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Improving Leasing Viability: A comprehensive analysis of customer credibility checks and trustworthiness

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ABSTRACT: The contemporary leasing landscape is marked by increasing complexity and risk, necessitating rigorous customer credibility checks as a critical safeguard for lessors. This research paper delves into the multifaceted realm of customer credibility checks, shedding light on their paramount importance in the leasing industry. Central to this study are the diverse methods employed to assess customer credibility. Comprehensive coverage is provided on widely adopted approaches, including credit rating, GST analysis, balance sheet analysis, cash flow analysis, and profit and loss analysis. Through detailed examination, the paper unveils the strengths and limitations of each method, facilitating a nuanced understanding of their applicability in different leasing scenarios.

KEYWORDS: credit rating; GST analysis; balance sheet analysis; cash flow analysis; profit and loss analysis

1. Introduction

In the dynamic and ever-evolving landscape of the leasing industry, a fundamental and often underestimated aspect stands as a sentinel against financial turmoil and risk—the credit check. Whether lessors engage in leasing equipment, real estate, or any other assets, the creditworthiness of lessees holds paramount significance.

Leveraging the power of leased assets has long been a strategic avenue for individuals, businesses, and organizations seeking to access essential resources without the burdensome commitment of ownership. In this pursuit, lessors are faced with a conundrum: how to safeguard their investments while extending opportunities to a diverse range of lessees. The answer lies in a meticulous evaluation of the financial credibility of prospective lessees, a practice deeply entrenched in the industry's risk management fabric.

2. Risks of a bad credit

Some of the main risks[1,2] of bad credit include:

1) **Default on Lease Payments:** One of the most immediate risks is the higher likelihood of lessees with bad credit defaulting on their lease payments. This can result in a loss of expected rental income for lessors and disrupt their cash flow.
2) **Financial Loss:** When lessees have bad credit defaults, lessors may incur financial losses not only from missed payments but also from legal and collection costs associated with pursuing payment or repossessing leased assets.
3) **Reduced Profitability**: Bad credit lessees may be charged higher interest rates or fees to

compensate for the increased risk they pose. These higher costs can reduce the profitability of lease agreements for lessors.

4) **Asset Damage or Neglect:** Lessees with bad credit may not properly maintain or care for the leased assets, leading to accelerated wear and tear, reduced asset value, or even damage. This can result in additional costs for lessors.
5) **Repossession Challenges:** If a lessee defaults and the lessor needs to repossess the leased asset, the process can be time-consuming, costly, and legally complex. Bad-credit lessees may be more resistant to repossession efforts.
6) **Reputation Risk**: Continually leasing to individuals or entities with bad credit can harm the lessor's reputation. Other potential lessees[3] and business partners may view the lessor as high-risk, which can hinder future business opportunities.
7) **Impact on Portfolio Diversification:** A high proportion of bad credit lessees in a lessor's portfolio can unbalance risk and limit diversification opportunities. A diverse portfolio is typically more resilient to economic fluctuations.
8) **Regulatory Compliance**: Some jurisdictions have regulations governing lease agreements, including requirements related to creditworthiness assessments. Failure to comply with these regulations can lead to legal issues and fines.
9) **Market Volatility:** Economic downturns can exacerbate the risks associated with bad credit, as financially unstable lessees are more likely to default during challenging economic periods.
10) **Difficulty in Lease Renewals:** Bad credit lessees may face challenges when seeking lease renewals or extensions, which can result in the loss of long-term clients[4].

In summary, bad credit poses a multifaceted set of risks for lessors in the leasing industry. To mitigate these risks, it's crucial for lessors to conduct thorough credit assessments, consider risk-reduction strategies, and potentially charge higher rates or fees to compensate for the increased risk associated with lessees with poor credit histories.

