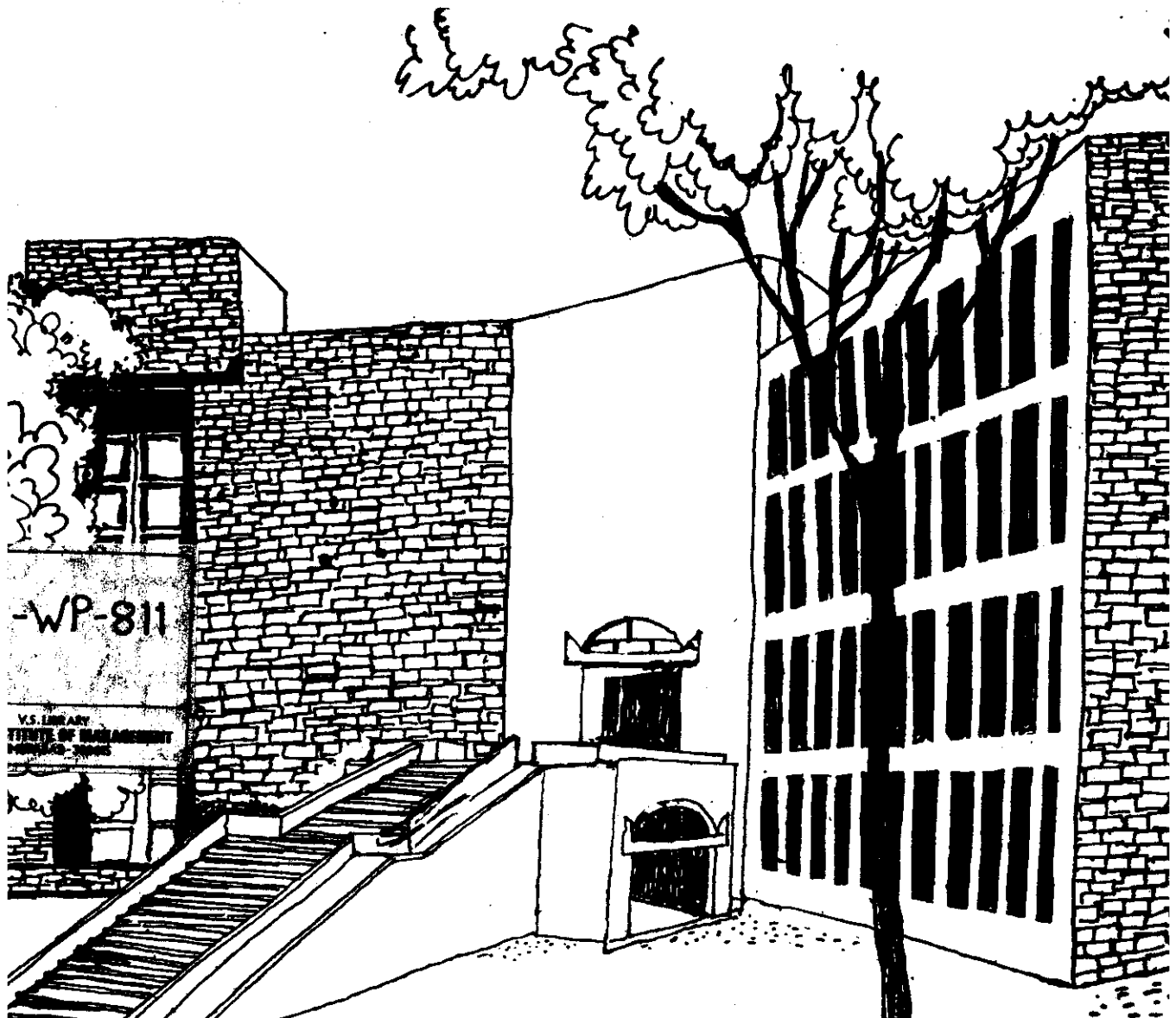




Working Paper



PROBLEMS AND PROSPECTS OF LEASING
INDUSTRY IN INDIA

By

B. Brahmaiah

WP811



WP

1989/811

W P No. 811
July 1989

The main objective of the working paper series of the IIMA is to help faculty members to test out their research findings at the pre-publication stage.

