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*CapInvest*

# User Manual



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Day To Day Analytical  
Support For Financial  
Institutions

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CapInvest

User Manual



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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.*

# Products

Financial Institutions face the need for a simple, well designed analytical / decision support tool to handle day-to-day pricing and structuring needs for a range of financial products:

- Vehicle Finance
- Lease Finance
- Hire Purchase
- Consumer Loans
- Bank Loans
- Installment Credit
- Housing Finance

In addition to structuring and developing financial and savings products that reflect the cash-flow requirements of borrowers,

institutions require complete control over product features, including rate of return from financial assets, using a tool with a simple interface and small foot-print so that it may easily be installed on laptops and PC's and be carried by executives to offer competitively priced, asset and consumer finance proposals in real time.

CapInvest addresses all of these requirements. With a footprint of around 30 MB, CapInvest sports an easy to use and well-designed user interface and employs a sophisticated analytical engine that is completely invisible to the user – the user interface is exceptionally clean and easy to use. The functionality of the program is exposed by special menu items.



# Functionality

CapInvest has been designed using a modular architecture which enables the product to be easily customizable to address specific requirements of a financial institution, whether via additional modules, portals, or reports or via modifications to existing modules, portals and reports.

The functionality of CapInvest comes from two sources:

## Product Structuring Options

Wherein a user sets options to develop consumer finance transactions, using relevant variables; for example, in developing a financing/hp transaction, the user interface provides options for the following:

- the finance rate for pricing the transaction (alternatively, the finance rate can be computed by the program, given information on other pricing variables);
- the duration of the loan (from 1 year to 20 years);
- the value of the transaction
- the value to be paid in future;
- the installment to be paid by the borrower (this pricing variable is usually required to be computed by the user – however, a user can also set this variable to a given installment amount and compute some other variable, such as the value of the loan to be financed);
- the frequency of payments – monthly, quarterly, half-yearly or annual;
- the timing of payment – payment at the beginning of the period or payment at the end of the period.

As the user enters or sets values for these variables, a user is also presented with a birds-eye view of the transaction to assist in developing a transaction that is in line with expectations.

## Transaction Analysis

Wherein a user is able to examine detailed reports of the transaction; for example, after developing a financing/hp proposal, a user can view the reports for the transaction; all reports are instantly updated whenever a variable is changed –examples of reports include, a report on overall profitability of the transaction, a report on year-to-year profitability, a report setting out the amortization schedule for the transaction, a report on the cash position of the transaction by periods, a report on Repayments, Principal and Finance Income by year end, and so on.

A similar paradigm is used in the other modules: for example, the user interface in the Profiling Module provides tools to sketch profiling requirements using a 12 X 10 grid; the module uses inputs to compute a repayment schedule. The analysis section of this module sets out reports containing the period-to-period repayments of the profiled transaction and the amortization schedule for the transaction.

Taken together, the User Interface Options and Analysis Reports provide rich functionality to a user to develop transactions that are fully attuned to the requirements of the borrower and lender.

*CapInvest transactions can be developed in two shapes - equated and profiled - regardless of whether the transaction is a loan, hp, leasing or some other type of investment.*

# Shapes

- Equated** Monthly, Quarterly, Half-Yearly or Yearly, payable in the beginning of a period or end of a period. This is the most common type of repayment. While easy to calculate, such payments do not address the specific requirements of a lender or borrower for repayment schedules that are un-equal from period to period.
- Profiled** These are repayments that vary from period to period in response to user set options. Profiled Repayment Schedules offer tremendous power and flexibility to an originator to develop products that are user friendly while addressing the originator's financial objectives. Like equated repayments, profiled repayments could be Monthly, Quarterly, Half Yearly or Yearly and could be payable at beginning of a period or end of a period.

*Modules are basic building blocks used by CapInvest to develop transactions. Portals extend the functionality of modules into newer areas.*

# Modules

Finance Equated	Develop Financing and Hire Purchase Transactions, where repayments are equal from period to period.
Finance Profiled	Develop Financing and Hire Purchase Transactions, where repayments vary from period to period.
Cost of Capital	Arrive at an accurate cost of borrowings for use in pricing financial transactions.
Leasing Equated	Develop leasing transactions, where repayments are equal from period to period
Leasing Profiled	Develop Leasing Transactions, where repayments vary from period to period.
Post Tax Analysis	Examine a leasing transaction from a post-tax perspective.
Lease Vs. Buy	Analyze the benefits of leasing vis-à-vis Buying. Lessees assume leasing is costlier by considering a single factor: the pricing rate - other factors also need to be taken into account and this module carries out an overall assessment of the benefits of leasing vis-a-vis buying.

*CapInvest ships with several special-purpose portals that are useful for specific tasks; CI portals enhance the functionality of CapInvest and work seamlessly within modules. Each portal is designed to be self-documenting.*

# Portals

Product Developer Portal	Develop user-friendly ‘Finance’ and ‘Savings’ products, wherein investments in a transaction can be spread over a period of time, prior to the start date of a transaction or after the start date of a transaction. This portal enables you to develop a single repayment schedule that captures all investments in a transaction. This portal can be used for Personal Banking Products (savings products) and finance products.
Zero Rate Portal	Develop financing transactions that involve contributions from a third party, such as capital goods manufacturers or distributors – Zero Rate / Concessional Financing is a powerful marketing technique that requires a finance company and a capital goods supplier to cooperate in developing a product that offers concessional finance to a customer without compromising the expected rate of return of a financial institution.

# Portals

## Repricing Portal

Reprice a financial transaction –for example, incorporate a new pricing rate in a floating rate scenario, add items into an existing transaction (additional investment into an existing transaction), deduct value from an existing transaction (prepayment or partial payment) , redevelop an account that is in arrears, and so on.

## Rate Conversion Portal

Convert pricing rates from Annual to Effective and vice-versa – rate conversion is useful in situations where the compounding period and repayment period are different – an equivalent annual rate solves the problem posed by the inequality.

## Moratorium Portal

The Moratorium Portal is useful in those situations (a) where Principal is subject to a Moratorium and finance charges are to accumulate on Principal during the Moratorium Period; (b) to calculate a repayment schedule wherein Principal Repayment is equal through out the term of the repayment term - this practice is common with development finance institution - for example, a DFI's terms might state that financial assistance is subject to a moratorium of 5 years and repayable in equal quarterly repayments over 3 years.



# Portals

## Flat Rate Portal

The Flat Rate Portal is useful for converting a True Rate to Flat Rate and vice versa - displays equivalent rates and calculations.

## Security Deposit Portal

The Security Deposit portal is useful to work with transactions that come with deposits, whether for security or otherwise - such deposits can accumulate at a pre-determined rate and be adjusted against repayments or refunded at end of term or integrated with transaction pricing wherein the consolidated return from a transaction is examined so that a financial institution is able to offer appropriate terms - for example, an institution may lower the financing rate on a transaction when a customer places a non-interest bearing deposit with the institution.

## Goal Seek Portal

The Goal Seek Portal provides the tools to engineer the transaction by targeting any of several variables such as Revenue, Profit Before Tax and Profit After Tax to obtain a precise value. Target value is obtained by changing a variable that is indicated in the portal. For example, a user may target a Profit Before Tax of 150,000 by changing the pricing rate or the term.

# Portals

## Reverse Engineering Portal

Use the 'Reverse Engineering' portal to carry out several useful tasks: This Portal is available only from the two Profiling Modules - click the 'Reverse' button in the profiling modules to access the portal.

- Compute the Rate of Return embedded in a series of Cash Flows where the Principal of the Transaction is known.
- Compute the Present Value of a series of Cash Flows where the Rate of the Transaction is known.
- Compute a Profiled Repayment Schedule using absolute repayment values (rather than profiling factors, as is the usual case). Enter period repayments into appropriate cells in the grid and other transaction details such as Principal, Finance Rate, Payment Frequency, Payment Type and so on. Select one cell in the grid for 'balancing' the transaction and click the 'CF' button - CI computes a repayment value for that cell (positive or negative) which leaves the transaction in harmony - if positive, amount is due from customer - if negative, amount is due to customer.



# Portals

## Power Pack Portal

The Power Pack Portal incorporates several pricing components that assist a financial institution to develop flexible transactions. For example,

- incorporate service charge into pricing by developing a quotation that prices service charges separately from the finance charge, within the overall rate of return for the transaction.
- incorporate residual value or transfer fee into pricing by developing a quotation that prices residual value separately from the finance charge, within the overall rate of return for the transaction.
- incorporate deposits paid by a customer into pricing by developing a quotation that prices deposit separately from the finance charge, within the overall rate of return for the transaction

*The CapInvest CD contains several useful documents and each document addresses a specific topic. Following is a listing of documents and the objective of each:*

# Documents

Concept	Provides a detailed conceptual insight into CapInvest and its reason for existence (very important document)
Quick Start Guide	Excellent document with an overview of the types of transaction that can be developed with CapInvest. Contains screen shots with comments. Use this document to get a head-start in using CapInvest.
Brochure	Provides an overview of CapInvest.
Features	This document sets out features module by module.
Examples	This document provides a step-by-step procedure for carrying out common tasks in CapInvest, such as developing a profiled transaction, pricing a lease, and so on.
Developing Financial and Savings Products	Provides the conceptual underpinnings for using the 'Product Developer' portal to develop user-friendly Financial and Savings Products. Includes a step-by-step exercise to develop a Savings Product and Discounted Cash Flow Equations.

# Documents

## Repricing a Transaction

This document explains the procedure to Reprice a Financial / Leasing Transaction to handle Floating Rate Scenarios or to handle a scenario when an account goes into arrears. CI has a Repricing capability built-into the model that can be used to automate the repricing process.

## Leasing Features

Discusses 'Leasing' features of CapInvest.

## Leasing Case Study

Discusses a real-life example of a leasing transaction to focus on the tasks addressed by CapInvest and to provide perspectives on how CapInvest can address requirements.