3. Credit rating

Credit rating agencies use a systematic process to rate companies' creditworthiness[5], helping investors and creditors assess the risk associated with lending money or investing in those companies. The primary steps involved in rating companies by credit rating agencies include:

1) **Gathering Information**: Credit rating agencies begin by collecting extensive data on the company being evaluated. This information can include financial statements, auditor reports, market data, management interviews, and industry-specific data.
2) **Financial Analysis**: Analysts at the credit rating agency perform a detailed financial analysis of the company's financial statements. This analysis assesses factors such as profitability, liquidity, leverage, cash flow, and overall financial health. It helps in understanding the company's ability to meet its financial obligations.
3) **Industry and Economic Analysis:** Credit rating agencies evaluate the industry in which the company operates and the broader economic conditions that may impact its performance. Industry-specific risks and trends are considered[6], as well as macroeconomic factors like interest rates, inflation, and economic growth.
4) **Management Assessment**: The competence and track record of the company's management team are assessed. This includes evaluating their strategic decisions, corporate governance practices, and ability to navigate industry challenges.

5) **Legal and Regulatory Factors**: Credit rating agencies consider legal and regulatory factors that may affect the company's operations, including compliance with laws and regulations and potential litigation risks.
6) **Peer Comparison:** Companies are often compared to their peers within the same industry. This helps provide context for the company's financial and operational performance relative to industry norms.
7) **Credit Models:** Many credit rating agencies use proprietary credit risk models to quantify and compare the credit risk of different companies. These models may incorporate various financial ratios and qualitative factors.
8) **Assigning a Credit Rating**: Based on the analysis, credit rating agencies assign a credit rating to the company. This rating typically consists of a combination of letters or symbols (e.g., AAA, BB+, C), representing the company's creditworthiness[7]. Each rating agency has its own rating scale, but higher ratings generally indicate lower credit risk.
9) **Surveillance:** Credit rating agencies continue to monitor rated companies to assess whether the credit rating should be revised based on changes in financial performance, market conditions, or other relevant factors. Ratings may be upgraded, downgraded, or reaffirmed as conditions evolve.

CRISIL: CRISIL stands for Credit Rating Information Services of India Limited. It is regarded as the global analytics business which services the financial markets and helps them function most transparently and efficiently[8]. It believes in the principles of agility and innovation and provides solutions regarding data research and credit ratings[9].

CRISIL uses the parameters shown in the below **Figure 1** to assign credit ratings to medium and small enterprises.

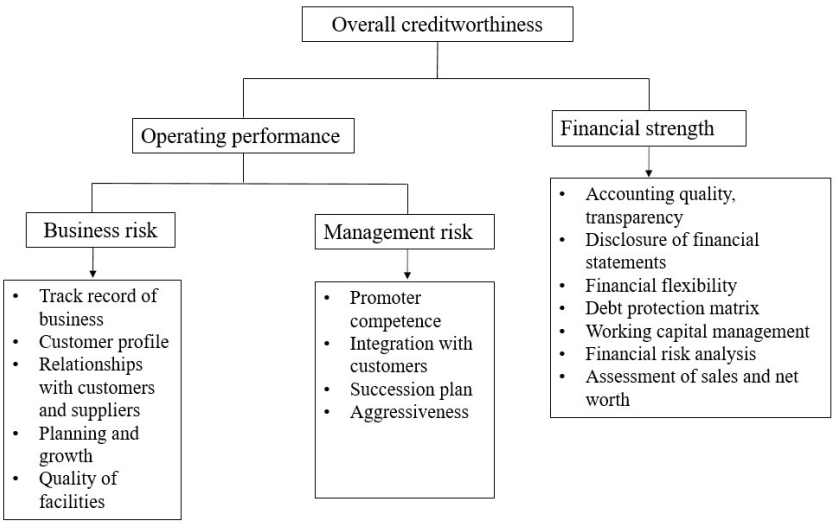

Figure 1. Parameters used for credit rating by CRISIL.

4. GST analysis

GST (Goods and Services Tax) analysis for a company involves examining its GST-related financial data and transactions[10–12]. This analysis is primarily significant for businesses in countries that implement GST or similar value-added tax (VAT) systems.

4.1. How to conduct GST analysis

- Data Collection: Gather all relevant GST-related financial data, including sales, purchases, input tax credits, and GST payments.
- Data Review: Carefully review GST returns, invoices, and accounting records to ensure accuracy and compliance with GST regulations.
- Reconciliation: Reconcile GST data with the company's financial statements to identify any discrepancies.
- Compliance Assessment: Evaluate the company's compliance with GST regulations, including timely filing of returns, accurate calculations, and adherence to GST law changes.
- Input Tax Credit (ITC) Analysis: Assess the company's utilization of ITC to minimize its GST liability. Verify that input tax credits are claimed correctly on eligible expenses.
- GST Payment Analysis: Analyse the company's GST payments and ensure they align with the GST liability declared in the returns.
- GST Audit and Internal Controls: Review the company's internal controls related to GST to identify weaknesses or areas for improvement. Conduct GST audits if necessary.

