



Vinod Kothari Consultants P. Ltd.
presents

**Two - day
international
workshop on
Leasing in
growing
economies:
Making the Most of
an
Excellent Business
Opportunity**

*Venue: Sun and Sand Hotel
Mumbai (India)
June 13-14, 2008*

We deliver the best of financial services training... very competitively

-----Highlights-----

- **Leasing is reviving internationally – volumes have shown sharp growth in many developed markets.**
- **In India, recent reforms of indirect taxation and new depreciation structure make leasing a viable option.**
- **Operating leasing is one of the most favoured means of off balance sheet funding by corporates – growing in significance by the day.**
- **Workshop has an international focus and will discuss critical economics of leasing from an international perspective.**
- **Very practical course: two day event will spend substantial time on hands-on working by participants**
- **Core faculty an internationally established expert in the relevant field.**

**Organised by
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About Organisers:

Vinod Kothari Consultants Pvt Ltd.

As imparter of training on leasing, securitisation, structured finance, credit derivatives, etc., its success is almost peerless. From the nerve-center of World financial markets to developing economies, it has been at variety of places, and has addressed variety of groups – bankers, investment bankers, regulators, lawyers, rating agencies, investors, students, etc. All the past workshops have received an overwhelming response drawing participants from different countries.

Why this course?

Equipment leasing is an important method of financing the growth of any economy. World-over, lease transactions provide an efficient alternative for asset acquisition. Properly structured lease transactions may provide tax efficient, and quite often, off balance sheet funding means. Flexibility and effective collateral rights make leasing a one of the prime methods of asset-backed funding.

In growing economies, the potential for leasing is immense.

In India, leasing was a thriving activity till about 1996 whereafter for several reasons, the volume of lease transactions came down sharply. Operating leases are a new phenomenon and leasing is finding a resurrection in form of operating leases. This apart, there is a sure spurt in the volume of leases over recent period.

With the recent reforms in taxation, leasing has regained its viability in India. In international context, leasing has had a definite revival. In several emerging market countries, leasing is a strong asset-backed method of funding capital investment.

While both financial and operating leases have become worth-considering, this workshop will focus on the distinctive advantages of operating leases. There are several regulations, standards and rules that define and affect the structure of operating leases. In addition, the structuring of operating leases, management of residual asset risk, etc. require both intensive knowledge as well as skill set.

The objective of this workshop is to allow participants a thorough idea of lease transactions – from accounting definitions to pricing, asset risk management, structuring, tax and legal issues, and accounting treatment.

Of the two days, the significant time of a day will be spent on pricing and structuring of lease transactions. We also intend to give participants a hands-on on pricing.

Who should attend:

- Financial companies, leasing companies, banks engaged in asset-based funding
- Leading manufacturers and technology companies which have taken or propose to take assets on lease

- Financial consultants, accounting firms, solicitors advising clients on operating lease transactions
- Technology companies focusing on developing IT solutions for operating lease transactions
- Financial regulators, etc.

Faculty:

The core faculty is **Vinod Kothari**. Vinod Kothari is well known as *the guru* of the leasing industry. Author of Lease Financing and Hire purchase, a tome running over 2000 pages, Vinod Kothari is known and consulted all over the region as an authority on leases.

Apart from leasing, Vinod Kothari is focused on securitisation and credit derivatives, on which he has authored several books.

Vinod Kothari has conducted training all over the World - in New York, Washington, London, Sydney, Milan, Frankfurt, South Africa, Malaysia, Singapore, Hong Kong, Dubai, Kuwait, Shanghai, Shenzhen, Colombia (South America), Zambia, Sri Lanka, Bangladesh, Egypt, Jordan, etc.

Vinod Kothari's web sites on securitisation [<http://www.vinodkothari.com>] and credit derivatives [<http://www.credit-deriv.com>] are ranked as the most popular resources on the respective subjects. Also see Vinod Kothari's site <http://india-financing.com> dedicated to leasing developments.