## Operating Lease Program

This document provides case-study type conceptual discussion of establishing an Operating Lease Program, using a real-life advertisement of an operating lease program from the Wall Street Journal.

## Post Tax Pricing

This document discusses a powerful technique available to leasing companies in pricing leases. As competition heats up in the market place, lessors need to look for newer ways and techniques to compete in the market place.

# Documents

## Lease Vs. Buy

This document sets out results of an actual Lease Vs. Buy Exercise carried out for a lessee. The Lease Vs. Buy is an excellent tool that highlights the advantages of leasing vis-à-vis other sources of finance and is invaluable in marketing leasing products to customers.

## VAT Implications

This document discusses the implications of VAT for leasing operations and in pricing a lease. Unless the carrying cost of VAT is integrated properly into lease pricing, there is a risk of over-pricing or under-pricing a transaction.

*CapInvest operates on all versions of the Windows Operating System, i.e., Windows 95, Windows 98, Windows ME, Windows XP, Windows 2000*

# Installation

**Excel** CapInvest requires Excel 2000 or Excel XP. CapInvest will not operate under Excel 97; please ensure that your installation of Excel includes installation of the Addin 'Analysis ToolPak' – without this addin, the Post Tax Module will not produce the required results; the default installation of Excel includes the Analysis ToolPak Addin.

**Hardware** CapInvest is processor-intensive and as such will operate optimally under a powerful Pentium processor

**Networked PC** CapInvest installs without a hitch on a stand-alone desktop PC or laptop PC. Where the PC is part of a network, the software may not install, since the network may have security features that restrict/control installation of software on individual PC's – in such an event, please consult your system administrator for the necessary privileges to install the program on your PC – there may also be a provision to install programs on individual PC's via the central server. Please consult your system administrator if your PC is part of a network.

# Installation

## Program Size and RAM

CapInvest requires hard disk space of around 30 MB. CapInvest works optimally with a RAM of 256 MB or more; otherwise, the program may operate slowly; to make available maximum memory to the program, please quit all open applications.

## Monitor Resolution

On its launch, CI automatically sets the resolution of the PC monitor to 1024 X 768 and resets resolution to the original setting on exit. If this does not happen, you will find that screen images do not fit into the screen and that you need to scroll. If so, please set the video resolution of the monitor to 1024 X 768. To increase the resolution of your monitor, please go to control panels and from there, to Monitor settings where you can adjust the video resolution of your monitor.

In addition to the situation described above, you may sometimes encounter a situation wherein images on screen are zoomed out of proportion. This problem is not connected with video resolution discussed above - you need to take a look at the video driver of the PC and adjust the MHz settings.

# Installation

## Installation

Open the CI Installation folder where you will find three files. Double-Click 'setup.exe' (not 'setup.lst' )  
– the installer places necessary files in your PC and creates a short cut to the program in the Start Menu. Accept default installation suggestions made by the installer (including the default installation location and folder) and wait for installation to be completed.

To launch CapInvest, go to Start / All Programs / CapInvest where you will find an item for CapInvest  
- click to launch CapInvest and to go to the main command center; enter the default password 1000 to log-in.

If you wish, you may also create a shortcut on your desktop to the following file:

"C:\ProgramFiles\CapInvest\Navigator\CapInvest.

To uninstall the program, remove the following folder:  
"C:\Program Files\CapInvest – or go to control panels, add/remove programs where you will find a listing for CapInvest.



# FAQ

## Error Message When Previewing Reports

Ensure that your PC has a printer driver installed or a printer is connected to the PC. This is required for the program to correctly preview reports on screen.

## Zoomed Images

If you find that images on screen are zoomed or do not fit into the screen properly, you need to make an adjustment to the refresh rate of your monitor (Control Panels / Monitor / Advance options) or check the video driver.

## Analysis Tool Pak

Post Tax Module Requires Analysis ToolPak  
If the above add-in is not installed, you may receive an Error Message “Run time error ‘1004’; Unable to set the installed property of the AddIn class”; the Analysis ToolPak is installed by default in Excel.

## How do I save a proposal in the Post Tax Module?

Transfer the proposal to the Pre-Tax Module (Lease Structuring Module) and save it by clicking the ‘Export’ button. You can re import the proposal later.



# FAQ

Can I work backwards to compute a rate of return from a set of cash flows?

Yes you can, for both equated and non-equated cash flows! Click the 'Reverse' button in the Profiling Module and follow instructions. You can view reports for the transaction after the reverse engineering is completed. See the Reverse Engineering Portal for more details.

How do I enter a value for a term that is not in complete Years?

For example, how do I enter a term that is 30 periods? Convert the same into years and enter. For example, enter the 30 periods into the cell as follows: = 30/12 (if months) or=30/4 (if quarters), and so on.

The Amortization Table appears to be incorrect or the answer appears to be incorrect

(1) You probably changed one or more pricing variables and did not click the small grey button for the pricing variable for which you intend to seek an answer – as a result, CapInvest did not recalculate and is using the old variables (2) the term being used for the transaction may not be evaluating to an integer and thus, the amortization table does not have access to an accurate number of rows to fill.

# FAQ

## Difference in Results

An identical transactions has been setup in HP/ LOAN Module and Lease Structuring Module; the Profit After Tax (%) reported in the HP module is vastly greater than the PAT (%) reported in the Lease Structuring Module. The absolute value of Profit After Tax is exactly the same in both modules, as you can observe; the difference in percentages arises because PAT is related to Total Lease Rental in the Lease Structuring Module, while the same is related to finance income in the HP/ LOAN module.

“Could not load an object because it is not available on this machine”

This error message arises because of missing components in your Excel installation that provides functionality for the Calendar Tool or other controls used in CapInvest. Open the CD and go to CI Tool Kit / ActiveX/ Calendar and Slider & PB and read the ‘Read Me.doc’ inside these folders for instructions on replacing missing components.

## FAQ

## Difference in Rates

In the post-tax module, the tax rate is set to zero; this should equate the Pre-Tax Rate with the Post-Tax so that they are both same; however, I find that the Post-Tax Rate is not equal to the Pre-Tax rate but is very slightly lower. The Post-Tax Pricing Module employs a special function to compute the post-tax rate since the post-tax cash flows will be irregularly spaced, date wise. This function has been set up to eliminate statistical discrepancy in computations while equating the effective rate with the nominal rate – the result is that the function always errs on the safer side. So, the answer is more conservative.

Service Charges/LMF as  
Part of Original Return  
from Transaction

In the equated modules, how do I include service charges or LMF to be part of rate of return for the transaction, rather than being additional income? Check the small box in the service charge / LMF cell – this will ensure that LMF is treated as part of the return of the transaction. If this box is unchecked, CapInvest will treat service charge/LMF as additional income from the transaction.

# FAQ

Half depreciation  
in first year of  
transaction

In the Post Tax Pricing module, I want CapInvest to compute depreciation as follows: (a) if an asset is acquired in the first half of a year, 100% of the first year's depreciation is to be used; (b) if an asset is acquired in the second half of a year, 50% of the first year's depreciation is to be used. How do I obtain this effect? Check the small box in the Depreciation Cell, identified by the label 'Half'.

Additional  
Depreciation  
in First Year

Click the small button in the depreciation rate cell - this will bring up a box into which you may enter the additional first year depreciation allowance.

# Goal Seek

Goal Seek is a powerful concept used extensively in CapInvest. Simply put, Goal Seek enables ‘non-serial’ calculations to be carried out in pursuit of end objectives.

Financial Calculations typically proceed in a serial (or Top to Bottom manner); for example, the following simple procedure calculates the total cost of an item on the basis of individual cost items:

(a)	Raw Materials	250
(b)	Labor	180
(c)	Direct Cost (a) + (b)	430
	Overheads (50% of Direct Cost)	215
	Total Cost Of Product	645

Typically, a procedure such as the above would provide a way for the user to change the value of variables (cost of Raw Materials, Labor, Overhead Percentage, and so on) to arrive at the total cost of the product – for example, if cost of raw materials is changed, the total cost of the product is instantly recalculated. This is the default ‘serial’ calculation.

# Goal Seek

Suppose a user wants to work 'backwards' (or bottom to top) by specifying a value for the Total Cost of the Product; what should be the Cost of Raw Materials to arrive at the specified Total Cost? The calculations to arrive at an answer will need to proceed in a 'non-serial' way and this is what Goal Seek does.

To employ the Goal Seek Function, a user is required to provide inputs for three items: (1) identify a 'Target' (in this example, the Total Cost of Product; (2) specify a 'Target Value' (say, 550 for Total Cost of Product); and (3), identify a variable that should be changed in arriving at the answer (Raw Material cost in this example). The Goal Seek Function compute an answer to the problem using an 'iterative' process, which is invisible to the user.

Goal Seek is employed implicitly and explicitly in CapInvest; examples of implicit use can be found (for example), in the LOAN/ HP or Lease Structuring Module, wherein a user can change any of the five pricing variables to seek an answer – a user can change, the pricing rate, the term, the value of the transaction or the future value or the period repayment, in any order, and seek an answer by clicking the small grey button in the cell for which an answer is required.

# Goal Seek

Goal Seek is also employed explicitly in several modules:

Explicit use of the Goal Seek function can be invoked by clicking the 'Goal Seek' button to compute, say a desired Profit After Tax figure in the LOAN/HP module, by changing, say, the annual finance rate.

Likewise, Goal Seek can be employed in the Post Tax Module to calculate a desired Post Tax Rate of Return of a Lease by changing the Balloon for the transaction or the lease-pricing rate for the transaction or the tax depreciation rate, and so on.

The possibilities for employing the powerful features of Goal Seek are endless – a user will need to use his/her imagination to exploit the power of Goal Seek.

# Conclusion

The best way to familiarize yourself with the many features of CapInvest is to use the software – each module in CapInvest launches with a sample transaction that you can experiment with.