4.2. Significance of GST analysis

- Compliance: Ensures that the company is complying with GST laws and regulations, reducing the risk of penalties or legal issues.
- Cost Efficiency: Identifies opportunities to optimize the utilization of input tax credits, potentially reducing the company's overall tax liability.
- Financial Accuracy: Helps in maintaining accurate financial records and financial statement reporting, which is crucial for decision-making and investor confidence.
- Risk Mitigation: Identifies and mitigates risks related to GST, such as incorrect tax calculations, late filings, and other compliance issues.
- Strategic Planning: Provides insights into the company's GST expenses, which can inform strategic decisions regarding pricing, supply chain, and business expansion.

4.3. Weaknesses of GST analysis

- Complexity: GST analysis can be complex, especially for businesses with extensive operations or international transactions. Understanding and complying with changing GST laws can be challenging.
- Data Accuracy: The analysis heavily relies on accurate financial data and records. Inaccurate data can lead to incorrect GST calculations and compliance issues.
- Resource Intensive: Conducting thorough GST analysis requires time, resources, and expertise, which can be a burden for smaller businesses.
- Interpretation Challenges: Interpreting GST laws and regulations correctly can be challenging, and misinterpretations may lead to compliance errors.
- Risk of Audits: Inaccuracies or non-compliance discovered during GST analysis may trigger audits or investigations by tax authorities, leading to potential penalties and legal consequences.

5. A Profit and Loss (P&L) statement

A P&L statement, also known as an income statement[13] is a financial statement that summarizes a business's revenues, costs, and expenses during a specific period, typically a quarter or a year. It provides

valuable insights into a company's financial performance. A simple P&L statement is summarized in below **Figure 2**.

[Company Name]													
Profit and Loss (P&L) Statement													
[USD $ millions]	2018												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Full Year
Revenue stream 1	587.0	596.3	605.8	615.4	625.2	635.1	645.2	655.4	665.8	676.4	687.1	698.0	7,692.6
Revenue stream 2	145.6	147.9	150.2	152.6	155.0	157.5	160.0	162.5	165.1	167.7	170.4	173.1	1,907.8
Returns, Refunds, Discounts	(21.0)	(21.3)	(21.7)	(22.0)	(22.4)	(22.7)	(23.1)	(23.5)	(23.8)	(24.2)	(24.6)	(25.0)	(275.3)
Total Net Revenue	**711.6**	**722.9**	**734.3**	**746.0**	**757.8**	**769.9**	**782.1**	**794.5**	**807.1**	**819.9**	**832.9**	**846.1**	**9,325.0**
Cost of Goods Sold	269.6	273.9	278.2	282.7	287.1	291.7	296.3	301.0	305.8	310.7	315.6	320.6	3,533.2
Gross Profit	**442.0**	**449.0**	**456.1**	**463.3**	**470.7**	**478.2**	**485.7**	**493.5**	**501.3**	**509.2**	**517.3**	**525.5**	**5,791.8**
Expenses													
Advertising & Promotion	18.7	19.1	19.5	19.8	20.2	20.6	21.0	21.5	21.9	22.3	22.8	23.2	250.6
Depreciation & Amortization	108.7	110.9	113.1	115.3	117.6	119.9	122.3	124.8	127.2	129.8	132.3	135.0	1,456.8
Insurance	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	14.7
Maintenance	5.7	5.8	5.9	6.0	6.2	6.3	6.4	6.5	6.7	6.8	6.9	7.1	76.4
Office Supplies	2.8	2.9	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.3	3.4	3.5	37.5
Rent	5.8	5.9	6.0	6.2	6.3	6.4	6.5	6.7	6.8	6.9	7.1	7.2	77.7
Salaries, Benefits & Wages	251.2	256.2	261.3	266.5	271.8	277.2	282.7	288.3	294.0	299.9	305.8	311.9	3,366.7
Telecommunication	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	20.1
Travel	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.9	30.8
Utilities	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	18.8
Other Expense 1	3.8	3.9	4.0	4.0	4.1	4.2	4.3	4.4	4.4	4.5	4.6	4.7	50.9
Other Expense 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	403.0	411.0	419.2	427.5	436.0	444.7	453.5	462.5	471.7	481.1	490.6	500.4	5,401.1
Earnings Before Interest & Taxes	**39.0**	**38.0**	**36.9**	**35.8**	**34.7**	**33.5**	**32.2**	**30.9**	**29.6**	**28.2**	**26.7**	**25.2**	**390.6**
Interest Expense	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	30.0
Earnings Before Taxes	**36.5**	**35.5**	**34.4**	**33.3**	**32.2**	**31.0**	**29.7**	**28.4**	**27.1**	**25.7**	**24.2**	**22.7**	**360.6**
Income Taxes	10.9	10.6	10.3	10.0	9.7	9.3	8.9	8.5	8.1	7.7	7.3	6.8	108.2
Net Earnings	**25.5**	**24.8**	**24.1**	**23.3**	**22.5**	**21.7**	**20.8**	**19.9**	**19.0**	**18.0**	**16.9**	**15.9**	**252.4**