INDIAN INSTITUTE OF MANAGEMENT
AHMEDABAD-380 056
INDIA

PURCHASED

APPROVAL

DATE / EXCHANGE

PRICE

NO.

VIKRAM SARABHAI LIBRARY

P. L. M. ANNECORBAU

PROBLEMS AND PROSPECTS OF LEASING INDUSTRY IN INDIA

B. Brahmaiah
Research Associate
Finance and Accounting Area
Indian Institute of Management
Ahmedabad 380 056
Gujarat

ACKNOWLEDGEMENTS

It is my rare privilege and a pleasant duty to express my deep sense of gratitude to my research teacher, Dr. I.M. Pandey, Professor of Finance, and Chairman, Fellow Programme in Management, Indian Institute of Management, Ahmedabad, for his inspiring encouragement, guidance and valuable suggestions. I am very much grateful to him for all his help and guidance.

E. Brahmaiah

PROBLEMS AND PROSPECTS OF LEASING INDUSTRY IN INDIA

Industrial equipment leasing boom has begun in the mid 1950s and experienced its most rapid growth during 1960s, when leasing entered almost all the areas. Today in the Western countries the use of equipment from satellites to the hospital beds is obtained through leasing. Leasing companies have grown from a few lessors, twenty years ago, to thousands of public, private and bank subsidiary leasing companies, today. Leasing expanded into areas namely aircrafts, autos, computers, communication equipment, earth moving equipment, furnishings, industrial equipment, industrial machinery, medical equipment, office equipment, railroad cars, trucks, etc.

In the last 4 to 5 years, leasing has come in a big way to India. This is evidenced by the mushroom growth of leasing companies as well as volume of business in the last 4 years. It is estimated that there are about 400 odd small and big companies on register but only one-fifth of these are actively engaged in the business. A large number of companies including public sector companies are looking for leasing as a means of financing for ongoing capital expenditure.

CONCEPT AND CLASSIFICATION OF LEASE

Leasing is defined as an activity where the owner of the asset (lessor) gives the asset to another party (lessee) for his use for a specified period of time for financial consideration. Another explanation of leasing is given by Equipment Leasing Association (ELA) UK: "A contract between a lessor and lessee for

the hire of a specific asset selected from the manufacturer or vendor of such asset by the lessee. The lessor retains the ownership of the asset. The lessee has the possession and use of the asset on payment of specified rentals over a period of time." All equipment leases have been categorised as either finance leases or operating leases.

(2)

A finance lease is defined by Richard, F. Vancil as "a contract under which a lessee agrees to make a series of payments to a lessor which, in total, exceeds the purchase price of the equipment acquired. Typically, payments under a financial lease are spread over a period of time equal to the major portion of the useful life of the equipment. During this initial terms of a lease, contract is non-cancellable by either party i.e. the lessee is irrevocably committed to continue leasing the equipment."

Operating lease, on the other hand, has been defined as all other leasing contracts and, typically is cancellable by the lessee upon giving due notice of cancellation to the lessor. Operating leases, therefore, do not involve any fixed future commitment by the lessee and in this respect, are similar to most type of business expenditures.

A financial lease as the name implies is primarily a device for permitting the acquisition of a piece of equipment without paying immediately cash for it. The chief purpose of an operating lease is to permit the lessee to use a piece of equipment without running the risks of ownership. Obsolescenc, one of the major

ownership risks, is borne by the lessee under a financial lease; it is shifted to the lessor under an operating lease.

Again the finance lease can be sub-divided into (a) leveraged lease (b) sale and lease back (c) crossborder (international) lease and (d) foreign to foreign lease.

In a leveraged lease, there are three parties involved, lessor (leasing company), lessee (user of the equipment), and financier; leasing company contribute by way of equity capital viz. financial institution and or banks finance by way of term loans towards the purchase of an asset to be leased.