Each module has an on-line help system that you can access by clicking the ‘Help’ button in a module – the help system contains screen shots of each module with helpful comments about each item. Most Portals contain Tool Tips that provide helpful comments. A transaction, along with its variables and financials, can be examined in the main module itself; insights into a transaction can be gained by examining the reports for a transaction, which are constantly updated in response to changes to underlying variables.

Above all, the documents in the CD contain valuable information for using CI productively in your organization.

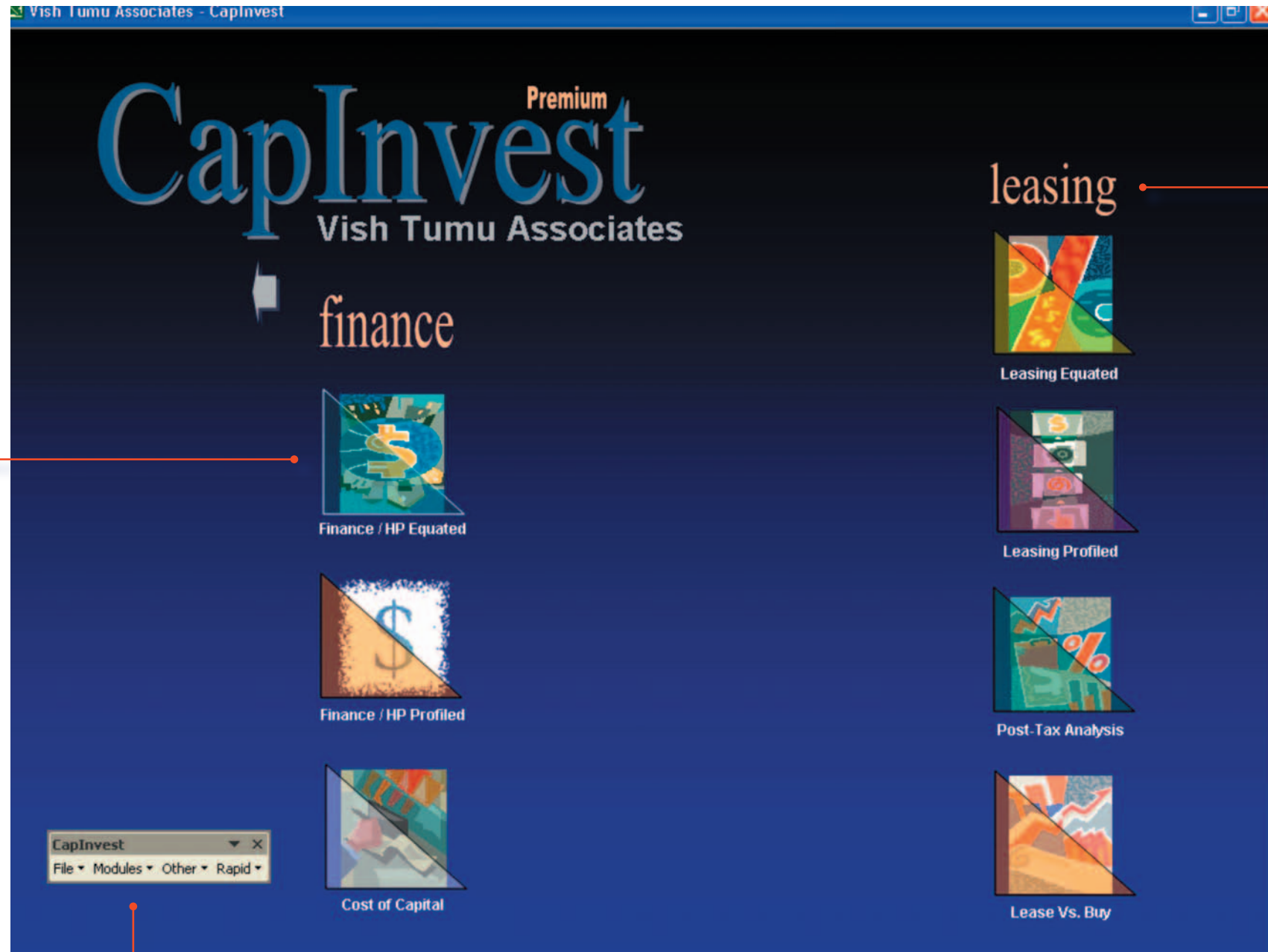
CapInvest has been engineered and programmed by Viswanath Tumu, co-author of the book “The Principles and Practice of Leasing” by K.V. Kamath, S.A. Kerkar and T. Viswanath. This book functions as an authoritative text on the subject of leasing in several countries and with several international financial institutions, including the International Finance Corporation, Washington.





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



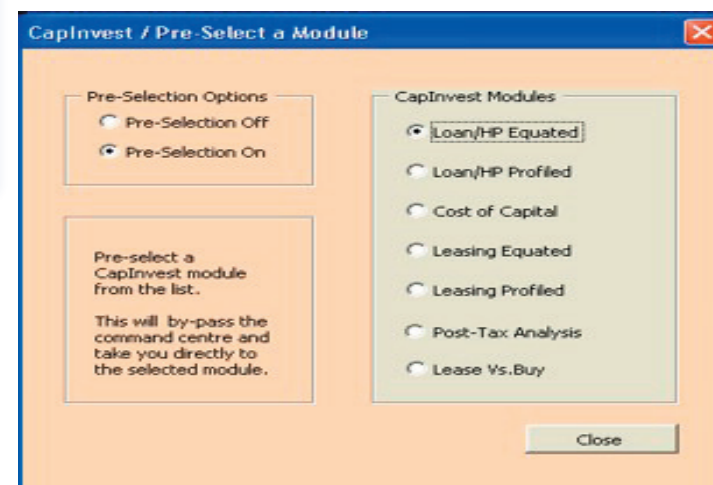
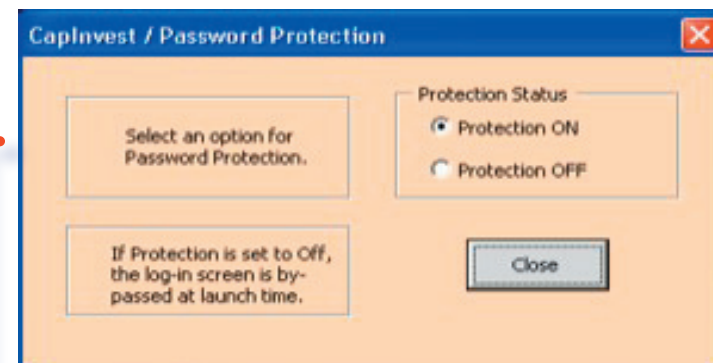
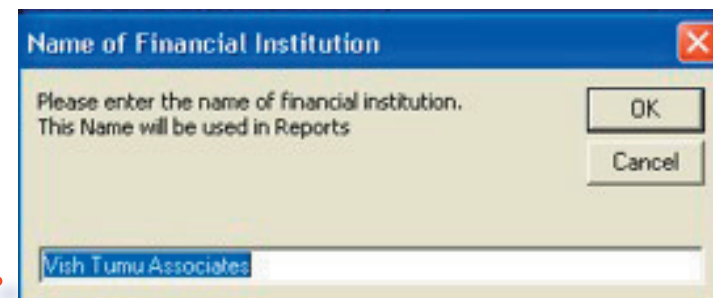
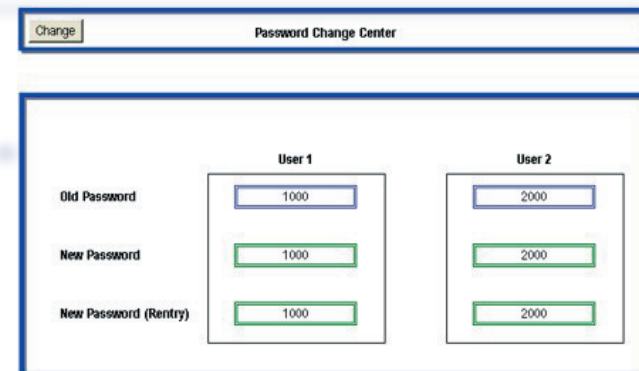
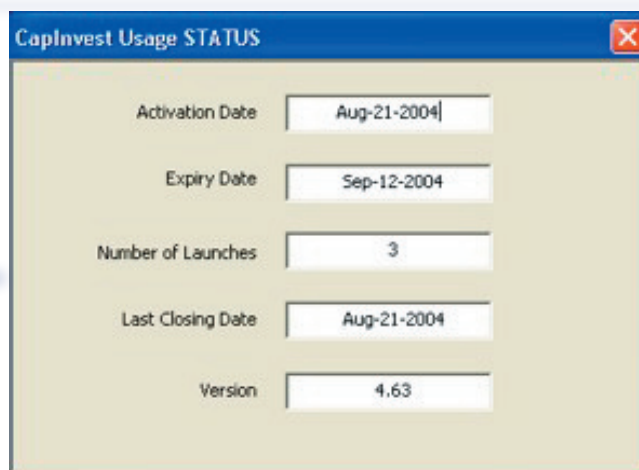
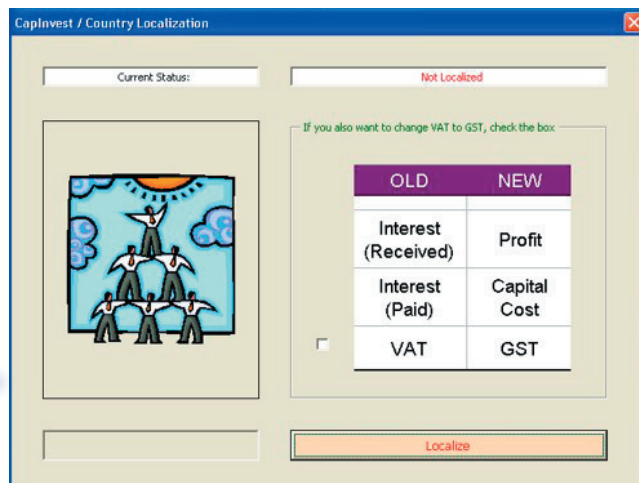
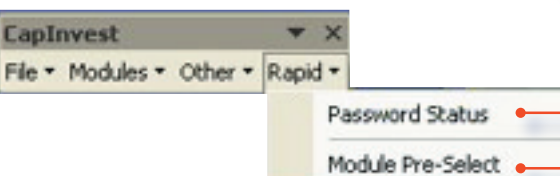
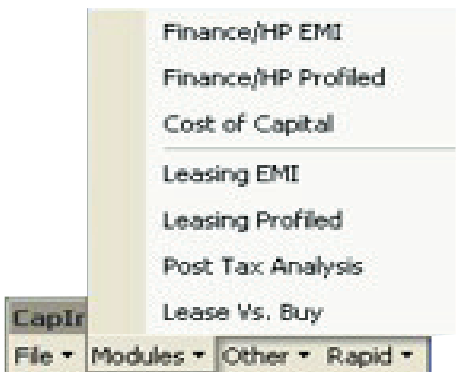
Note the Finance Modules on the right. Clicking an icon launches that module. You can return to the main command center anytime and go to other modules from here or you may also go directly to another module in some cases