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Figure 2. A sample P&L statement.

5.1. Components of a Profit and Loss (P&L) statement

- Revenue (Sales): This is the total income generated from selling goods or services to customers.
- Cost of Goods Sold (COGS): This represents the direct costs associated with producing or purchasing the goods or services sold. It includes raw materials, labor, and manufacturing costs.
- Gross Profit: Gross profit is calculated by subtracting the COGS from total revenue. It shows the profit before considering operating expenses.
- Operating Expenses: These include all costs incurred to run the day-to-day operations of the business, such as salaries, rent, utilities, marketing, and administrative expenses[14].
- Operating Income (Operating Profit or EBIT): Operating income is derived by subtracting operating expenses from gross profit. It reflects the profit generated from the core operations of the business.
- Interest Expenses: These are the costs associated with interest on loans or debt.
- Non-Operating Income and Expenses: This category includes income and expenses not directly related to the core business operations, such as investment income, gains or losses on asset sales, and other non-operating items.
- Income before Taxes (EBT): Income before taxes is calculated by adding or subtracting interest and non-operating income/expenses from operating income.
- Income Tax Expense: This represents the taxes owed by the company based on its taxable income.
- Net Income (Net Profit): Net income is the final line item on the P&L statement. It is calculated by subtracting income tax expense from income before taxes. It represents the company's profit after taxes.

5.2. How to analyse credibility using P&L statements

- Profitability Assessment: Examine the company's net profit margin (net income divided by total revenue). A consistent and healthy margin suggests that the business is effectively managing costs and generating profits[15].
- Trend Analysis: Compare P&L statements over multiple periods to identify trends in revenue, expenses, and profits. Steady or growing profits indicate financial stability.
- Expense Management: Evaluate operating expenses as a percentage of revenue. Effective cost control can enhance the credibility of the business.
- Debt Service: Assess the impact of interest expenses on profitability. High interest expenses relative to income may indicate financial stress.

5.3. Weaknesses as an indicator

- Lack of Timing Information: P&L statements do not provide timing information about when revenues are collected or when expenses are paid, which can affect cash flow[16].
- Non-Cash Items: Non-cash items like depreciation and amortization are included in expenses but do not represent cash outflows. This can distort the picture of cash flow.
- Subjectivity: Accounting methods and estimates used in preparing the P&L statement can vary, affecting comparability between businesses.
- Focus on the Past: P&L statements primarily reflect historical performance and may not predict future financial health or business sustainability[16].

6. Cash flow statements

A cash flow statement is a financial statement that provides an overview of a company's cash inflows and outflows during a specific period, categorizing them into three main components: operating activities, investing activities, and financing activities[17], as illustrated in below **Figure 3**.

Statement of Cash Flows

Your Company Inc.