In a sale and lease back arrangement, a company owning a particular asset/block of assets sells to a leasing company and the company gets back the same on lease from the leasing company. By this type of lease transactions, the company is able to free its investments blocked on these assets and very well used the funds so released for other purposes.

In a crossborder (international) leases. the parties involved in the leasing transactions are located in two different nations i.e. the manufacturer/supplier is in one country and the lessor and lessee in another country. In this case, the transaction takes place between two countries.

In the case of foreign to foreign leases, the three parties viz. the manufacturer/supplier, lessor and lessee are located in three different countries. No two parties are located in same nation. This type of leases are taken up by the leasing companies

in the USA and the UK. This type of lease has not been yet undertaken by Indian leasing companies.

STRUCTURE OF LEASING INDUSTRY

In India, the present structure of leasing industry consists of (a) independent leasing companies, such as First Leasing Company of India, 20th century Corporation Ltd, Grover Leasing Ltd., (b) finance and investment companies viz. Sundaram Finance Ltd., Motor and General Finance Ltd., Nagarjuna Finance Ltd., etc, (c) subsidiaries of manufacturing companies viz. Associated Industries and Leasing Ltd., Ashok Leasing Finance Ltd, Tata Industries Ltd., Krest Development and Leasing Ltd. (d) All India Financial Institutions such as Industrial Development Bank of India (IDBI) Industrial Credit and Investment Corporation of India Ltd (ICICI), Industrial Finance Corporation of India (IFCI), Industrial Reconstruction Corporation of India (IRCI) and some state level industrial development corporations such as State Industrial and Investment Corporation of Maharashtra (SICOM), Gujarat Industrial Investment Corporation (GIIC) and also (e) subsidiaries of commercial banks such as SBI Capital Markets Ltd., Canbank Financial Services Ltd., BOB Fiscal Services Ltd., PNB Capital Services Ltd., and BOI Financial Services Ltd. Each constituent of leasing industry is making its contributions without harming the interests of other lessors. Leasing concept has received wide recognition and acceptance by all quarters of the economy. Demand for leasing continues to grow rapidly and there exists bright scope for all types of lessors. Financial

experts predict that in coming years lease financing will become the mainstay for financing fixed assets for all sectors.

According to the Report of Equipment Leasing Association, India (ELAI), Madras, the leased assets owned by Indian leasing industries at cost Rs. 730 crores is divided as follows: Rs. 485 crores the member companies of Equipment Leasing Association (ELA) Rs. 150 crores public sector companies and Rs. 95 crores other private sector companies as on 31.03.1988. The leased assets of ELAI member companies represented by plant and machinery 67 per cent (Rs. 325 crores), vehicles 10 per cent (Rs. 50 crores), earth moving equipment 8 per cent (Rs. 37 crores), office equipment 6 per cent (Rs. 28 crores) computers 5 percent (Rs. 24 crores) furniture 2 per cent (Rs. 12 Crores) and other type of assets 2 per cent (Rs. 10 crores).

Leasing has great prospects in India in view of the fact that barely less than one per cent of industrial investment is so far financed through leasing whereas nearly 40 percent (nearly 90 billion) of industrial investment is financed through leasing in the USA, and 30 per cent in UK, and 10 per cent in Japan (computers accounted for 40 per cent). Leasing is bound to remain an alternative source of finance to cater to the needs of industrial and business houses all over the world.

PROBLEMS

The phenomenal growth of lease financing and its acceptance as a method of acquiring use of assets has, however, raised some controversial problems. Increasing attention, therefore, needs to

be given to the problems of leasing companies in India. The main problems are as follows:

1. Resource crunch
2. Inadequate tax benefits and additional tax burdens
3. Non-availability of concessional sales tax
4. Rigid procedure of import leasing
5. Lack of proper and integrated accounting standards
6. Lack of legislation
7. Lack of expertise in the management of leasing companies

RESOURCE CRUNCH

The sources of finance available to leasing companies are equity share capital, debentures, term loans from financial institutions and short term loans from banks, public deposits, inter corporate deposits and internal accruals.

