



Full day Workshop on Leasing

5th May 2018, New Delhi



VINOD KOTHARI CONSULTANTS
Kolkata | Delhi | Mumbai

Why this Workshop?

Leasing has been attracting a lot of attention lately. The economics of lease transactions was affected by multiple and cascading indirect taxes, which structure has been simplified by GST. In the post-GST regime, lease transactions are gaining a new acceptability.

New players are entering the market, and new asset classes are being tried in the leasing space.

Operating leasing is growing in significance in India – lessees are opting for it for a variety of reasons – taxation, off-balance sheet, unlocking investment in non-core assets, freeing up regulatory capital and so on. The business of operating leasing requires understanding of a matrix of regulatory, taxation and accounting parameters – decisions gone wrong may involve high costs.

This workshop is targeted at exploring all nuances of asset-backed financing, including financial and operating lease transactions. We will start with choosing between several forms of asset-backed financing and the parameters that go in that choice. We explain the legal and tax nuances inherent in different forms of asset – backed financing.

The workshop will also cover the new IFRS on Lease Accounting and its impact.

Who should attend the workshop?

- Financial Companies, Leasing Companies, Banks engaged in Asset Backed funding;
- Manufacturers and Technology Companies which have taken or propose to take assets on lease;
- IT Companies selling their hardware/software in the form of lease solutions;
- Telecom Companies and other vendors using leasing for promoting sale of equipments;
- Financial Consultants, Accounting Firms, Solicitors advising clients on Lease transactions;
- Technology Companies focusing on developing IT solutions for Lease Transactions

Course Outline

Session 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

Session 2: Quick overview of the legal fundamentals:

- Is operating leasing an NBFC activity?
- Legal requisites of leases – law of bailment
- Concept of a true lease
- Rights and obligations of the lessor in case of operating leases on quality of goods

Session 3: The impact of GST on lease transactions

- Key features of GST law and levy
- Determination of the jurisdiction in case of lease transactions
- Various situation for GST levy – financial and operating leases, sale and leasebacks, vendor leases, import leases, leases to entities in SEZs, etc
- Introducing the concept of Post-GST IRR

Session 4: Accounting for lease transactions

- Key features of IFRS 16
- What assets/transactions are not covered by IFRS 16
- Meaning of lease under accounting standards
- Asset risk and the extent of off balance sheet asset
- Illustrations

Faculty



MR. VINOD KOTHARI

**Director, Vinod Kothari Consultants P. Ltd.
Director, Indian Securitisation Foundation**

About Mr. Vinod Kothari

Mr. Vinod Kothari, both a Chartered Accountant and a Chartered Secretary, is an internationally recognised author, trainer and consultant on specialised financial subjects, viz., securitisation, credit derivatives, asset-backed financing, accounting for financial instruments, Basel III, etc. Mr. Kothari has been a member of the consulting team of the Asian Development Bank to advise the Govt of India on security interest laws in India. He has his share of notable contributions to the literature of securitization and other financial and non-financial resources which are very much accepted and followed by readers.

He has extensive consulting experience in securitisation – offering comprehensive securitization 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. The locations where he has lectured on these subjects include New York, Washington, London, Milan, Frankfurt, Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Jordan, Dubai, Kuwait, Egypt, Sri Lanka, Bangladesh, etc.

He is renowned for offering services to a number of listed companies which not only include advisory or consultancy related services or conduct of due diligences, but also litigation related services. He, along with his team has conducted various successful summits on securitisation and various advance financial topics which has garnered appreciable response from the industry.

Mr. Kothari also is sought as faculty in various reputed colleges and institutions. He also has a vast experience in working with the various regulators like SEBI, NHB and Government of India and multilateral organisations like IFC and ADB.

Besides, Mr. Kothari has had the opportunity to serve as the Chairman of the Institute of Company Secretaries of India Eastern India Regional Council, Calcutta. In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation.

Consulting Assignments:

- He is a part of a sub-committee created by SEBI for providing recommendations to the regulators on covered bonds in India.
- Director of Indian Securitisation Foundation, a representative body of the securitisation industry in India promoting capital market instruments in India.
- He carried out a study on covered bonds in India for the Asian Development Bank.
- He was an integral part in developing a toolkit for the IFC titled “India Toolkit for Low Income Housing Finance – A Practitioner’s Guide prepared in collaboration with Habitat for Humanity.
- He was sub-consultant to “Affordable Housing Finance Project” of IFC, awarded to IMaCS. He was retained by the National Housing Bank for assisting them in promoting Covered Bonds in India.
- He was a part of Working Committee formulated by National Housing Bank for promoting capital market instruments such as RMBS and Covered Bonds for the housing sector in India.
- He was been retained by Govt. of Jordan for suggesting and working on funding for a high-profile low-cost housing project.
- He was 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.
- 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.

Author of Books:

- Securitisation Asset Reconstruction and Enforcement of Security Interests
- Banking Law and Practice in India, 26th Edition
- Law Relating to Insolvency & Bankruptcy Code, 2016
- Guide to Structured Finance – Incorporating Securitisation, Credit-Derivatives, Leasing and REITs, 2014 Edition
- Introduction to Securitization (co-authored with Frank J. Fabozzi)
- Securitisation: The Financial Instrument of the Future, Fifth edition 2006.
- Taxation of Lease Transactions in India, co-authored by Sikha Bansal, 2013
- Lease Financing and Hire Purchase, Fourth Edition, 1996.
- Credit Derivatives and Structured Credit Trading, 2009 Edition
- Guide to Structured Finance, 2014 Edition
- Author of 3 Chapters in Handbook of Finance, (editor Frank Fabozzi), published by Wiley, USA.
- Corporate Boards, Committees and Policies under the Companies Act
- Understanding Companies Act 2013, 2014 Edition

- Guide to Independent Directors, 2014 Edition
- Led a team of 17 specialist editors for the latest edition of Guide to the Companies Act, A. Ramaiya, 18th Edition.
- Prepared the key highlights and reference tables for “Corporate Laws” second edition and “The Companies Act, 2013” published by Lexis Nexis Guide to Housing Finance – A comprehensive guide to mortgage lending, 2013 Edition

Lecturing:

- He is a visiting faculty at Indian Institute of Management, Joka, Calcutta for several years, teaching a full-fledged course for the final year students on Structured Finance and Taxation. Over 125 students sign up of the course every year.
- He is a guest faculty at the National University of 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.

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), Export trader (Spain), Trade and Forfaiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), Monitor daily (USA), Analyst (India), etc.
- Vinod Kothari also contributed to Euro money's yearbooks on leasing and securitisation

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