For the Year Ended December 31, 2009

Cash flows from operating activities		
Cash received from customers	$570,000	
Cash paid for merchandise	(319,000)	
Cash paid for wages and other operating expenses	(218,000)	
Cash paid for interest	(8,000)	
Cash paid for taxes	(5,000)	
Other		
Net cash provided (used) by operating activities		$20,000
Cash flows from investing activities		
Cash received from sale of capital assets (plant and equipment, etc.)	$12,000	
Cash received from disposition of business segments		
Cash received from collection of notes receivable	(10,000)	
Cash paid for purchase of capital assets		
Cash paid to acquire businesses		
Other		
Net cash provided (used) by investing activities		$2,000
Cash flows from financing activities		
Cash received from issuing stock	$15,000	
Cash received from long-term borrowings		
Cash paid to repurchase stock		
Cash paid to retire long-term debt	(18,000)	
Cash paid for dividends	(14,000)	
Other		
Net cash provided (used) in financing activities		($17,000)
Increase (decrease) in cash during the period		$5,000
Cash balance at the beginning of the period		12,000
Cash balance at the end of the period		$17,000

Figure 3. A sample cash flow statement

6.1. Components of a cash flow statement

- Operating Activities: This section reports cash flows from a company's primary operations[18].
- Cash Inflows: Cash received from customers for goods or services sold.
- Cash Outflows: Payments to suppliers, employee salaries, operating expenses, and income tax.
- Investing Activities: This section accounts for cash flows related to the purchase and sale of long-term assets.
- Cash Inflows: Cash received from the sale of assets like property, plant, or equipment.
- Cash Outflows: Cash paid for acquiring new assets or investments, including capital expenditures.
- Financing Activities: This section covers cash flows associated with the company's financing and capital structure.
- Cash Inflows: Cash received from issuing stocks, bonds, or loans.
- Cash Outflows: Cash used for repurchasing stock, paying dividends, or repaying loans.

6.2. How to analyse businesses using cash flow statements

- Liquidity Assessment: Examine the net cash flow from operating activities to assess the company's ability to generate cash from its core operations. A positive operating cash flow indicates liquidity.
- Investment Analysis: Look at the investing activities section to understand the company's capital expenditure commitments. High capital expenditures may indicate growth plans but can also strain cash resources.
- Debt Management: Analyse financing activities to assess the company's debt management. High borrowing or debt repayments can indicate financial leverage[19].
- Free Cash Flow: Calculate free cash flow (operating cash flow minus capital expenditures) to determine how much cash is available for discretionary spending, debt reduction, or shareholder distributions.
- Trend Analysis: Compare cash flow statements over multiple periods to identify trends. Steady or growing cash flow from operations is typically a positive sign.