Share Capital: Most of the leasing companies in India had mobilised substantial funds in the form of equity during the period 1984 and 1985 where there was a boom in the capital market. It is observed from the financial statements of the leasing companies that there is much of variation between one company to another with respect of amount of share capital. The present moment, the investors lost the confidence in the leasing companies about its performance and prospects. The present state of leasing company shares is in very poor condition: these shares are quoted at an extremely low price, except in the case of a dozen or so companies. This is because of erosion of confidence of investors. Therefore, it is a major problem to the leasing

companies to raise equity in the prevailing conditions.

Debentures: The second source of finance would be debentures. During 1984 and 1985 some of sound and big integrated finance companies had raised the funds by way of convertible and non convertible debentures. The present time is not an opportune for leasing companies, to issue the debentures even though the capital market conditions are good. Besides, there is no fair market for non - convertible debentures and these should be secured by immovable properties and the leasing companies do not have the adequate immovable properties to create charge against these debentures.

Similarly, it is not possible for the leasing companies to issue either fully convertible or partly convertible debentures because these are closely linked with the worth and movement of equity shares in the market. Thus unless and until the primary and secondary share market for leasing companies develops, the question of issuing of these instruments would not arise.

Bank Loans: The major source for big group of companies is the bank finance by way of short term and medium term loans, bill rediscounting and cash credits. An analysis of the 60 companies' balance sheets made by the author, indicates that 90 per cent of companies availed the bank loans more than 3 times to their net owned funds (NOF). But now the banks are allowed to sanction the loans by way of cash credit or term loans not more than 3 times of their networth.

Recently there was an announcement of the guidelines by the Reserve Bank of India, (4) regarding the norms for bank lending to leasing companies. These guidelines are quite comprehensive. The important elements of the guidelines are as follows:

- a. The facilities will be in the form of cash credit advances.
- b. Maximum bank finance will be limited to three (3) times to net owned funds (NOF) with overall ceiling of all kinds of borrowings being limited to 10 times net owned funds.
- c. For each of the transaction financed by bank, the maximum amount of withdrawn will be restricted to 75 per cent of the asset cost at the time of acquisition.
- d. The drawing power (DP) under the limits will be determined every month for all transactions by the bank based on the following formula which determines the outstanding credit.

The drawing power formula has been defined as:

$$DP = \frac{\text{Lease rentals receivable over 5 years}}{\text{Total lease rentals for the entire period}} \times 75 \text{ per cent of the cost of leased asset.}$$

Lease rentals fallen due but not collected should be excluded while computing outstanding lease rentals.

The bank finance to the leasing companies has following restrictions;

- i) Finance will not be available from banks for lease over a period of 5 years (60 months) even though leasing companies may enter into such leases.
- ii) Financing will be available neither for "sale and lease back arrangements" nor for "second hand assets".

In addition to that, reporting requirements have been stipulated which involve monthly drawing power statement, quarterly statement and annual statement. Therefore, the leasing companies will not get more than three times of their NOF and the drawing power only for five years rentals even though leases may be more than five years and restricting financing on second hand assets and sale and lease back leases, even though companies are doing these kinds of business. For smaller and medium companies it will be difficult to raise enough funds by way of bank loans. RBI has provided a two year period within which the borrowings of leasing companies have to bring down to three times of the NOF.

Public Deposits: Perhaps, the most important source of finance for a leasing company is public deposits. These public deposits have been accepted by almost all leasing companies more than 5 times of their net owned funds, ranging from 6 to 36 months. The public deposits are the significant source of finance especially to all South India based leasing companies.

Borrowing by way of public deposits for a short period ranges 6 to 36 months. Out of total deposits, 50 to 75 per cent of deposits are either one year deposits or two years deposits. Leasing companies followed suicidal policy of borrowing short term source such as public deposits and bank finance and investing in the five year leases. Recently RBI has issued guidelines regarding restriction on acceptance or renewal of deposits by equipment leasing companies on and from 1.4.1989. No equipment leasing company shall accept or renew any deposit whether accepted before or after 1.4.1989.

