
CapInvest

User Manual



Day To Day Analytical
Support For Financial
Institutions

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Introduction

CapInvest provides superb analytical tools (a) for developing consumer and retail finance transactions and (b) for conceptualizing, structuring and developing 'Financial' and 'Savings' Products. CapInvest incorporates three distinct components:

- (a) world-class financial modeling techniques;*
- (b) cutting-edge Microsoft Technology;*
- (c) state of the art financial concepts.*

CapInvest provides analytical support for all activities wherein an investment is made for earning a return on investment, from the basic bank loan to sophisticated profiled transactions that are limited only by imagination: banking and housing finance loans, leasing and hire purchase transactions, consumer, industrial and project finance activities, venture capital investments, and so on. CapInvest provides tools to professionalize the investment decision.

CapInvest classifies Investment activities into two streams:

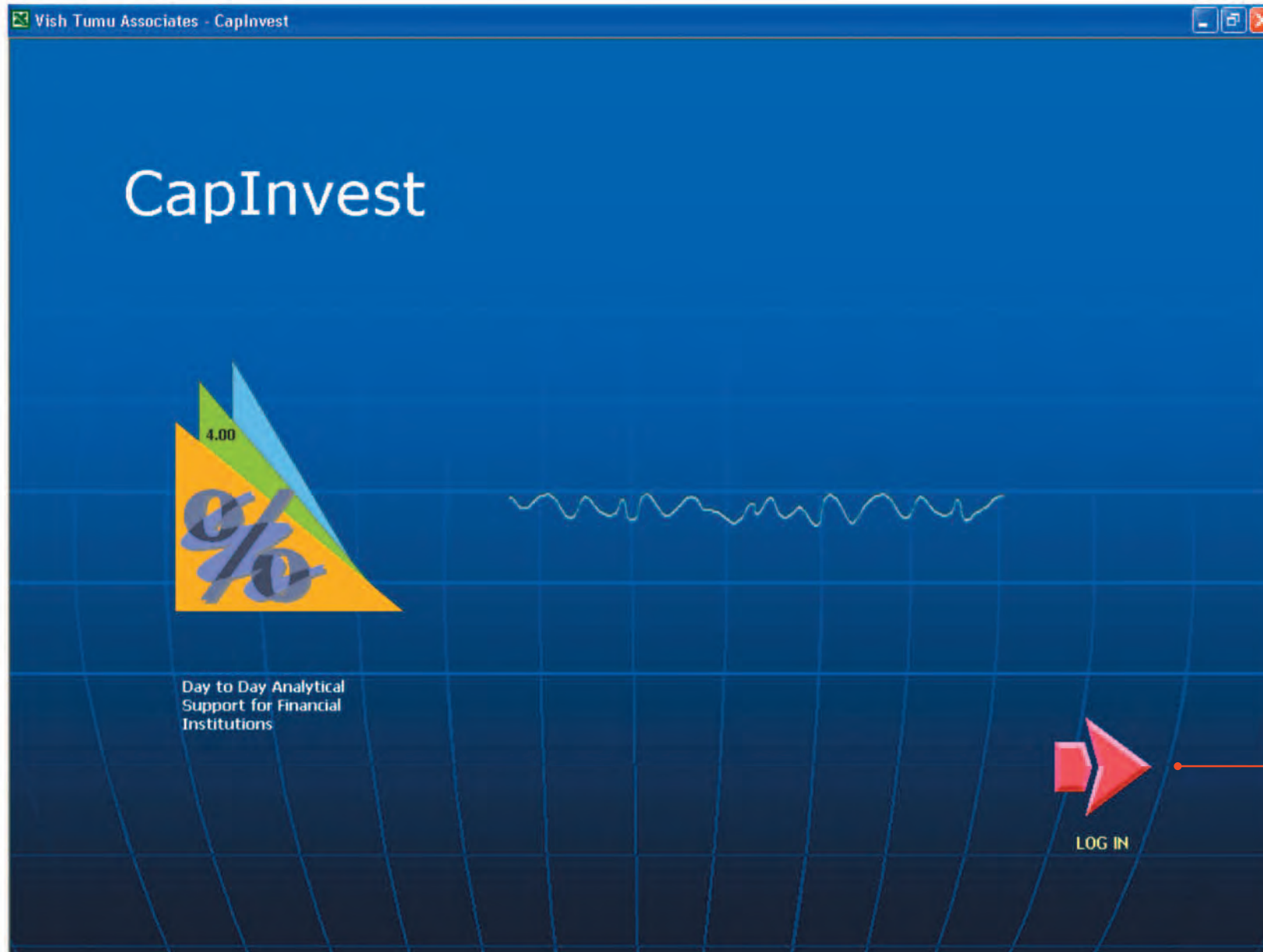
- Tax Based (leasing)*
- Non-tax based.*

Both streams come with several modules and each module may comprise of several special-purpose portals and reports, that together, provide complete analytical coverage for investment related activities.