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: ABC Corporation

Quotation Date: 5-May-2004 3:35 PM

Contract Start Date: 19-May-2004

Borrower / Hire Purchasee: ABC Corporation

LOAN / HP Value: 1,000,000.00

(Down-Payment): 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

Mode: ☒ Finance ☐ Savings

Asset Description: Housing Finance Loan

Direct Expenses: 15,000.00

Service Charges (%): 1.50%

Include in IRR: ☐

Income Tax Rate (%): 36.75%

Cost of Capital (%): 9.00%

Payment Frequency: Monthly

Payment Type: Advance

Tax Year-End: 31-Mar

Buttons: 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.

Check box: Reports ☐

Buttons: Power Pack, Profiling

Flat Rate: 8.01%

Income	1,442,445.98	98.97%
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%
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.

**Vish Tumu Associates - hpProfiling**

**Finance/HP profiled**

**Vish Tumu Associates**

**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** (11,616.59) (62.02%)

**PBT** 7,114.62 37.96%

**TAX** (2,614.62) (13.90%)

**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 to setup a Moratorium Transaction wherein only Interest is collected during Moratorium**

**Quotation Date** August 11, 2004

**Contract Start** 25-Aug-2004

**Asset** IBM PC

**Borrower** ABC Corporation

**Value** 80,000.00

**Term (Years)** 3.00

**Finance Rate (P.A.)** 14.90%

**Residual / Future** 5,000.00

**Payment Frequency** Monthly

**Payment Type** Advance

**Service Charges (%)** 1.50%

**Include in IRR**

**Direct Expenses** 0

**Reports** ☐

**Defaults**

**Random**

**Clear**

**Reverse**

**Goal Seek**

**Print Sheet**

**Help**



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

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

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**

**Vish Tumu Associates**

**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  
**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**  
**Flat Rate**  
**Product**  
**Lease Buy**  
**Goal Seek**  
**Zero Rate**  
**Profiling**  
**Random**  
**Repricing**  
**Import**  
**Prompts**  
**Rate Conv**  
**Export**  
**Print**  
**Moratorium**  
**Clear**  
**Default**  
**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)	(1.84%)
Depreciation	(206,875.10)	(75.98%)
Expenses	(211,875.10)	(77.81%)
PBIT	60,405.99	22.19%
Interest	(44,596.71)	(16.38%)
PBT	15,810.28	5.81%
TAX	(5,810.28)	(2.13%)
PAT	10,000.00	3.67%

Enter Gross Value of Lease

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



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)	(45.78%)
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%)

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

Post Tax EMI

Reports ☐

Defaults

Random

Clear

Reverse

Goal Seek

Print Sheet

Help

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 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** 8.89%

**Cost of Buying** 10.99%

**Lease Outflows** (68,103)

**Buy Outflows** (73,406)

The flows associated with buying and leasing an asset



Click this tab if accumulated principal is to be recovered via equal repayments of Principal - a common practice with development finance institutions - or transfer the accumulated balance to the mother module and price the transaction there.

Portal opens with default date from Module. You can enter a new date.

Enter Moratorium Period in Months

The End Period is calculated by the Portal

Click the 'Moratorium' button to open this portal. You may also click this button

The screenshot shows the 'CapInvest / Moratorium Transactions' window. On the left is a sidebar with various input fields. The main area has two tabs: 'Moratorium' (selected) and 'Repayments'. The 'Moratorium' tab contains fields for Start Date, Months, End Date, Principal, Annual Rate, Compounding, Updated Principal, Add / Deduct, and Final Principal. The 'Repayments' tab contains fields for Rate Calculation (Simple/Compound) and a Print button. Annotations with red lines point to specific elements: the 'Moratorium' tab, the 'Start Date' field, the 'Months' field, the 'End Date' field, the 'Principal' field, the 'Annual Rate' field, the 'Compounding' dropdown, the 'Updated Principal' field, the 'Add / Deduct' field, the 'Final Principal' field, the 'Print' button, the 'Simple' radio button, and the 'Compound' radio button.

Click the 'Moratorium' button to open this portal. You may also click this button

Portal opens with default date from Module. You can enter a new date.

Enter Moratorium Period in Months

The End Period is calculated by the Portal

Portal opens with default Principal from Module. You can enter a new Value.

Portal opens with default Rate from Module. You can enter a new Value.

Select a Compounding Frequency from drop box

Accumulated Value of Principal

Carry out further changes via addition or subtraction

Select a calculation basis for accumulating Principal

This is the Principal that is due after Moratorium

Click the Print button to Print Moratorium Report to a separate worksheet

Click the Red button to transfer accumulated Principal to Mother Module

Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchasee: 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

CapInvest / Moratorium Transactions

Moratorium

Start Date: Feb-16-2004

Months: 12

End Date: Feb-15-2005

Accumulation

Principal: 1,000,000.00

Annual Rate: 12.15%

Compounding: Monthly

Updated Principal: 1,128,499.67

Add / Deduct: 0

Final Principal: 1,128,499.67

Rate Calculation

Simple

Compound

Print

Click this button to print calculations to a separate worksheet, including the Original Principal, the accumulated Principal and the Repayment Schedule for the transaction along with period finance charges

Vish Tumu Associates - HP

CapInvest / Moratorium Transactions

Moratorium Repayments

You can also calculate repayment on the basis of equal recovery of principal over term.

For example, a development banking institution may offer a Moratorium of 12 months and require Principal (along with interest on outstanding Principal) to be repaid over a period of 5 years.

This method divides the principal outstanding by the number of recovery periods.

To the Equated Principal Recovery as calculated above, the finance charge of a period is added, which is calculated on the outstanding principal at beginning of a period.

The Principal Recovery (Equated) and finance charge of a period constitute the repayment of a period.

Click the Repayment Schedule button to view or to print the Repayment Schedule by periods (Equated Principal + Finance Charge).

Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchasee: ABC Corporation

LOAN / HP Value: 1,000,000.00

(Down-Payment): 0.00

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

Repayment Schedule

Principal Repayment

Final Principal: 1,128,499.67

Years: 3

Frequency: Quarterly

Type: Arrears

Finance Charge: 12.15%

Principal Repayment: 94,041.64

This is the accumulated Principal after the Moratorium. You may also enter a new value

Enter the Repayment Period

Select a Repayment Frequency

Select a Repayment Type

Enter the annual finance charges

This is the equal Principal Repayment to which finance charge of a period will be added to arrive at the total repayment of a period



Click this button to open a form for developing a transaction wherein interest only is collected during Moratorium Period.

This effect is obtained by inputting appropriate profiling factors into cells representing periods during which interest only is collected from customer - in this example, Years 1-3

The 'Interest-only Moratorium' Form computes and inserts profiling factors into cells representing Years 1-3.

A user needs to identify Moratorium Cells by clicking the small button on the right side of the text box in the form - doing so enables a user to switch to the grid to identify cells by dragging across the grid.

As can be noted from the example above, this is a 7 Year transaction with a moratorium of 3 years. The profiling factors in the grid have been computed by the form such that when the factor in the grid is

multiplied by the base repayment, it would be equal to the interest due on outstanding principal. The Principal (along with interest on outstanding principal) is collected during years 4-7 via the base repayment of 2106.71. This is indicated by entering the profiling factor of 1 in Years 4-7 (or any other factor that reflects repayment preference of the customer).

**Finance/HP** *profiled*

Vish Tumu Associates

Quotation Date: August 17, 2004

Contract Start: 31-Aug-2004

Asset: IBM PC

Borrower: ABC Corporation

Value: \$0,000.00

Term (Years): 7.00

Finance Rate (P.A.): 12.00%

Residual / Future: 0.00

Payment Frequency: Monthly

Payment Type: Arrears

Service Charges (%): 1.50%

Include in IRR: ☐

Direct Expenses: ☐

Grid	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Period 1	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 2	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 3	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 4	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 5	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 6	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 7	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 8	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 9	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 10	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 11	0.38	0.38	0.38	1.00	1.00	1.00	1.00
Period 12	0.38	0.38	0.38	1.00	1.00	1.00	1.00

Base Repayment: 2,106.71

Finance Income: 49,921

Service Charges: 1,200

Total Revenue: 51,121

Direct Expenses: 0.00

PBIT: 51,121

Interest Cost: (40,291)

PBT: 10,830.17

TAX: (5,900.09)

Profit After Tax: 6,850.08

Asset Value: \$0,000.00

Loan Start Date: 31-Aug-2004

First Payment Date: 1-Oct-2004

Last Payment Date: 1-Sep-2011

Total Repayment: 129,921.93

Period Pricing Rate: 1.00%

Product Pricing Rate: 1.00%

Interest-Only Moratorium Transaction

Use this form to set up Profiling factors whose effect is to develop a repayment schedule wherein only interest on outstanding principal is collected during Moratorium Period - a practice common with educational loans.