(i) which is repayable on demand or on notice

(ii) unless such deposit is repayable after a period of more than twenty four months from the date of acceptance or renewal of such deposit.

Again this minimum period of two years will create a big problem to leasing companies. Only good and big companies can borrow by way of deposits and for others it will be difficult to raise the public deposits.

As regards inter corporate deposits, only a few companies have borrowed by way of corporate deposits. An analysis of 60 leasing companies' balance sheets made by the author, reveals that only 15 per cent of total companies used this as a source of finance.

A majority of leasing companies have been floated in India during the 1980s. These should have raised equity capital through public subscription and promoters' contribution. In contrast, these companies followed suicidal policy of borrowing short-term public deposits (6 months - 3 years) at the ceiling rate of 15 per cent per annum and deploying on long-term (5 years to 8 years) commitments. To a large number of leasing companies, the major source of finance is public deposits and short-term bank borrowings under credit authorisation scheme (CAS). Therefore, there is a mismatch between sources and uses of funds of leasing companies. This has happened so because leasing companies are permitted to borrow public deposits and borrowed funds at ten times to their networth. The main problem is the ability to raise resources on continuous basis which is becoming increasingly difficult to new as well as existing companies due to erosion of confidence of investors, lenders and reluctance of commercial banks and financial institutions to lend to the leasing companies. Most of the companies do not know how to manage their business hence, profitability is eroding share prices are crashing, and investors euphoria wearing out. Also, majority of the leasing companies resort to balance sheet cosmetics to show rosy picture and distribute dividends out of capital from very first year of operation. But this is not usually backed up by sound financial planning and management. In most cases it amounts to window dressing of accounts. Therefore, the funds available are not sufficient to enable the companies to expand their business.

INADEQUATE TAX BENEFITS

Unfortunately the Tax benefits which leasing companies enjoy in developed countries are not available to the Indian leasing companies. The tax benefits such as the ones arising out of depreciation, investment deposit scheme etc. are not inducive to the growth and promotion of leasing companies. The official depreciation rates provided under Income Tax Act, 1961 differ from the depreciation rates provided under Indian Companies Act, 1956. Besides, the depreciation provided under the Income Tax Act, 1961 are much higher than the normal depreciation provided during primary lease period. Thus there is a mismatch between legal depreciable life of an asset under Income Tax Act 1961 and Indian Companies Act 1956, during the primary lease term.

Besides, investment Allowance (U/S 32A) was abolished from 1 April 1987 and in its place an Investment Deposit Scheme (u/s 32 AB) has been introduced. Under this scheme, the amount of deduction is limited to 20 per cent of the profit of eligible business or profession as per audited accounts. However, this scheme excludes certain categories of leasing.

In addition to the above, the Finance Act, 1987 has introduced Section 115 J of Income Tax Act, 1961 i.e. a minimum Tax of 30 per cent of the book profits of a company and leasing companies have now become within the orbit of this new tax provision. This has also led to some uneasiness among the leasing companies in particular.

SALES TAX PROBLEM

Leasing companies are also facing the problem of sales tax. The 46th amendment to Indian Constitution, which came into force from February 1983, has empowered the state governments to levy sales tax on the transfer of rights or to use of any goods for valuable consideration. As a result, the legal position of finance lease is that it is a "demand sale" under the Sales Tax Act. The governments of Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Orissa, Tamil Nadu, West Bengal have already amended their Sales Tax Acts in accordance with the 46th amendment to Constitution. Hence, the leasing companies are required to pay sales tax at higher rates at multi points on a transaction as leasing companies are not being allowed to use 'C' forms. This makes finally leasing correspondingly more expensive on the cost of the asset acquired under leasing finance becomes enhanced to the extent of sales tax paid by the leasing companies. This is bound to cripple the infant leasing industry.