CapInvest provides day-to-day analytical support to a range of financial institutions:

- Hire Purchase Companies*
- Finance Companies*
- Banks*
- Leasing Companies*
- Installment Credit Companies*
- Consumer Finance Companies*
- Vehicle Finance Companies*
- Other Miscellaneous Finance Companies*

This manual provides an overview of each module along with screen shots and brief comments.



This is the log-in center for CapInvest. The default password for log-in is 1000 - this can be changed to a different password or by-passed altogether by selecting an option in the CapInvest Menu

Click the Red Arrow to log-in. If log-in is successful, you will be taken to the main command center on the next page



Note the Finance Modules on the right. Clicking an icon launches that module. You can return to the main command center anytime and go to other modules from here or you may also go directly to another module in some cases

If you wish, you can bypass the command center to go directly to a pre-selected module by selecting an option in the CapInvest Menu

Note the leasing modules on the left. Clicking an icon launches that module. You can return to the main command center anytime and go to other modules from here or you may also go directly to another module in some cases

If you wish, you can bypass the command center to go directly to a pre-selected module by selecting an option in the CapInvest Menu

Note the special CapInvest Menu. Each Menu Item drops down to reveal sub menu items.

Click this arrow to go back to the main command center

Click these buttons to open respective portals which enable specialized tasks to be carried out

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Gross Value of Transaction

Enter down payment (if any) either as percentage or absolute value. If percentage, click the percent box

Effective value is computed using down payment

Enter Term (years) or click button to calculate same

Enter Finance Rate (%) or click button to calculate same

Enter Period Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Check this box to include service charges as part of return (and not additional return)

Enter a description for Asset

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Enter Tax Rate for Company (%)

Enter Cost of Capital for Transaction (%). This will be used in arriving at the profitability of transaction

Select a Frequency Type

Select a Payment Type

Select a Tax Year End

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Click this arrow to completely exit the program

Click this button to transfer transaction to Profiling Module

Equivalent Flat Rate. To enter a flat rate for transaction, enter flat rate as decimal, and hit 'Return'

Click this button to open the Power Pack Portal which provides greater control in developing transactions

Vish Tumu Associates - HP

CapInvest Finance

This wizard can guide you

Enter Borrower Name

Enter a description for Asset

Mode
☒ Finance
☐ Savings

Asset Description
 Housing Finance Loan

Direct Expenses
 15,000.00

Service Charges (%)
 Include in IRR ☐ 1.50%

Income Tax Rate (%)
 36.75%

Cost of Capital (%)
 9.00%

Payment Frequency
 Monthly

Payment Type
 Advance

Tax Year End
 31-Mar

Quotation Date
 5-May-2004 3:35 PM

Contract Start Date
 19-May-2004

Borrower / Hire Purchase
 ABC Corporation

LOAN / HP Value
 1,000,000.00

(Down-Payment)
☐ Percent ☐ 0.00

Effective Loan / HP
 1,000,000.00

Loan Period (Years)
 18.00

Finance Rate (P.A.)
 12.15%

Period Repayment
 11,307.62

Residual / Future
 0.00

Goal Seek
 Flat Rate
 Totalling
 Wizard
 Defaults
 Print
 Help

Clear
 Random
 Import
 Export
 Prompts
 Calendar
 Deposit

Reports ☒
 Re-Pricing
 Zero Rate
 Financials
 Product
 Moratorium
 Rate Conv

Power Pack

Flat Rate 8.01%

Pre Income	1,442,445.98	98.97%
Pre Charges	15,000.00	1.03%
Revenue	1,457,445.98	100.00%
Expenses	(15,000.00)	(1.03%)
PBIT	1,442,445.98	98.97%
Post Cost	(1,007,663.37)	(69.14%)
PBT	434,782.61	29.83%
TAX	(159,782.61)	(10.96%)
After Tax	275,000.00	18.87%

This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Asset Description

Enter Gross Value of Transaction

Enter Term (years)

Enter Annual Finance Rate (%)

Enter Residual or Future Value

Select a Frequency Type

Select a Payment Type

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Enter Borrower Name

Click this button to transfer transaction to Equated Module

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click this button to redraw the grid with random factors.