To get started, enter 1 (or any other profiling factor) into cells where repayment will include Principal + Interest on outstanding Principal. For example: Years 4 through 7

Next, click the button on the right side of the edit box below to select periods during which interest only is included in Repayment (and not also Principal). For example: Years 1 through 3.

The profiling factors needed to achieve this result are calculated and inserted into the identified cells.

Select Moratorium Periods

Profiling!\$F\$8:\$H\$19

Insert Profiling Factors

Click the Future Value tab to work with a situation where a customer places a deposit that is to be refunded at end of transaction. If you need to integrate the security deposit with transaction pricing, click the 'True Return' tab

Enter customer deposit in this box and select choices from the other boxes below to arrive at the amount to be repaid to the depositor on end of the deposit period.


Click this button to open the security deposit portal.

Instead of repayment of deposit, you may also adjust the same against transaction repayments - to do so, click the Transfer button. This transfers the accumulated value of deposit to the Future Value cell in the Mother Module and will recalculate the period repayment. In this scenario, the period repayment will be reduced since the financial institution claims the deposit on end of transaction

Vish Tumu Associates HP

### CapInvest / Security Deposit Transactions

Future Value | True Return | Calculation Report



Quotation Date  
2-Feb-2004 2:28 PM

Contract Start Date  
16-Feb-2004

Borrower / Hire Purchasee  
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



Deposit

If Deposit is to accumulate, indicate the annual rate. The default value in the box is the cost of capital but you may enter any rate.

Number of Years on Deposit. The default value is the transaction period but you may enter any period (years).

Compounding Frequency

Future Value of Deposit. This is the accumulated value of the Deposit due to the depositor.

Click this button to transfer Future Value of Deposit to future value cell in the model.

Transfer

0.00

0.09

18.00

Monthly

0.00



Click the True Return Tab to integrate Security Deposit into Transaction Pricing. This page enables an institution to examine the effect of receiving a deposit on the bottom line of a transaction and thus, to develop Transaction Pricing taking into account the effect of the deposit. The True Return is the return from the transaction after integrating the security deposit into the transaction.

These default values are from the transaction from the mother module - you may change these values by entering different values

Click this button to import a transaction from the Mother Module into the Portal

Click this button to export a transaction from the Portal into the Mother Module

Enter Security Deposit Parameters into these boxes - Amount, Rate

Note the True Return from transaction which is influenced by the terms of the deposit - when no finance charge is payable on the deposit, the True Return is higher than the Transaction Return and a financial institution has the flexibility to lower the transaction rate so that the true return is equal to the transaction rate.

Click this tab to view calculations for the True Return

CapInvest / Security Deposit Transactions

Future Value True Return Calculation Report

Transaction Details

Asset Value 1,000,000.00 Financing Rate 12.15% Years 18 Frequency Monthly

Future Value 0.00 Repayment 11,307.62 Type Advance

Security Deposit Value

100,000.00

10.00%

Enter desired Percentage rate into box (decimal) or use spin button to set value

Security Deposit Finance Rate

0.00%

Monthly

Enter desired Percentage rate into box (decimal) or use spin button to set value

Deposit Present Value 11,349.43 Deposit Future Value 100,000.00

True Return 13.78%

Click the Red Button to carry out a goal seek on True Return by changing security deposit parameters

Quotation Date 2-Feb-2004 2:28 PM

Contract Start Date 16-Feb-2004

Borrower / Hire Purchasee ABC Corporation

LOAN / HP Value 1,000,000.00

(Down-Payment) 0.00

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



Click this button to print calculations to a separate worksheet where you may examine the underlying equations in arriving at different values

This box summarizes the transaction


This box summarizes the security deposit parameters. Note that a security deposit of 100,000 with no finance charges has a future value of 100,000. However, the present value of 100,000 payable 18 years in future is 11,349.43 (discounted with the transaction rate of 12.15%). Thus, the present value reduces the initial investment in the transaction.

To view the calculation of Net Investment in Transaction, double click this box - as can be noted, the net investment is equal to the outflow of 1,000,000 plus the security deposit of 100,000 (inflow) plus the present value of security deposit of 11,349.43 (outflow) which results in a net investment outflow of 911,349.43. Since the net investment has dropped, the true rate of return rises to 13.78%

Vish Tumu Associates - HP

### CapInvest / Security Deposit Transactions

Future Value | True Return | Calculation Report



Quotation Date: 2-Feb-2004 2:28 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchasee: 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

**Transaction Details**

Transaction Value: 1,000,000.00

Term (Years): 18


Nominal Rate (%): 12.15%

Future Value: 0.00

Transaction Frequency: Monthly

Transaction Type: Advance

Period Repayment: 11,307.62



**Deposit Details**

Deposit (%): 10.00%

Deposit (\$): 100,000.00

Deposit Rate: 0.00%

Compounding Frequency: Monthly

Security Deposit Future Value: 100,000.00

Security Deposit Present Value: 11,349.43

**Transaction Wrap-Up**

Net Investment in Transaction	Period Repayment	Periods	Future Value	True Return
(911,349.43)	11,307.62	216	0.00	13.78%

Click the Goal Seek button to open the Goal Seek Portal

### STEP TWO

Enter a new value in this box for the target that was selected in Step One. The existing value is in the box next to the Red Button

### STEP ONE

Select a Target by clicking one of the Red buttons. The values next to the red buttons are the existing values that you can change by entering a new value in Step Two. Values are from the transaction in the Mother Module

**CapInvest / Goal Seek Portal / LOAN HP Module**

**STEP 1 / Select a "Target" by clicking a Red Button**

pmt Frequency	Monthly
pmt Type	Advance
Investment	1,000,000.00
<b>Finance Income</b>	1,442,445.98
LMF Income	15,000.00
<b>Total Revenue</b>	1,457,445.98
Total Expenses	(15,000.00)
<b>PMIT</b>	1,442,445.98
Interest Cost	(1,007,663.37)
<b>PMT</b>	434,782.61
TAX	(159,782.61)
<b>PAT</b>	275,000.00

**STEP 2 / Enter New "Value" for Target**

Enter desired Target Value in Cell:

**STEP 3 / Select a Variable to change by clicking a Green Button**

<b>Pricing Rate</b>	12.15%
<b>Term</b>	18.00
<b>LOAN / HP</b>	1,000,000.00
<b>Down Pmt</b>	0.00
<b>EFF Financing</b>	1,000,000.00

**Wrap-Up / Goal Seek Choices**

"Target" Variable:

"Change" Variable:

**STEP 4 / Carry Out Goal Seek**

**Goal Seek**

These boxes contain Goal Seek Choices

Click this button to carry out a Goal Seek. Note the new values as calculated per specification

### STEP THREE

Select a Variable to change to arrive at the Target value, by clicking one of the green buttons. The existing values for these variables are in the boxes next to the buttons

Click the Flat Rate Button to open the Flat Rate Portal

Click this tab to view Flat Rate Calculations

Click this tab to read an overview of Flat Rate Calculations

Enter the Rate and Term in these boxes

Select an option: you can convert a True Rate to Flat Rate or vice versa

Indicate the frequency and type for the Rate using these drop down boxes

The screenshot shows the 'CapInvest / Flat Rate Calculator' window. The interface includes a sidebar with various input fields, a central calculation area with tabs for 'Rate Calculator', 'Calculations', and 'Overview', and a right-hand panel with a table of results. Annotations with red lines point to specific features: the 'Flat Rate' button in the sidebar, the 'Calculations' tab, the 'Overview' tab, the 'TRUE to FLAT' and 'FLAT to TRUE' radio buttons, the 'Term (Years)' and 'Annual Rate (%)' input boxes, the 'Frequency' and 'Type' dropdown menus, the 'Equivalent FLAT Rate' output box, and the 'Transfer to Module' button.

**CapInvest / Flat Rate Calculator**

Rate Calculator | Calculations | Overview

Select a Conversion Option

☒ TRUE to FLAT

☐ FLAT to TRUE

TRUE Rate Variables

Term (Years): 18

Annual Rate (%): 12.15%

TRUE Rate Variables

Frequency: Monthly

Type: Advance

Equivalent FLAT Rate: 8.01%

Transfer to Module

Table of Results:

Value	Percentage
42,445.98	98.97%
5,000.00	1.03%
57,445.98	100.00%
5,000.00	(1.03%)
42,445.98	98.97%
67,663.37	69.14%
4,782.61	29.83%
6,782.61	(10.96%)
5,000.00	18.87%

NPV of Deal: 216,561.51

This box sets out the equivalent rate for the exercised choice

If a Flat Rate is converted to True Rate, this button is enabled and you can click to transfer the true rate to the Mother Module



Click the Wizard Button to open this Form. This form is useful in developing a transaction when a user is new to the program.

The Wizard provides a step by step approach in developing a transaction.

As the user makes choices, these are transferred to the relevant cells in the Mother Module and the user can see the process at work.

Note the various tabs: Step 1, Step 2, Step 3

Once a user is familiar with the program it is unlikely this wizard will be used to develop a transaction since direct interaction with the module provides more control

Vish Tumu Associates - HP

CapInvest / Loan & HP Transaction Wizard (Double Click around page border to move Page to Page)

STEP 1 | STEP 2 | STEP 3

What is your OBJECTIVE for this TRANSACTION?

You can calculate any of the following pricing variables by providing values for the other four variables in Step 3.

As you make your choices and fill in required data, keep an eye on the background where you will be able to see your choices being transferred into the appropriate cells in the module. If this form is in the way, you can move it to the side to get a better view of the module.

To get started with the TRANSACTION, make a selection from the following.

Set an Objective for the Transaction by Selecting one of the following

- ☒ Calculate Periodic Repayment for a loan / hp
- ☐ Calculate the Amount to be Financed
- ☐ Calculate a Future Repayment
- ☐ Calculate the Annual Interest Rate
- ☐ Calculate Number of Periods for the Transaction

Quotation Date: 2-Feb-200

Contract Start Date: 16

Borrower / Hire Purch: ABC C

LOAN / HP Value

(Down-Payment) Percent

Effective Loan / HP

Loan Period (Years)

Finance Rate (P.A.)