In view of this sales tax, it is essential that the Central Government should take immediate steps to formulate guidelines in order to ensure uniform legislation amongst various states. It would be reasonable to have a uniform sales tax act regarding leasing industry in order to bring in uniformity in its content and scope. Presently leasing companies are not permitted to use 'C' forms. The facility of using form 'C' should be extended to leasing companies.

RIGID PROCEDURE FOR IMPORT LEASING

In India, leasing industry has high potential in areas like import leasing. Recently, a few leasing companies entered the arena of import leasing. The government has laid down a lengthy and cumbersome procedure to comply with for leasing of imported equipment. Only a few selected lessors are permitted to do the import leasing business, those lessors who have a minimum amount of Rs. 1 crore as paid up capital and reserves and whose shares are listed in one of the recognised stock exchanges are allowed to do import leasing. Therefore, leasing of imported equipment restricted to meagre part of the industry.

ACCOUNTING PROBLEM

As regards the accounting standard, there is no uniform method for the lessors and lessees to be followed by them. Lessees are showing neither in their balance sheets about the leased assets in the assets side nor in the liabilities side about their future rentals obligation. Therefore, the lease transaction seems to be an off-balance-sheet transaction in India.

Similarly, lessors are also not treating the lease rentals to be received as receivables in their balance sheet. In contrast, lessors are showing leased assets as owned assets in their balance sheets, even though they lose the possession of asset by making finance lease.

The periodical lease rental payments are shown in the profit and loss statement as a revenue expenses which is allowed as

chargeable expense without making any classifications of revenue expenditure and capital expenditure. The lessors are also showing all the rental income as revenue and crediting to their profit and loss statement, without breaking into return, interest and principal. This is happening because of the non-consistency between legal possession and economic possession of assets leased. Lessor is the de jure owner and lessee is the de facto owner on the substance of finance lease.

The first flaw is reporting the lease income in the financial statements. It is evident from the examination of books that the accounting practices of various leasing companies have been far from uniform and consistent. The leasing companies are not amortising the value of the asset during the primary lease period (period in which leasing companies recovered more than 90 per cent of the asset cost). Instead of amortising the full equipment cost, leasing companies are debitting a meagre part of the cost by way of straight line depreciation in the books of accounts. These depreciation rates are too low than the rate of income recognition during the primary lease period. It means that the total cost of the asset is recovering within 3 years and 5 years in some cases, whereas the depreciation is showing for more than 8 years and in some cases for an indefinite period, eventhough there would not be any income through the asset. Hence, in such a case, the basic accounting concept of matching the cost and revenue is totally ignored.

The second flaw would be regarding showing of the assets in the financial statements. Different leasing companies are

adopting variety of methods and there is no consistency in the presentation accounts. Only a few companies are showing separately as owned assets and leased assets under the head of fixed assets. Majority of companies are also not making the classification of leased assets in the same manner as the other owned fixed assets. In this respect, an interesting point can be noted that the method of providing depreciation is also different from that of owned assets. Leasing companies are following written down value method of depreciation for owned assets (meagre part of assets) and straight line method for leased assets (significant portion of assets).

In this respect, the Institute of Chartered Accountants of India (ICAI), a premier professional accounting body, has now come out with a guidance note on accounting for leases, ⁽⁷⁾ as an interim measure, is an improvement over the existing free-for-all (practice). Now auditors of leasing companies will be required to comment on the extent to which the accounting policies conform to the guidance note and the impact of non conformance on profitability. This note applies to all leases written after 1st April 1989. The other important elements in the note are as follows:

1. The assets leased out should be shown under Fixed Assets separately as assets on lease and classified in the same manner as other fixed assets. (It may be caused for inconvenience to some of the leasing companies who are not presently classifying).

2. A matching annual charge representing the difference from the lease rentals and finance income is to be debited to the profit and loss account. This annual charge will consist of the minimum statutory-depreciation as per the Companies Act and lease equalisation charge where the lease charge is in excess of the said depreciation. If the depreciation is higher than the lease charge, then a lease equalisation credit would arise. The debit or credit to lease equalisation account is represented by corresponding entries to lease terminal agreement account which the balance will appear in the balance sheet under current liabilities, or current assets as the case may be. In the last year of the lease term the lease terminal account will be shown as a deduction from the book value of the asset.

