Vivriti Capital
Ambitions Unleashed

The Equipment Dilemma: Leasing vs Loan

How should your capital work smarter?

Businesses need multiple equipment for their daily operations. However, significant upfront cost poses a challenge. Secondly, if businesses own equipment, their capital can remain blocked.

The conventional choice: **Term Loan**

But what if there exist a more efficient and flexible solution?

Asset Leasing allows businesses to use the required equipment for a set period in exchange for regular payments. Also, they can unlock the capital tied up in existing assets through leasing and redirect it to drive growth.

Choosing between the two depends on the business's cash flow needs, tax preferences, ownership goals, and lifespan of the equipment.

Features	Leasing	Term Loan
Cost Efficiency	Lower cost, as it involves no upfront payment.	Higher cost as substantial down payment required in the form of an LTV margin.
Ownership	Deferred ownership. At the end of term, it gives you an option to buy the asset at a mutually agreed residual value.	Full ownership of the equipment.
Tax Benefits	Lease payments (both principal and interest) are tax deductible.	Principal is not deductible, but interest and depreciation are tax deductible.
Balance Sheet Treatment	Off-balance sheet arrangement.	On-balance sheet arrangement.
Documentation	Less documentation. There is no deed of hypothecation and there is no Registrar of Companies (ROC) charge	The deed of hypothecation and ROC charge are applicable.
Sale and Leaseback	Available. Existing owned assets can be monetised through sale and leaseback.	Not available under term loan structure.

When to choose leasing?

Capital-intensive industries

where businesses require heavy equipment to operate but also need to preserve cash flow.

Fast-evolving industries

where businesses need to stay technologically updated while ensuring financial stability.

Key Benefits of Asset leasing

- No upfront capital investment
- Better cash flow management
- Flexibility in terms of duration and lease
- Hedge against obsolescence
- Less administrative burden

Equipment fuel businesses, leasing fuels growth

Why Vivriti Capital

- Deep Expertise in Mid-Market Enterprise (MME) Space
- Tailored Solutions
- Robust Risk Framework
- Speed & Efficiency
- Integrated Ecosystem

~9 years	₹68,000+ Cr	575+	65+	₹11,500+ Cr
in Business	Finance Enabled	MMEs Served	Sectors Served	in AUM