Period Repayment

Residual / Future

0.00 31-Mar NPV of Deal 0.00

Click the Repricing button to open the Repricing Portal

Enter the number of payments received at which point you wish to reprice the transaction - note this is not years but payments received

This opening balance is from the transaction in the mother module. You cannot change this value since it is linked to the terms for the transaction

This is the amount that been repaid to date (given payments received to date)

This is the outstanding balance at the start of the repricing exercise

Follow instructions to calculate a revised principal and to reprice the same for a secondary term. This could include levying penal interest, additions or deductions to principal, new pricing parameters, and so on.

Vish Tumu Associates - HP

CapInvest / Repricing Portal - To view helpful comments, hover the Mouse over a Text Box or Button

Enter the Number of LAST PAYMENT received from Borrower

To calculate principal outstanding on the date of default, please enter the number of the last period (not year) for which payment was received from borrower; for example, you may have received 8 payments and the account may have gone into arrears subsequently - if so, you need to enter 8 in the box. If you need to know the payment number, the Amortization Table for a transaction contains a list of payments, along with the number of each payment.

2

Principal Outstanding After Last Payment

Principal Opening Balance 1,000,000.00

Principal Recouped To Date -12,603.67

Outstanding Principal 987,396.33

Updated Principal After Penal Interest (if any)

Number of Limbo Periods (not years) during which Interest is to be added to Principal to Uptodate the same 0

Penal Interest Rate for Limbo Period (Annual Interest Rate as decimal) 12.15%

Updated Principal (For Repricing) 987,396.33

Additions to Principal

Updated Principal 987,396.33

Addition to Principal (if any) 0

New Principal 987,396.33

New Pricing Variables

Repricing Rate (Annual Interest Rate as decimal) 12.15%

Repricing Term (Years) 17.83

New Periodic Repayment

Print Statement 11,194.02

Transfer to Module OK

Click this button to transfer Updated transaction to Mother Module

Click this button to print the Repricing Exercise to a separate worksheet

Click this tab to view the Report for this transaction and to print the transaction to a separate worksheet

Click this tab to read an overview of the process of developing zero rated or concessional finance transactions

Click the Zero Rate button to open the Zero Rate Portal. Use the Portal to develop transactions that incorporate no finance charge or concessional finance charge to end user.

The difference is made up by contribution from a third party such as manufacturer or dealer

#### STEP ONE

Set up a customer friendly transaction using these boxes.

For example, to develop a zero finance product, set financing rate to 0. As you develop the transaction, note the repayment of the transaction which reflects the concessional finance

**CapInvest / Zero-Rate Finance Portal** (double-click around page border to move to next page)

Calculations | Report | Overview

**STEP ONE - Set Up A Consumer-Friendly Transaction**

Principal: 1,000,000.00

Term (Years): 18

Residual or Future Value: 00.00

Concessional Financing Rate: 0.00%

Payment Frequency: ☒ Monthly ☐ Half-Yearly ☐ Quarterly ☐ Yearly

Payment Type: ☒ Advance ☐ Arrear

End-User Concessional Repayment: 4,629.63

**STEP TWO - Compensation Flow**

NORMAL Rate of Financier	Compensation (absolute)	Compensation (%)
12.15%	594,678.68	59.47%

Transfer

**STEP ONE**  
Set up a customer friendly transaction using these boxes. For example, to develop a zero finance product, set financing rate to 0. As you develop the transaction, note the repayment of the transaction which reflects the concessional finance

**STEP TWO**  
Enter the normal expected rate of the institution in this box. As you do so, the compensation that needs to flow from the third party is shown in this box.



Click the Financials Button to generate this report.

This report sets out the financials of the transaction for all payment frequencies, such as monthly, quarterly, and so on.

To see financials for payment type, click the 'Click Me' button to toggle between Advance and Arrear Type Payments.

Note the difference in PAT for various payment frequencies:

PAT will be highest for Monthly and lowest for Annual when payment is in Advance.

Conversely, PAT will be lowest for Monthly and highest for Annual when payment is in Arrears.

You can enter a new values for items in red (Principal, Term and Rate) in the box next to the label and the financials will update - for example, you can change the term to a different term without going to the Mother Module, by entering the same in the box

Click this button to toggle between Advance and Arrear Type Payments

Click this button to print the financials to a separate worksheet

Vish Tumu Associates - HP

CapInvest / Financials by 'Payment Frequency'

ABC Corporation

Number of Payments

Period Repayment

First Pmt Date

Last Pmt Date

Finance Income

Fee

Gross Income

Expenses

PBIT

Cap Cost

PBT

Tax

PAT

Monthly

Quarterly

Half Yearly

Yearly

216.00

72.00

36.00

18.00

11,307.62

33,349.15

65,059.51

124,097.50

Feb-16-2004

Feb-16-2004

Feb-16-2004

Feb-16-2004

Jan-16-2022

Nov-16-2021

Aug-16-2021

Feb-16-2021

1,442,445.98

1,401,138.80

1,342,142.47

1,233,754.95

15,000.00

15,000.00

15,000.00

15,000.00

1,457,445.98

1,416,138.80

1,357,142.47

1,248,754.95

(15,000.00)

(15,000.00)

(15,000.00)

(15,000.00)

1,442,445.98

1,401,138.80

1,342,142.47

1,233,754.95

(1,007,663.37)

(984,121.37)

(950,055.57)

(886,074.52)

434,782.61

417,017.43

392,086.90

347,680.42

(159,782.61)

(153,253.90)

(144,091.94)

(127,772.56)

275,000.00

263,763.52

247,994.96

219,907.87

Transaction Parameters

Principal

Term

Rate (p.a.)

Residual

Cap Cost

Tax

Fee

Expenses

Pmt Type

1,000,000.00

18

0.121512884

00.00

9.00%

36.75%

1.50%

15,000.00

Advance

Click Me



Click the 'Product' button to open the Product Developer Portal where you may develop advanced products, both financial and savings. Read the documentation for developing products for a detailed discussion of the topic

Click this tab to enter recurring items for a transaction

Click this tab to enter non-recurring items for a transaction

This tab sets out the Capitalized Value of the Transaction which is the aggregate of recurring and non-recurring items

This is the Lending Rate of Institution used for disbursements made prior to the start date of the transaction

This is the Savings Rate of Institution used for disbursements made after the start date of the transaction

Click this button to open recurring items for a transaction

Click this button to open non-recurring items for a transaction

From Recurring Items Page

From Non-Recurring Items Page

Click this button to transfer capitalized value to Mother Module

Click this button to select an example of a Financial or Savings Product

Click this button to clear transaction data

Select a compounding frequency for Pre Start and Post Start Items

The screenshot shows a web application window titled "Vish Tumu Associates - HP" and "CapInvest / Product Developer - (hover the mouse pointer over an item for screen comment)". The interface has a blue header bar with the title and a close button. Below the header is a navigation bar with tabs: "Capitalized Value", "Recurring Items", "Non Recurring Items", "Introduction", and "Creating Products". The "Capitalized Value" tab is active. The main content area is divided into two columns. The left column contains fields for "Transaction Start Date" (Feb-16-2004), "Annual Rate (Lending)" (0.121512884), and "Annual Rate (Savings)" (0.090000000). Below these are "Compounding" options for "Pre-Start" and "Post-Start", both set to "Monthly". At the bottom of the left column are two buttons: "Recurring" and "Non Recurring". The right column contains a "Transaction Value" section with fields for "TOTAL Recurring Items" (0.00), "TOTAL Non-Recurring Items" (1,000,000.00), and "Capitalized Value of Transaction" (1,000,000.00). Below this is a "Transfer" button. In the center of the interface is a bar chart showing a series of black bars of varying heights. Below the chart is a "Product Type" section with two radio buttons: "Financial" (selected) and "Savings". To the right of the "Product Type" section are two buttons: "Example" and "Clear". At the bottom right is a small icon of a hand holding a pen. Red lines with dots connect the text annotations to the corresponding elements in the interface.

If product is a Finance Product, the capitalized value is transferred to Value Cell. If product is a Savings Product, the capitalized value is transferred to future Value cell.

Click this tab to enter recurring items for a transaction - for example, annual insurance payments

These items are from the Mother Module but can be changed to different values

Select the frequency of payment: Monthly, Quarterly.....