The recent amendment to the Companies Act, 1956 ensures that all the companies should follow accrual system of accounting. This will cause leasing companies unnecessary hardship. The leasing companies will be required to treat unrealised/unreliable lease rentals as income, even though there may be no chances of recovering some rentals. This will not show the true profitability of leasing companies.

Another recommendation is also made regarding charging of rentals to the profit and loss account on an accrued basis over the lease term with a separate disclosure thereof. The recommendations clearly bring out the economic substance and financial reality. However, again there is disagreement in the

treatment of depreciation, allowances, possessions of assets under Income Tax Act, 1961, and Indian Companies Act, 1956. Therefore there is strong discontentment among the parties regarding the accounting treatments in their financial statements.

LEGISLATION PROBLEM

In fact, the only legal reference available to lessors and lessees is the Hire Purchase Act, 1972 which was subsequently withdrawn in 1973. Another Act which is available for them is sections 105 to 117 of Transfer of Property Act, which deals with only immovable properties. Even today lessors and lessees are following these acts in addition to the sections 126 to 180 of the Indian Contract Act 1872. Hence, it is obvious that there is neither a comprehensive and detailed leasing law nor governments policy to guide the leasing business so far. Now it is the right time for the Central Government to make efforts to pass an act known as "Indian Lease Act", to cover leasing business.

MANAGEMENT PROBLEM

Some of the leasing companies do not know how to manage their leasing, business without knowing a large number of entrepreneurs have entered the leasing fray. Management of these leasing companies require a different orientation as compared with management of other manufacturing and trading companies.

The majority of boards of leasing companies are dominated by

retired bank chairmen, managing directors, or managers. The object of promoters in including such popular figures is to attract instantaneous response to public issues, whereas, the retired executives are finding these offers as retirement (8) benefits. Can we hope that these boards will provide due care and proper direction to the companies?

COMPETITION

Private Sector leasing companies are facing cut throat competition from the public sector leasing companies like SBI Cap, Canbank, IFCI and ICICI. These are at a privileged position by way of getting funds at cheaper cost than the small private sector companies. These public sector companies already have good tie ups with blue-chip and big companies and can have better terms and conditions than the private sector companies. Besides, competition exists even among the private sector companies.

PROSPECTS

Despite a number of problems, leasing business has its own growth potential and prospects. Equipment leasing is a new device which goes a long way in providing the necessary resources for maintaining the tempo of industrial growth. Thus leasing has acquired a special importance in economics of the developing countries particularly for small and medium scale industries. Capital formation through leasing can help growth with minimum investment by the corporate enterprises.

Leasing has great potential in India in view of the fact

that barely less than one per cent of total industrial investment is so far financed through leasing compared to 30-40 per cent capital investment through leasing in the developed countries like the USA, the UK, and 10 to 20 per cent Australia, Canada Japan etc.

The well managed and large resourceful leasing companies are going to see the better days with good profitability during the next few years. The leasing business continues to grow and flourish and the consumers, i.e. lessees (different segments of market) are growing in number and size. Even overcrowding and fierce competition exist, these will be temporary. The leasing concept has received wide propagation and acceptance. Demand for leasing business continues to grow at a faster rate and there is adequate space for all.

Financial institutions are armed with much cheaper and comparatively vast funds in their hands for deployment in leasing. These bodies can therefore function as catalysts for market growth for leasing and their operations set the face for financing rates and therefore influences profitability levels in the business. Several financial bodies are joining the bandwagon notably subsidiaries of banks or with banks taking substantial amount of leasing from public sector units such as ONGC, Air India, Indian Airlines, Shipping Corporation, HMT, SAIL, BHEL, BEL, Vaydut, Coal India Ltd, etc. and service oriented sectors like transportation, communication depts. and professions such as medical, consultancy, engineering etc. Leasing companies not only useful to big and medium industries but also these opened a new

window for financing to small and non-priority companies, professionals and consumers. Leasing companies have started making their contribution to the growth of consumer goods industries also.