Vinod Kothari is the Director of the **Association of Leasing and Financial Services Cos**, and Executive Director of the **Asian Securitization Forum**.

Course fees:

	Non-residential
Overseas participants	USD 900
Indian participants	Rs. 30000/-

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

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

Unless kept wait-listed, all bookings are confirmed on realisation of fee.

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. Wait-listed participants not confirmed will be entitled to full refund.

Only registered delegates will be allowed to attend the Course.

Time and venue details

Date:

June 13-14, 2008

Venue:

**Sun and Sand Hotel
39 Juhu Beach
Mumbai 400 049**

Time:

9.30 a.m. to 5.30 p.m.

On the first day, participants are required to report at 9.00 a.m. for registration formalities.

Course materials:

Hard copies of the presentation materials will be provided along with the usual conference kit.

Number of Participants:

Limited to 30 on first-come-first-serve basis.

Course outline:

1. Leasing and lending- basic differences and similarities:
 - Asset based financing – basic principles
 - Financial and operating leases and rental contracts
 - Is the business environment for leasing improving?
 - Experience and data over the recent period
2. Essentials of lease structuring:
 - Basic objectives of lease structures: key variables in pricing
 - Credit risk and asset risk – key variables in structuring
 - IRR-based pricing, NPV-based pricing, dual rate pricing, enhancing the value-addition in leases
 - Various rental structures
3. Quick overview of the legal fundamentals:
 - Understanding of lease pricing from lessee viewpoint – asymmetry in lessor and lessee consideration
 - Is operating leasing an NBFC activity?
 - Legal requisites of leases – law of bailments
 - Concept of a true lease
 - Rights and obligations of the lessor in case of operating leases on quality of goods
4. The tax structure of lease rentals
 - Understanding the uniqueness of lease taxation
 - Impact of VAT and other taxes on lease economics:
 - Introducing the concept of Post-VAT IRR

- Illustrating computation of post-VAT IRR in different situations
 - Post-tax returns from leases and factors affecting the same
 - Post-tax post-VAT IRR
 - Post-tax cost of a lease to lessee and factors affecting the same
- 5. Structure of leases and asset risk:
 - Various forms of asset value risk:
 - Residual value-based leases
 - Lessor guaranteed residual value leases
 - Assessment of residual values
 - Pricing of residual value risk
 - Asset risk as a key variable: targeting asset-risk based recoveries
 - Residual value risk management and mitigation
- 6. Off balance sheet accounting and the accounting standards:
 - Off balance sheet – a major motivation
 - Accounting standards: IAS 17, FAS 13, and AS 19
 - Defining features of operating leases and tests for determination
 - Structuring of operating leases – financial features
 - Disclosures in case of operating leases under new IAS 17
 - Characterisation by the lessor and the lessee – achieving financial lease accounting by the lessor and operating lease accounting by the lessee
 - Can there be operating hire purchase?
- 7. Pricing of leases: (Excel modeling)
 - This is intended to be 100% practical
 - Impact of different pricing strategies on the leasing company/ lessee
 - Stand-alone pricing versus portfolio pricing
- 8. Goods and services taxes on leasing:
 - General scheme of sales-tax – inter-state, intra-state and international sales
 - Taxability of leases under different regimes
 - Taxability of leases under the VAT regime
 - Tax offset by lessees under the VAT regime
 - Taxability of operating hire purchase
 - Applicability of service tax –is there a service tax on operating leases?
 - Applicability of service tax on leases
- 9. Securitisation of leases:
 - Distinction between securitisation of financial and operating leases
 - How does securitisation of an operating lease work?
 - Residual value risk and its disclosure under IAS 30/ IAS 32/ ED 7
- 10. Cross border leases:
 - Leasing out and leasing in
 - The double dip possibilities
 - Foreign tax credit rules
 - The UNIDROIT convention
- 11. Case studies:
 - We will take up selected examples of leases from real life from the standpoint of transaction structure, innovative applications, etc.

To register:

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:

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