Enter the number of repeats; for example: 5

Enter the investment amount

Enter the date of investment

The number of days between start date of transaction and investment date is calculated automatically by the program

Vish Tumu Associates - HP

CapInvest / Product Developer - (hover the mouse pointer over an item for screen comment)

Capitalized Value | **Recurring Items** | Non Recurring Items | Introduction | Creating Products

Annual Rate (Lending): 0.121512884

Annual Rate (Savings): 0.090000000

Transaction Start Date: Feb-16-2004

Recurring Items / Indicate Frequency, Number of Repeats and Other Details

Frequency	Repeats	Investment Amount	Date	Days	DCF 1	DCF 2
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0
Yearly	1				0	0

Main

Non Recurring

Click to go to Main Screen of Portal

Click to go to Non-Recurring Items

Clear

Click to clear items

Total of DCF 1: 0.00

Total of DCF 2: 0.00

DCF 1 and DCF 2 are calculated using the dates relevant to the transaction

Click this tab to enter non-recurring items of a transaction

These items are from the Mother Module but can be changed to different values

Enter the investment amount

Enter the date of investment

The number of days between start date of transaction and investment date is calculated automatically by the program

DCF is calculated using the dates relevant to the transaction, i.e., start date and date of investment. Discounting is carried out using Lending or Savings Rate as appropriate

Vish Tumu Associates - HP

CapInvest / Product Developer - (hover the mouse pointer over an item for screen comment)

Capitalized Value | Recurring Items | Non Recurring Items | Introduction | Creating Products

Transaction Start Date: Feb-16-2004

Annual Rate (Lending): 0.121512884

Annual Rate (Savings): 0.090000000

Non-Recurring Items

Investment Amount	Date	Days	DCF
1,000,000.00	Feb-16-2004	0	1,000,000.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00

Main

Recurring

Click to go to Main Screen of Portal

Click to go to Recurring Items

Clear

Total of DCF: 1,000,000.00

Click to clear items



To reconvert the effective rate as calculated in the table on the extreme right into an equivalent nominal rate for use in the transaction in the Mother Module, enter the compounding frequency for the transaction

This is the reconverted nominal rate that serves as a bridge between two differing rate platforms, for use in the transaction

Click the Rate Conv button to open the Rate Conversion Portal. You may also click this button to open the portal

The screenshot shows the 'CapInvest / Rate Conversion Form' window. On the left is a sidebar with various input fields for a transaction, including Quotation Date, Contract Start Date, Borrower, Loan/HP Value, Down-Payment, Effective Loan/HP, Loan Period, Finance Rate (P.A.), Period Repayment, and Residual/Future. The main area contains instructions and a central clock icon. On the right, there are two sections for rate conversion: 'Nominal' and 'Effective'. Each section has a text box for the rate, a 'Calculate' button, and a 'Transaction Conversion Periods' input. At the bottom right, there are 'Nominal' and 'Effective' buttons to toggle between the two sections. Red lines with dots connect the annotations to specific elements in the interface.

**CapInvest / Rate Conversion Form**

Convert | Introduction | Example

Click one of the two red buttons to transfer the equivalent Annual Rate to the Module. The Effective Rate from the table on the right is used in the table on the left so that you may arrive at an equivalent annual rate given the compounding periods being used for the transaction in the module.

The annual rate below is the equivalent rate given the compounding periods for this transaction in the module.

Transaction Conversion Periods: 12

Transaction Equivalent Annual Rate (%): 0.121512884

**Annual Rate (%)**

**Nominal**

0.121512884

**Conversion (Compounding) Periods**

12

**Annual Rate (%)**

**Effective**

0.128514066

Calculate

Nominal Effective

Enter the Nominal Annual Rate in this box or calculate the same by clicking the Nominal button below after entering the Effective Rate

Enter the conversion periods in this box; for example, enter 365 for daily compounding, 12 for monthly compounding, and so on

Enter the Effective Annual Rate in this box or calculate the same by clicking the Effective button below after entering the Nominal Rate

Click these button to calculate Rates after first entering the required information in the boxes above

Clicking either of the red buttons transfers the nominal rate in that box to the Mother Module's Rate cell

Click the Power Pack Button to open the Power Pack Portal

Click this tab to go to the Ingredients Page - ingredients are analytical components that you may add to the basic transaction with a view to lowering the cost of repayments while maintaining the institution's rate of return.

The default transaction is from the Mother Module. You may enter different values for all variables except the repayment which is locked. This is a transaction without any ingredients - this is the raw transaction to which ingredients are added to develop a flexible transaction

Expiry Date of the Program

**CapInvest / Power Pack Portal**

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

**BASIC Transaction**

Establish a Basic Transaction using Required Rate of Return - default transaction values below are from Mother Module. To change a value, enter a new Value into the appropriate box and the 'Repayment' will reconfigure itself to reflect the new entry. Contents of the Repayment Box are locked and cannot be changed, since this value changes in response to changes to other variables.

To add ingredients to the transaction, go the next page - ingredients are analytical components that enable an institution to lower the financing rate of repayments of customer, while maintaining an Institution's Required Rate of Return. The difference between the Required Rate and the Customer Rate is contributed by ingredients. A financial institution can "mix and match" ingredients to develop user-oriented proposals without sacrificing its expected Rate of Return.

As ingredients are added to a transaction (by supplying values to ingredients), note the drop in the Customer Rate and the period repayment, as these vary in response to maintain the overall Required Rate. When no ingredients are added to a transaction (i.e., value of ingredients is zero), the Required Rate and Customer Rate are equal to each other. Ingredient Value is added (a) by using the Spinner Control or (b) by entering value into the corresponding box. Default values have been set for ingredients which can be changed. Click the 'Reset' button to set all ingredient values to Zero.

**Transaction Start**

Transaction Value	Term (Years)	Repayment (locked)
1,000,000.00	18.00	11,306.77

Frequency	Type	Expected Annual Rate (%)
Monthly	Advance	12.15%

Dec-31-2004



This transaction is from the earlier page and cannot be changed in this page. If you need to change transaction variables, backtrack to the earlier page, make changes and return to this page

Note the four ingredients labeled as A, B, C, D.  
The customer repayments and rate drops in response to addition of ingredients

Enter Processing Fee as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the processing fee and thus, the overall rate of return of the transaction is as before

Enter Transfer Fee payable on end of transaction as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the transfer fee and thus, the overall rate of return of the transaction is as before

Enter purchasing discounts negotiated with suppliers of goods as percent in first box or as absolute amount in second box - this has the effect of reducing repayments such that the reduction is exactly offset by the purchasing discount and thus, the overall rate of return of the transaction is as before

Vish Tumu Associates - HP

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

Basic Transaction

Transaction Value	Term (Years)	Repayment	Frequency	Type
1,000,000.00	18.00	11,306.77	Monthly	Advance

(A) Processing Fee (%)

0.00%	0.00
-------	------

(B) Transfer Fee (%)

0.00%	0.00
-------	------

(C) Purchase Discount (%)

0.00%	0.00
-------	------

(D) Security Deposit (%)

Rate	Frequency
0	Monthly

Present Value: 0.00, Future Value: 0.00

Transaction Rates

Required Rate	Customer Rate
12.15%	12.15%

Reset | Transfer | Print | OK

Click this button to clear ingredients

Click this button to transfer transaction to module

Click this button to print transaction details to a separate worksheet

Click this button to close the portal

Enter Security deposit parameters into these boxes, including, amount, finance rate and frequency

This page sets out the calculations for the Institution's Rate by relating the lower repayments to the additional income from ingredients. The boxes on the left set out the net investment in the transaction while the boxes on the right set out the repayment from customer. The rate of return is obtained by relating the net investment to repayments from customer

Vish Tumu Associates - HP

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

**Investment**

Transaction Face Value: (1,000,000.00)

Processing Fee: 0.00

Purchasing Discount: 0.00

Security Deposit: 0.00

Security Deposit (PP): .00

Investment Reduction: 0.00

Net Investment: (1,000,000.00)

**Repayment**

Repayment: 11,306.77

Transfer Fee: 0.00

Repayment Term: 18.00

Repayment Frequency: Monthly

Repayment Periods: 216

Repayment Type: Advance

**Institution Rate**

12.15%

Quotation Date: 2-Feb-2004 2:30 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchasee: 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





This page sets out the calculations for the Customer Rate by relating the investment in the transaction to the repayment to financial institution

Vish Tumu Associates - HP

CapInvest / Power Pack Portal

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

Transaction Profile

Transaction Value	1,000,000.00
Processing Fee (%)	0.00%
Transfer Fee (%)	0.00%
Security Deposit (%)	0.00%
Security Deposit Interest (%)	0
Repayment	11,306.77
Repayment Periods	216
Repayment Frequency	Monthly
Repayment Type	Advance

Customer Rate

12.15%

CapInvest finance

Quotation Date  
2-Feb-2004 2:30 PM

Contract Start Date  
16-Feb-2004

Borrower / Hire Purchasee  
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



After using the Power Pack Portal to develop a transaction, the same needs to be transferred to the Mother Module for generating reports. This page explains the transfer process so that a user may fully appreciate the transaction and be able to process the same further in the mother module

Vish Tumu Associates - HP

**CapInvest / Power Pack Portal**

BASIC Transaction | Ingredients | Institution Rate | Customer Rate | Transfer Notes

**CapInvest finance**

Quotation Date: 2-Feb-2004 2:30 PM

Contract Start Date: 16-Feb-2004

Borrower / Hire Purchasee: ABC Corporation

LOAN / HP Value: 1,000,000.00

(Down-Payment): 0.00

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

**TRANSFERS**

After a transaction has been developed with the Power Pack Portal, this needs to be transferred to the Mother Module by clicking the 'Transfer' button. Transfer to the Module enables a user to access the several reports that are automatically generated by the module for every transaction, including transactions developed with the Power Pack Portal. Thus, the Power Pack Portal Transaction enters main-stream analysis from this point onwards and is captured for inventorying, reporting, follow-up and other operational activities.

Items from the 'Portal' (left side) are transferred to the Module (right side) as follows and the rate of return of the transaction (institutional rate) is calculated by the Module after the transfer is complete:

Transaction Value (\$)	Transferred to Gross Value Cell
Term (Years)	Transferred to Loan Period Cell
Repayment (\$)	Transferred to Period Repayment Cell
Frequency	Transferred to Payment Frequency
Type	Transferred to Payment Type
Processing Fee (%)	Transferred to Service Charge Cell
Transfer Fee (\$)	Transferred to Future Value Cell
Purchase Discount (%)	Transferred to Down Payment Cell
Security Deposit	Not Transferred
Interest on Security Deposit	Not Transferred

**PROCESSING FEE**

Since the Module levies Processing Fee on the Effective Value of Financing and since Purchasing Discount (used in the Portal) will go to lower the Effective Value, the Service Fee that is transferred to the Module is automatically adjusted upwards so that the Absolute amount of Service Fee is equal to the amount that has been used in developing the transaction in the portal – otherwise, the Service Fee in the Module will be less than the Service Fee in the Portal. This situation does not arise if a transaction has not employed purchasing discount as an ingredient – in such situations, the Service Fee in the module will be the same as in the portal and the transfer takes place normally.