Leasing companies entering the business as a limited company do not require to get industrial licence or any other licence. All that needed is an approval of the Controller of Capital Issues (CCI) if a public issues is to be made. So leasing companies could be promoted very quickly and since there is no acquisition of land, building, machinery or any such sort. Besides, the cost of operations is also very low compared to manufacturing industries.

Recent studies of the Reserve Bank of India (RBI) have indirectly confirmed that there is vast scope for investment in the private sector. Most of financial institutions have, at one time or other, faced resource constraints. Term lending institutions have felt that with limited resources, at their disposal all borrowers cannot be satisfied. There is a shortage of loanable funds and there appears to be a big gap between the demand and supply of the funds required by the private borrowers for their expansion, replacement, modernisation, diversification etc. Thus, assuming leasing industry would be able to fetch one fourth of share in industrial investment in the near future, it would mean a business of Rs. 1000 crores per annum. These indicate that leasing has vast scope for doing business in India.

Leasing is a service to the Indian industry as it provides

funds and also taps the capital market. Leasing supplement the government's developmental plans by supplying the needful equipment to the industry. What industry needs is full support, cooperation and encouragement from the government and a regulatory framework to control its mushroom growth irregularities, and regulate its healthy growth.

BIBLIOGRAPHY

1. Terry A Isom and Sudhir P Amambal, Handbook of Leasing Techniques and Analysis, New Jersey, Petrocelli Books Inc. 1982.
2. Richard F Vancil (1963) " Leasing of Industrial Equipment" Mc Graw - Hill Book Co, Inc
3. Parthasarathy M S " Asian Lease " Vol. 7 no 1 , July, 1988. P.(5)
4. The Reserve Bank of India, Bombay, I E O D NO CAD/201/C 446 87/88, circulated to all Scheduled Commercial Banks.
5. The Reserve Bank of India, notification no DFC(coc)56/D6/89 March 28,1989
6. Ramakrishnan Rao, Leasing & Finance, Financial Express, Madras, March 29, 1987
7. Guidance Note on Accounting for Lease, Research Committee, Institute of Chartered Accountants of India, New Delhi, Sept, 1988.
8. Vidyanathan " Integrated News " Khubmkonnam, 1987.

OTHER REFERENCES

1. A.V. Manohar, Leasing Scenario, Economic Times, August 14, 1987
2. Dr. C. Mathur, Prospects for lease financing - The Banking Aspect, The Banker, October, 1987
3. Anil Kumar Sinha, Lease Financing, Prospects for Indian Banks, The Management Accountant, May 1987
5. Srinivasan, Income Tax implications, Fortune India, February, 1987
6. Dr. I M Pandey " Leasing Industry: Structures and Prospects, Economic Times, October 10, 1987
7. Dr. I M Pandey "Myths and Realities about Leasing" Vikalpa Vol. 11 No. 4 October December 986
8. Vinod Kumar, Lease Financing - an appraisal Financial Express, January 13, 1987.
9. Leasing, the shake out to come, Business India, January 16-29, 1984.
10. H.P.S. Pahwa, Problems and Prospects of Leasing Industry in India, Chartered Accountant, November, 1987

11. S. Parthasarathy, Equipment Leasing, State Bank of India, Monthly Review, June 1980.
12. Farook Irani, Tax hits Lessors, Asset Financing and Leasing Digest October, 1987
13. T M Clark, Leasing, London, Tata Mc Grow Hill Book Co. 1978
14. R. Parchuri and N. Ashok Kumar - Introduction to Lease Financing, The Times Research Foundation, 1985.
15. PK Ghosh & GK Gupta - Fundamentals of Leasing and Lease Financing, Vision Books, New Delhi, 1985.
16. Financial Express, Bombay, Monday 5 Sept, 1988.

