



Vinod Kothari Consultants Pvt. Ltd.



Indian Leasing Report: 2014

December, 2014

Foreword

We take pleasure in presenting this report on leasing market in India: 2013-14

Vinod Kothari Consultants Private Limited (VKCPL) has a long and intimate association with leasing for over more than 25 years last. We have witnessed the leasing industry undergoing several phases of booms and busts, undercurrents of growth, periods of excessive optimism, periods of regulatory action, and so on. VKCPL has been on the forefront of leasing as an analyst, consultant, advisor on nearly all issues concerning leasing.

Not only have we occupied the position as leading advisor on leasing business, we have also actively lead advocacy efforts on matters that could affect the leasing industry, from time to time. When CBDT had, more than a decade back, proposed new rules for taxation of lease transactions, the undersigned led the representation on behalf of Academy of Financial Services Private Limited and subsequently the same was dropped. Similarly when CENVAT rules were announced for the first time, there were provisions which could disqualify leased assets for CENVAT Credit. We led advocacy for the same which subsequently led to the amendment of said rules.

Several players in the leasing industry have regarded VKCPL as friend-philosopher-guide over the years.

Indian Economy is re-entering the era of fast growth and leasing industry will not remain aloof of this economic acceleration. We take this endeavour to set forth the volumes of leasing in India, factually what is happening. This is not just a statistical analysis but also gives our prediction with respect to the pockets of growth in the times to come.

To the best of our knowledge, this is the only detailed and analytical compilation on the state of the leasing industry in India.

We earnestly hope that this report is viewed as a value addition by the leasing industry.

**Vinod Kothari
Mumbai, 16th December, 2014**

Key Highlights of the Report

This report gives you a brief synopsis of the legal, regulatory, taxation and accounting framework for leasing in India, along with the industry review for the year 2013 – 2014. The key highlights from the performance review of the leasing entities for the year 2013 – 2014 are presented below:

- New Business Volumes declined by 21.75% in 2013 – 2014, as compared to that of a decline of 6.42% in 2012 – 2013.**
- The penetration of leasing in gross capital of the company reduced to 0.563% in 2013 – 2014 from 0.626% in 2012 – 2013.**
- Though the year has witnessed emergence of new asset classes like medical equipments, solar equipments, car/ vehicle leasing continuous to be the most favourite asset class.**
- Of new the business volumes, 48% is constituted by operating leases and the rest 52% by financial leases. This is similar to that of 2012 – 2013.**

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How to get the full report?

The report is priced at Rs. 7,000/- plus applicable taxes.

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