**RATE OF RETURN**

After transferring items from the Portal to the Module, the Rate of Return of the transaction (Institution Rate) as calculated in the Module and the Institution Rate as calculated in the Portal will differ as follows:

**Situation 1 / No Security Deposit**

In a situation where a transaction has been developed without employing Security Deposit as an ingredient, the Rate of Return in the Module and the Rate of Return in the Portal will be the same. The Module fully reflects all ingredients that have been used in developing a transaction, such as Processing Fee, Transfer Fee, and Purchasing Discount. There is fully parity between the results.

**Situation 2 / With Security Deposit**

In a situation where a transaction has been developed using Security Deposit parameters, the Rate of Return in the Module will be lower than the Rate of Return in the Portal because the pricing parameters in the Module do not include Security Deposit Parameters. While the gains from Security Deposit are not reflected in the Rate of Return in the Module, nevertheless, the gains accrue to the institution.



Click the Reverse button to open the Reverse Engineering Portal. This portal is accessible only from the Profiling Modules.

You can use the Reverse Portal for three different tasks:

(1) Analyze a set of cash flows to compute the Rate of Return embedded in the cash flows (given Principal Value) - to do so, set transaction parameters, such as term, principal, payment type and frequency and so on. The grid redraws itself to reflect the transaction. Enter absolute cash flows into the grid. Click the 'Rate' button to compute the Rate.

(2) Analyze a set of cash flows to compute the Present Value of flows (given rate) - to do so, set transaction parameters, such as term, rate, payment type and frequency and so on. The grid redraws itself to reflect the transaction. Enter absolute cash flows into the grid. Click the 'Principal' button to compute the Present Value of flows.

(3) You can also use this portal to set up a flexible repayment schedule using absolute repayment values (as contrasted to profiling factors). To do so, set transaction parameters, such as term, rate, principal, frequency, type and so on, and enter absolute repayments into the grid. Select one cell for balancing the transaction and click the 'CF' button. The portal calculates a value for the chosen cell such that the transaction is in financial

harmony - i.e., a positive value in the selected cell indicates amount due by customer, a negative value indicates amount due to customer. This way, a customer can draw a repayment schedule that reflects his repayment preferences rather than the institution drawing up the repayment schedule.

Vish Tumu Associates - hpProfiling

## Finance/HP profiled

Vish Tumu Associates

**Quotation Date**  
February 9, 2004

**Contract Start**  
23-Feb-2004

**Asset**  
IBM PC

**Borrower**  
ABC Corporation

**Value**  
80,000.00

**Term (Years)**  
3.00

**Finance Rate (P.A.)**  
14.90%

**Residual / Future**  
5,000.00

**Payment Frequency**  
Monthly

**Payment Type**  
Advance

**Service Charges (%)**  
1.50%

☐ Include in IRR

**Direct Expenses**  
0

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	6.12	4.00

**Base Repayment** 743.39

**CapInvest / Reverse Engineering**

ReWind

You can use the Reverse Engineering Function two ways:

(1) Analyze a set of cash flows to (a) compute the Annual Rate (given Principal Value); or (b) compute the Principal Value (given Annual Rate); (2) Develop a profiled repayment schedule using absolute values, rather than profiling factors (which is the normal route to developing a profiled repayment schedule)

To get started, set transaction options such as payment type (advance / arrears), repayment term, payment frequency (monthly, etc.), and as is appropriate, enter the Principal Value or Annual Rate for the transaction; enter period cash flow into the profiling grid and click the 'Rate' or 'Principal' button. Click Reports to view reports for the transaction.

Principal Rate

You can also use the Reverse Engineering Function to compute a 'missing' cash flow that satisfies user-specified rate of return; start off by setting the term for the transaction and payment frequency - these actions will set up a grid; input (a) principal value; (b) interest rate; (c) cash flows for the appropriate periods for all but the missing period - indicate the missing period or cell by selecting that cell. Click the CF button on the right to calculate the missing CF that satisfies the criterion for the transaction.

CF

**Asset Value** 80,000.00

**Loan Start Date** 23-Feb-2004

**First Payment Date** 23-Feb-2004

**Last Payment Date** 23-Jan-2007

**Total Repayment** 97,531.21

**Period Pricing Rate** 1.24%

**Period Pricing Rate** 36.00

**Profit After Tax** 4,500.00 24.02%

Click the 'Savings Loan' button in the Mother Module to open this portal.

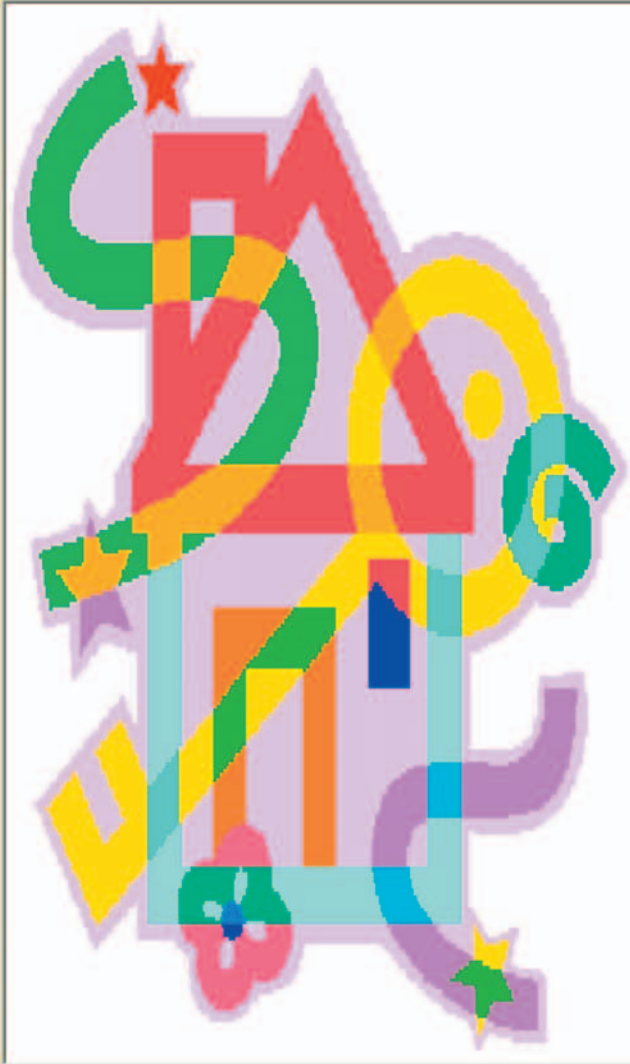
Use this portal to develop 'Savings-Loan' Housing finance products.

Read the 'Savings-Loan' document for details on developing such products.

A 'Savings Loan' Product combines features of a savings and a financial product to offer a facility to a customer to save a contracted amount of money over a contracted period of time and in return, to receive a loan to buy a home at a concessional rate. This portal offers several variables to manipulate the 'Savings' and 'Loan' dimensions of the transaction to develop a product that fully reflects customer requirements.

CapInvest / Savings-Loan Portal

Introduction | Product



Savings Loan

Use this Portal to develop customized 'Savings-Loan' Products, wherein a customer makes periodic savings deposits over a contractual period and in return, receives a loan at a concessional rate for buying a home. Such schemes encourage Savings in an economy and have other advantages. It is up to the institution to pay or not-pay interest on deposits. In general, non-payment benefits the customer since there would be no tax on Savings while Savings influence the concessional rate on the loan. This portal provides the tools to relate the 'Savings' and 'Loan' dimensions of a transaction to manipulate relevant variables, without compromising the rate of return expectations of a financial institution. When the 'Net Position' of a transaction is positive, an institution is earning more than the expected rate; when the Net Position is negative, the opposite is true. Thus, the 'Net Position' can be driven to zero (break-even) by changing the value of variables identified by red buttons - clicking a button will lead to a recalculation of the variable to arrive at a Zero Net Position for the transaction. Several variables can be set to develop a fine-tuned transaction.

Transaction Date

Aug-18-2004

Contract Start Date

Sep-1-2004

Customer Name

ABC Corporation

Transaction Number

081804 -

Click this button to go to the next page of Portal to develop the transaction.



Note the LOAN Parameters which are entered into these boxes

Note the RATE Parameters which are entered into these boxes. Click a Green button to unlock a text box to enter a RATE Parameter - by default, RATE text boxes are locked

Clicking a Red button recalculates that variable to arrive at a zero NET position - the break even value for the transaction

Note the SAVINGS Parameters which are entered into these boxes

Note the NET Position of the transaction - a positive balance indicates institution is in surplus position and can sweeten the transaction further; a negative position indicates the opposite.

The screenshot displays the 'CapInvest / Savings-Loan Portal' interface with the following sections:

- Introduction** and **Product** tabs at the top.
- RATE Parameters** section:
  - Savings Rate (p.a.): 4.00% (with a green unlock button)
  - Lending Rate (p.a.): 7.50% (with a green unlock button)
  - Concessional Rate (p.a.): 5.75% (with a green unlock button)
- SAVINGS Parameters** section:
  - Period Savings Amount: 7,500.00
  - Savings Term (Years): 10 (with a red recalculate button)
  - Savings Frequency: Monthly (dropdown)
  - Total Savings: 900,000.00
  - Accumulated Interest: 204,373.54
  - Accumulated Savings: 1,104,373.54
- LOAN Parameters** section:
  - Loan Multiple: 3
  - Sanctioned Loan: 2,700,000.00
  - Total Customer Resources: 3,600,000.00
  - Loan Repayment Period: 10
  - Repayment Frequency: Monthly (dropdown)
  - Repayment Type: Advance (dropdown)
  - Repayment (concessional rate): 29,496.35
- NET Position** section:
  - Sanctioned Loan: 2,700,000.00
  - PV of Repayments (lending rate): 2,500,443.35
  - Principal Recovery (Shortfall) / Surplus: (199,556.65)
  - Accumulated Interest: 204,373.54
  - Surplus**: 4,816.89
- Buttons** at the bottom:
  - Clear (blue)
  - Print (green)
  - Default (red)
  - Close (grey)



# CapInvest

*End of Manual*

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