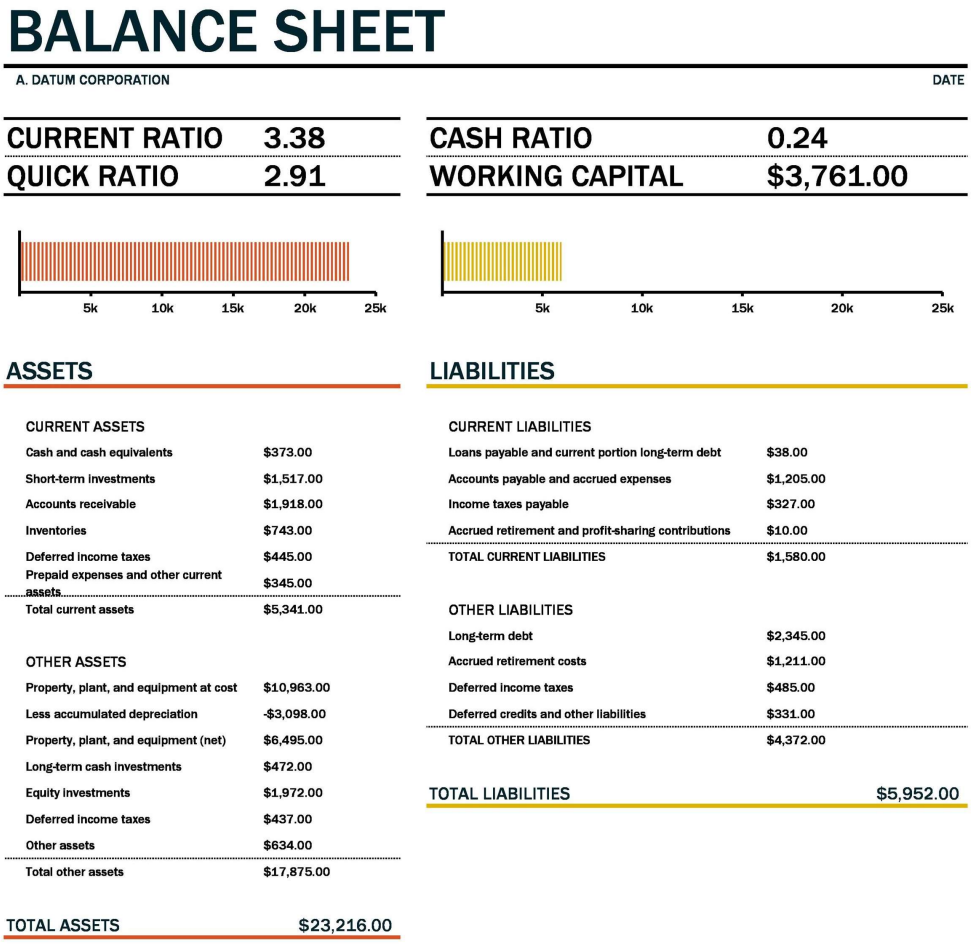
6.3. Weaknesses as an indicator

- Timing Differences: Cash flow statements may not reflect when transactions occur, as they focus on cash receipts and payments rather than accrual accounting. This can lead to differences between cash flows and income[20].
- Non-Cash Items: Non-cash items like depreciation and amortization are excluded from cash flow statements, which can affect their accuracy as indicators of cash availability.
- Lack of Profitability Information: Cash flow statements do not provide information on profitability, making them less useful for assessing long-term financial performance.
- Complexity: For complex businesses with numerous transactions, cash flow statements can be challenging to prepare and interpret accurately.
- Manipulation Possibility: Like other financial statements, cash flow statements can be manipulated if a company engages in aggressive accounting practices.

7. Balance sheet

Balance sheets show us the financial position of a company at a given point in time[21]. It can be used to determine the health and durability of a business. For example, when doing credit analysis, a lender studies the strength of the balance sheet before determining if the cash flows are enough to service the

debt, as illustrated in below **Figure 4**.



BALANCE SHEET

A. DATUM CORPORATION DATE

CURRENT RATIO	3.38	CASH RATIO	0.24
QUICK RATIO	2.91	WORKING CAPITAL	$3,761.00

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$373.00
Short-term investments	$1,517.00
Accounts receivable	$1,918.00
Inventories	$743.00
Deferred income taxes	$445.00
Prepaid expenses and other current assets	$345.00
Total current assets	$5,341.00
OTHER ASSETS	
Property, plant, and equipment at cost	$10,963.00
Less accumulated depreciation	-$3,098.00
Property, plant, and equipment (net)	$6,495.00
Long-term cash investments	$472.00
Equity investments	$1,972.00
Deferred income taxes	$437.00
Other assets	$634.00
Total other assets	$17,875.00
TOTAL ASSETS	$23,216.00

LIABILITIES

CURRENT LIABILITIES	
Loans payable and current portion long-term debt	$38.00
Accounts payable and accrued expenses	$1,205.00
Income taxes payable	$327.00
Accrued retirement and profit-sharing contributions	$10.00
TOTAL CURRENT LIABILITIES	$1,580.00
OTHER LIABILITIES	
Long-term debt	$2,345.00
Accrued retirement costs	$1,211.00
Deferred income taxes	$485.00
Deferred credits and other liabilities	$331.00
TOTAL OTHER LIABILITIES	$4,372.00
TOTAL LIABILITIES	$5,952.00

Figure 4. Sample balance sheet.

7.1. Components of a balance sheet

- Assets: resources owned by the company, such as cash, inventory, equipment[22].
- Liabilities: represent company's obligations, such as loans and accrued expenses.
- Shareholder's equity: also known as net worth or book value.

$$\text{ASSETS} = \text{LIABILITIES} + \text{SHAREHOLDER'S EQUITY} \tag{1}$$

7.2. Review the asset side

- Current assets: Evaluate the liquidity and operating cycle of the company by looking into cash, inventory, and short-term investments[23].
- Non-current assets: Analyses long-term investments, considers their value, depreciation, and potential risks.

