees, Course Material
- Lunch and snacks during the breaks

Fees along with the Registration Form should be mailed with cheques payable to Vinod Kothari Consultants Private Limited and may be mailed as per details annexed.

Bookings can be cancelled by written intimation at least 3 days before the Course date, when a refund of fees after a 20% deduction on account of administrative charges shall be made. No refund is possible for cancellation thereafter or for no shows. We generally do not encourage proxies. We surely do not allow one person taking a part of the course and another person taking the other part.

Course outline

1. What is non-banking finance:
 - a. Meaning of non-banking financial companies as per RBI Act.
 - b. Overview of regulatory set up distinguishing between non-banking non-financial companies, non-banking financial companies and banking companies.
 - c. Distinction between banks and non-banking financial companies. What can NBFCs do and not banks. What can banks do and not NBFCs.
 - d. Regulatory arbitrage
2. Basic law of secured lending:
 - a. Meaning of security interest
 - b. Different forms of security interest
 - i. Against movable and immovable property
 - ii. Possessory and non possessory security interest
 - iii. Mortgage and charges
 - iv. Conditional sales
 - c. Creation of security interest
 - d. Perfection of security interest
 - e. Enforcement of security interest
 - i. Self-help enforcement; differences between rights of banks and NBFCs
 - ii. Judicial enforcement
 - iii. Non-judicial arbitral enforcement
 - f. Guarantees and third-party security interests
 - g. Overview of security interest laws globally and emerging trends
3. Credit and security interest evaluation:
 - a. Credit evaluation of a funding proposal
 - b. Basics of evaluation and analysis of financial statements
 - c. Evaluation of the asset
 - d. Two critical ratios – loan to value ratio and debt service coverage
 - e. Movement of LTV ratio over time
 - f. Assessing residual value of the security interest
4. Different forms of funding transactions:
 - a. Asset-backed lending business –loans against commercial assets
 - i. Creation of security interest on commercial assets
 - ii. Alternative forms of asset-backed funding: hire purchase and leasing
 - b. Loans against financial assets (shares and securities)
 - i. Essential rules of pledging and procedures in case of physical and demat securities
 - ii. Restrictions on loans against shares by SEBI and stock exchanges
 - iii. Rights of a pawnee under contracts law
 - c. Trade finance
 - i. Financing of trade receivables
 - ii. LC financing
 - iii. Bills discounting and factoring
 - d. Unsecured personal loans:
 - i. Money lending laws
 - ii. Enforcement of personal loans
 - e. Project finance:
 - i. Creation of floating charges and enforcement
 - ii. Restrictive covenants in case of project finance

- iii. Relevance of special purpose vehicles
 - f. Venture finance
 - i. Legal aspects of venture capital funding by venture capital funds
 - ii. Venture funding by NBFC
 - iii. Essential features of venture capital documentation – shareholders' agreement
 - g. Mezzanine financing and subordinated loans
 - i. Rights of a subordinated lender
 - ii. Ensuring the interest of a subordinated lender
- 5. Financial leasing and hire purchase
 - a. What assets can be leased?
 - b. Merits and demerits of leasing
 - c. Taxation aspects of leasing
 - d. Quick introduction to VAT and service tax in case of leases
 - e. Operating leasing
 - i. What is an operating lease
 - ii. When to opt for an operating lease
 - f. Off balance sheet feature and making the most out of it
- 6. Pricing of a credit asset:
 - a. Assessment of probability of default
 - b. Essential of structural model for predicting the probability of default
 - c. Establishing recovery rate
 - d. Pricing of credit risk
 - e. Assessing economic capital requirements and portfolio pricing
- 7. Risk management in NBFC business
 - a. Assessing credit risk and providing for credit risk capital
 - b. Asset liability management:
 - i. Assessing asset liability mismatches and sources of liquidity risk
 - c. Interest rate risk and other sources of market risk
 - d. Introduction to value-at-risk and its computation methodology
- 8. Basel II and regulatory capital for NBFC business
 - a. Introduction to Basel II capital norms
 - b. Standardised and IRB approaches
 - c. Introduction of Basel II norms in India
 - d. Operational risk
 - e. Regulatory capital management through securitisation and credit risk mitigation devices
- 9. RBI regulation on NBFC business
 - a. RBI regulatory framework
 - b. Systemically important and unimportant companies
 - c. Corporate governance norms
 - d. Other norms applicable to NBFCs

Registration

Send your check for the registration fees as applicable along with the following particulars relating to each attendee to **our office** (address below). Registration is confirmed upon realisation of your check.

Attendee name
Attendee designation
Company name
Attendee contact details(Phone)
Fax
E-mail
Another contact person from the Company (say, HR or Admin)

For registration and details, contact:

[Nidhi Bothra/ Bijoyeta Chakrabarty](#)

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