Simplify your Financial Compliance for Lease Accounting & Administration
Financial reporting requirements are changing globally...

All corporates require assets to carry out their business operations. Asset leasing is an extremely important financing and acquisition decision. Every CFO and every plant head have to take this decision after comparing costs & benefits (explicit and imputed), along with consideration of impact on the financial statement. FASB and IFRS have issued new accounting standard for lease accounting; ASC842 & IFRS16 respectively, which necessitates corporates to change certain lease accounting practices when implementing the new leases standard.

What Impact it will have on financial statements

New lease Accounting standard will have impact on Income statement, Balance sheet, and Cash flow statements.

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>Balance Sheet</th>
<th>Cash Flow Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>Leased Assets</td>
<td>Cash from Operating Profit</td>
</tr>
<tr>
<td>Operating Profit &amp; Finance Cost</td>
<td>Lease Liability</td>
<td>Cash from Financial Activities</td>
</tr>
<tr>
<td>Profit Before tax</td>
<td>Equity</td>
<td>Total Cash flow</td>
</tr>
</tbody>
</table>

Implementation Challenges

**Business Challenges**
- Corporates have a big task of gathering various data points for each live lease for disclosing it on the balance sheet.
- The challenge to collate lease related data spread across various IT, as well as manual systems.
- Arriving at the present value of future cash-flows for lease payments over the lease period.

**Technical Challenges**
- A company with both equipment leases and real estate leases should decide, whether it can manage both lease types with a single system.
- Consolidation of Lease data distributed across several applications, ERPs, digitization of data maintained on paper, etc.

LTI’s Financial Compliance for Leasing (FCL) Administration, Accounting & Reporting solution

<table>
<thead>
<tr>
<th>Lease Administration</th>
<th>Lease Accounting</th>
<th>Dashboard</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Life Cycle Management</td>
<td>Lease asset valuation based on present value</td>
<td>Contract status</td>
<td>Reports to comply with IFRS16/ASC842 disclosure</td>
</tr>
<tr>
<td>Lease Asset tracking and management</td>
<td>Calculation of interest, amortization</td>
<td>Contract payment obligations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Periodic posting</td>
<td>Asset Types</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accrual posting</td>
<td>Vendor payables</td>
<td></td>
</tr>
</tbody>
</table>

Complete end to end solution to manage compliance reporting, lease contracts for all assets and maintain all terms and conditions at one place. Key features of this solution are:

- Legal reporting framework
- Dashboard on UI5
- Flexible management reporting
- Scalable for all geographies
- Pre-configured templates and programs
- Available on S/4HANA, ECC & On Cloud
What We Offer?

**End-to-end Lease Life Cycle Management**
Single source to manage leases right from lease contract creation to contract closure, contract renewal and contract termination.

**Seamless Business Solutions cutting across technology platforms**
Available on new age technology platform S/4HANA (On Cloud version) as well as on conventional ECC (On-Premise Versions)

**Single platform for managing all type of asset leases**
Provides a single platform for managing entire lease portfolio for all type of assets (real estate or equipment etc.). This facilitates better control on the lease portfolio

**Integrated solution for lease administration, accounting and compliance**
Solution provides single integrated source of information for lease administration, accounting and compliance along with real time data reporting.

Why LTI?

Organization following IFRS standards will have to be compliant from January 2019, and those following FASB (US GAAP) will have to be compliant as early as December 2018. We believe that our FCL solution will help organizations to manage compliance reporting and lease contracts for all assets and maintain all terms and conditions at one place. Key benefits of this solution are:

- Compliance with lease accounting standards
- Single source of information for all the lease data
- Fast validation by collaborating with all the stakeholders
- Improve lease administration processes
- Aligned with new age technologies and mobility solution

LTI (NSE: LTI, BSE: 540005) is a global technology consulting and digital solutions Company helping more than 250 clients succeed in a converging world. With operations in 27 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI’s Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded 20 years ago as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivaled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 20,000 LTites enable our clients to improve the effectiveness of their business and technology operations, and deliver value to their customers, employees and shareholders. Find more at www.Lntinfotech.com or follow us at @LTI_Global.

info@Lntinfotech.com