7.3. Assess the liability side

- Current liabilities: examine the company's short-term loans and expenses. Evaluate the company's ability to meet these obligations[24].
- Long-term liabilities: analyze long-term debts such as loans, bonds, and mortgages. Look into the interest rates and repayment schedules to understand the impact on the company's financial health.

7.4. Calculate ratios

- Liquidity ratios indicate the company's ability to cover short-term obligations.
- Current ratio: current assets divided by current liabilities. A ratio between 1.5 and 3 is preferred.
- Quick ratio (current assets minus inventory)/current liabilities. A ratio of 1:1 is preferred.
- Solvency ratios: assess the company's long-term financial stability and ability to service debt.
- Debt-to-equity ratio: total debt divided by shareholder's equity. A ratio below 2 is preferred.
- Interest coverage ratio: earnings before interest and taxes divided by interest expense. A ratio of 1.5 is considered ideal.

7.5. Weaknesses as an indicator

- Static Snapshot: A balance sheet represents a specific period in time, providing a static view of a company's financial position. It does not capture trends, changes over time, or future performances[25].
- Subject to Accounting Policies: The balance sheet's accuracy depends on the company's accounting policies and the valuation of assets and liabilities. Variation in accounting methods can impact compatibility between businesses.
- Omissions of Intangibles: Intangible assets, such as brand value or intellectual property, are often excluded from the balance sheet, which may be overlooking potential assets.
- Lack of Profitability Information: The balance sheet does not directly reveal a company's profitability or cash flow, limiting its ability to assess long-term financial performance.

8. Conclusion

In the dynamic world of business, where opportunities for leasing products abound, safeguarding one's interests and minimizing risk are paramount. We have explored the significance of conducting thorough credit checks on lessees to ensure that the leasing process remains not just lucrative but also secure. In this pursuit, we have dug into an arsenal of financial tools, each possessing its own unique value, to assess the creditworthiness of potential lessees. The Balance Sheet, Profit and Loss (P&L) Statement, Cash Flow Statement, and GST analysis have emerged as indispensable pillars in this credit evaluation process, each contributing vital insights and perspectives.

The balance sheet, a snapshot of a company's financial condition at a specific point in time, has proven instrumental in assessing a lessee's liquidity, solvency, and working capital management. Its ability to reveal the company's assets, liabilities, and shareholders' equity offers a critical glimpse into its financial health. By scrutinizing the composition of current assets and liabilities, as well as the debt-to-equity ratio, the balance sheet helps detect potential red flags and evaluate the ability to meet short-term obligations.

The Profit and Loss (P&L) Statement, on the other hand, unfurls a detailed narrative of a company's revenue, expenses, and profitability over a period. It provides a compass for understanding the efficiency of core operations and identifies trends that illuminate financial stability. Assessing profitability margins, expense management, and the impact of interest expenses aids in gauging a lessee's financial robustness.

The Cash Flow Statement, a vital tool that showcases the ebb and flow of cash in a business, adds a layer of insight into liquidity management. By categorizing cash inflows and outflows into operating, investing, and financing activities, it helps evaluate the capacity to generate cash, meet obligations, and seize opportunities. For lessors, understanding a lessee's cash flow is invaluable in ensuring the timely receipt of lease payments.

In our pursuit of comprehensive credit checks, we have also examined the importance of GST analysis. In regions where Goods and Services Tax (GST) or similar taxation systems prevail, analyzing GST data grants a holistic understanding of a company's financial health. It reveals the accuracy of GST filings, adherence to regulations, and the efficiency of GST utilization through input tax credits.

In conclusion, leasing products can be a mutually beneficial venture when approached with diligence and care. The creditworthiness of lessees, a linchpin of this process, can be most effectively assessed through a multifaceted approach that includes examining the balance sheet, P&L statement, cash flow statement, and GST analysis. These tools, in concert, empower lessors with the knowledge needed to make informed decisions and mitigate risks, thus fostering secure and profitable leasing agreements.

Author contributions

KM has prepared the conceptualization, methodology, data collection, and writing original draft with a conceptual framework. SS has prepared data analysis with interpretation of leasing data, literature reviews, review, and editing of the manuscript, focusing on refining the analysis and data visualization. PG domain expertise in the fintech domain, including relevant case studies or real-world examples, forecasting the leasing opportunities.

Conflict of interest

The authors declare that they have no conflict of interest.

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