Click this button to save transaction as default transaction

Click this button to enter Random Factors into Grid

Click this button to clear the grid of factors or to enter new factors into the grid

Click this button to carry out a Goal Seek

Click this button for Reverse Engineering of Cash Flows, i.e., compute rate of return from a series of cash flows.

Click this button to setup a Moratorium Transaction wherein only Interest is collected during Moratorium

Vish Tumu Associates - hpProfiling

Finance/HP profiled

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Grid

Grid	Year 1	Year 2	Year 3
Period 1	1.00	8.73	1.00
Period 2	1.25	6.55	1.00
Period 3	1.56	4.91	1.00
Period 4	1.95	3.68	2.00
Period 5	2.44	2.76	2.00
Period 6	3.05	2.07	2.00
Period 7	3.81	1.55	3.00
Period 8	4.77	1.17	3.00
Period 9	5.96	0.87	3.00
Period 10	7.45	0.66	4.00
Period 11	9.31	0.49	4.00
Period 12	11.64	0.37	4.00

Base Repayment 783.99

Check this box to include service charges as part of return (and not additional return)

The repayment for a period is equal to the base rental multiplied by the factor in the grid

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Finance Income 17,531.21 93.59%

Service Charges 1,200.00 6.41%

Total Revenue 18,731.21 100.00%

Direct Expenses 0.00 0.00%

PBIT 18,731.21 100.00%

Interest Cost (11,616.69) (62.02%)

PBT 7,114.62 37.96%

TAX (2,614.62) (13.96%)

Profit After Tax 4,500.00 24.02%

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Click this button for Reverse Engineering of Cash Flows, i.e., compute rate of return from a series of cash flows.

Click this button to carry out a Goal Seek

Click this button to clear the grid of factors or to enter new factors into the grid

Click this button to enter Random Factors into Grid

Click this button to save transaction as default transaction

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click this button to redraw the grid with random factors.

Click this button to transfer transaction to Equated Module

Enter Borrower Name

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Select a Payment Type

Select a Frequency Type

Enter Residual or Future Value

Enter Annual Finance Rate (%)

Enter Term (years)

Enter Gross Value of Transaction

Enter Asset Description

Click the Calendar button to select a date for the start of the contract

This box is filled in automatically with the current date and time

Click this button to setup a Moratorium Transaction wherein only Interest is collected during Moratorium

Click this box if computations are to proceed without exchange rate fluctuations being taken into account

Enter the exchange rate between foreign and local currency on date of borrowings

Enter estimated exchange rates between foreign and local currency on repayment date

This is the average rate that is used in calculations and is computed by the program

Enter expenses for negotiating and finalizing the funding

Enter the amount of borrowings in foreign currency

Enter the issue price as a percentage of par value

Click this button to view the help screen for this module

There are no reports for this module; the entire calculation is set out in this table

Vish Tumu Associates - COC

Cost of Capital

Vish Tumu Associates

Click this box if computations are to proceed without exchange rate fluctuations being taken into account

Enter the exchange rate between foreign and local currency on date of borrowings

Enter estimated exchange rates between foreign and local currency on repayment date

This is the average rate that is used in calculations and is computed by the program

Enter expenses for negotiating and finalizing the funding

Enter the amount of borrowings in foreign currency

Enter the issue price as a percentage of par value

Click this button to view the help screen for this module

Enter the coupon rate or borrowing rate for the source

Enter the statutory reserve to be put aside (as a percentage)

Enter the earnings on statutory reserve (as a percentage)

True Cost of Capital

There are no reports for this module; the entire calculation is set out in this table

Help

Variables Defaults

Contract Amount 1,000,000.00

Issue Price 95.00%

Coupon Rate 10.00%

Direct Expenses 150,000.00

Statutory Reserve 11%

Statutory Reserve Interest 5.00%

CAPITAL FLOWS

Proceeds from Issue	950,000.00
Issue Expenses	(150,000.00)
Net Proceeds from Issue	800,000.00
Statutory Reserve Allocation	(104,500.00)
Investible Funds	695,500.00
Coupon Charges	(100,000.00)
Interest from Statutory Reserve	5,225.00
Net Expense of Funding Source	(94,775.00)

COST OF CAPITAL

Net Expense of Funding Source	(94,775.00)
Investible Funds	695,500.00
Pre-Tax COC	13.63%

This box is filled in automatically with the current date and time

Click Calendar button to select a date for the start of the contract

Select Frequency Type

Select Payment Type

Enter Down payment (if any) either as decimal or absolute value. If percentage, click the percent box

Net Financing is computed using down payment

Enter Term (years) or click button to calculate same

Enter Annual Finance Rate (%) or click button to calculate same

Enter Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Check this box to include LMF charges as part of return (and not additional return)

Power Pack Portal provides greater control in developing transactions

Reports for this transaction. Reports are constantly updated in response to changes to variables

Buttons to open portals which enable specialized tasks to be carried out

Vish Tumu Associates - Calculator

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lease structuring

Help
Power Pack
Reports

Quotation Date 15-Feb-2004
Lease Start Date 29-Feb-2004
Frequency Monthly
Type Arrears
Asset Value 221,875.10
(Down Payment) Percent 15,000.00
Net Financing 206,875.10
Lease Term 3.00
Annual Pricing Rate 16.50%
Lease Rental 6,782.72
Balloon 25,000.00

Lessee ABC Corporation
Asset Description IBM PC
LMF Include in IRR 1.50%
Direct Expenses 5,000.00
Depreciation HALF Full Year
Depreciation Method WDV
Tax Depreciation Rate 60.00%
Tax Year-End 31-Mar
Income Tax Rate 36.75%
Cost of Capital 12.00%
VAT 20.00%

Lessee Name
Description for Asset
Lease Management Fee for Transaction (%). This will be used in arriving at the profitability of transaction
Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.
For half depreciation in first year
Depreciation Basis
Depreciation Method
Additional First Year Allowance
Tax depreciation rate (%)
Tax Year End
Tax Rate for Company (%)
Cost of Capital for Transaction (%). This will be used in arriving at the profitability of transaction
VAT Rate for Asset (%)

Post Tax
Lease Buy
Profiling
Import
Export
Clear
Flat Rate
Goal Seek
Random
Prompts
Print
Default
Product
Zero Rate
Repricing
Rate Conv
Moratorium
Financials

Capinvest
Flat Rate N.A.

Lease Rental	269,177.96	98.86%
LMF	3,103.13	1.14%
Revenue	272,281.09	100.00%
Direct Exp	(5,000.00)	(1.81%)
Depreciation	(206,875.10)	(75.98%)
Expenses	(211,875.10)	(77.81%)
PBIT	60,405.99	22.19%
Interest	(44,595.71)	(16.38%)
PBT	15,810.28	5.81%
TAX	(5,810.28)	(2.13%)
PAT	10,000.00	3.67%

Equivalent Flat Rate. To enter a flat rate for transaction, enter flat rate as decimal, and hit 'Return'

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Enter Gross Value of Lease

Click this button to setup a Moratorium Transaction wherein only Interest is collected during Moratorium

Enter Borrower Name

Click this button for Reverse Engineering of Cash Flows, i.e., compute rate of return from a series of cash flows.

Click this check box to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click this button to transfer transaction to other modules.

This box is filled in automatically with the current date and time

Click the Calendar button to select a date for the start of the contract

Enter Asset Description

Enter Value of Transaction

Enter Term (years)

Enter Annual Finance Rate (%)

Enter Residual or Future Value

Select a Frequency Type

Select a Payment Type

Enter Service Charges for Transaction (%). This will be used in arriving at the profitability of transaction

Vish Tumu Associates - Profiling

Leasing *profiled*

Click this button to redraw the grid with random factors.

Grid	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Period 1	2.00	0.00	1.00	1.00	0.00	1.00	0.16	0.00
Period 2	2.00	0.00	1.00	2.00	2.00	0.50	0.20	0.00
Period 3	2.00	0.00	1.00	3.00	0.00	0.25	0.24	0.00
Period 4	2.00	0.00	1.00	4.00	2.00	0.13	0.31	0.00

This grid is the most important part of this module; use the grid to enter profiling factors to compute the repayment schedule; a factor of 1 indicates Base Rental; a factor of 0 indicates no rental in that period; other factors indicate multiples of Base Rental; for example to indicate a rental that is twice the base rental, input a value of 2 into the appropriate cell. To indicate no repayments during a particular year, place the factor of 0 in all cells for that year. To indicate 50% increases in repayment, use the following illustrative factors: 1, 1.5, 2, 2.5, 3, 3.5, and so on or any factor that reflects your requirements. The base repayment changes in response to factors.

Base Repayment: 14,252.66

The repayment for a period is equal to the base rental multiplied by the factor in the grid

Check this box to include service charges as part of return (and not additional return)

Enter Direct Expenses for Transaction. This will be used in arriving at the profitability of transaction.

Lease Rental	871,218.22	99.54%
LMF	4,000.00	0.46%
Revenue	875,218.22	100.00%
Direct Exp	(5,000.00)	(0.57%)
Depreciation	(400,000.00)	(45.70%)
Expenses	(405,000.00)	(46.27%)
PBIT	470,218.22	53.73%
Cost of Capital	(327,925.73)	(37.47%)
PBT	142,292.49	16.26%
TAX	(52,292.49)	(5.97%)

Click this button to carry out a Goal Seek

The Profit and Loss Account of Transaction is constantly updated in response to changes to variables

Click this button to clear transaction data

For half depreciation in first year

This box is filled in automatically with the current date and time

Calendar button to select a date for the start of the contract

Description for Asset

Lessee Name

Enter Value of Lease or click button to calculate same

Enter Term (years) or click button to calculate same

Enter Annual Finance Rate (%) or click button to calculate same

Enter Repayment or click button to calculate same

Enter Residual or Future Value or click button to calculate same

Select frequency Type

Click this button to setup a random transaction

Click this button to set this transaction as a default transaction

Click this button to carry out a Goal Seek on Post Tax Rate of Return

Click this button to view reports for this transaction. Reports are constantly updated in response to changes to variables

Click to transfer this transaction to Leasing Equated Module

Pre-Tax Pricing Rate of Transaction

Expected Post-Tax Rate for non-lease transaction

Actual Post-Tax Rate of lease

Positive or negative effect of depreciation charge

Variance between actual and expected return

Post-Tax Decision Parameters

Additional First Year Allowance (%)

Post Tax Analysis

Quotation Date: 2-Feb-2004 13:53

Lease Start Date: 16-Feb-2004

Asset Description: Laptop Computers

Lessee: ABC Corporation

Asset Value: 150,000.00

Lease Term: 4.00

Annual Pricing Rate: 18.00%

Lease Rental: 4,341.13

Balloon: 0.00

Frequency: Monthly

Flows in Use: ☒ Native ☐ Profiling

Type: Advance

LMF: 1.00%

Direct Expenses: 2,500.00

Depreciation: HALF

Full Year: ☐

Depreciation Method: WDV

Depreciation Rate: 40.00%

Tax Year-End: 31-Dec

Tax Rate: 36.75%

Cost of Capital: 10.00%

Pre-Tax Return: 18.00%

Expected Post Tax Return: 11.39%

Actual Post Tax Return: 12.33%

Depreciation Effect: Positive

Variance from Expected: 0.95%

Post Tax Return: 12.33%

Post Tax Cost of Capital: 6.33%

Post Tax Pricing Flexibility: 6.01%

Click this button to restore transaction as in this example even if another transaction has been saved as default.

Click this button to view Reports

Enter the annual lease-pricing rate for the lease (%)

Enter the LMF for the lease (%)

Enter the Lease Term for the lease (years)

Enter the Balloon for the lease (if any)

Enter the value of the asset

Click this button to enter a custom depreciation schedule

Save current transaction as default. Module opens with default transaction.

Sets up a transaction with equivalent lease and buy terms (as an example) – not required otherwise

Clicking one of these buttons calculates a value for that variable at which point leasing and buying are equal

Enter the cost of borrowings of the lessee

Enter the cost of equity of the lessee

Indicates the financial advantage or disadvantage of Leasing

Click this button to transfer variables to Lease Structuring Module

ABC Corporation

Lessee Data

Cost of Debt (%) 10.00%

Cost of Equity (%) 25.00%

Debt Financing (%) 75.00%

Equity Financing (%) 25.00%

Tax Rate 36.75%

Depreciation Rate 25.00%

Depreciation Type WDV

Tax Life of Asset 6

Tax Delay (Months from Y.E.) 0

Advantage Leasing 5,304

Wrap-Up EMI

Enter the percentage of debt financing for buying the asset

This value is computed automatically

Enter the tax rate of the lessee (%)

Enter the depreciation rate for the asset (%)

Enter the depreciation type for the asset

Enter the tax life of the asset

Enter the tax delay between Y.E. and actual payment of tax

Click this check box to enter custom lease rentals

Year	Custom Rentals
1	28,200.00
2	28,200.00
3	28,200.00
4	28,200.00
5	28,200.00
6	1,200.00
7	1,200.00
8	1,200.00
9	0.00
10	0.00

First Year Additional Depreciation

Cost of Leasing 3.39%

Cost of Buying 10.93%

Lease Outflows (68,103)

Buy Outflows (73,406)

The flows associated with buying and leasing an asset

CapInvest

End of Manual
