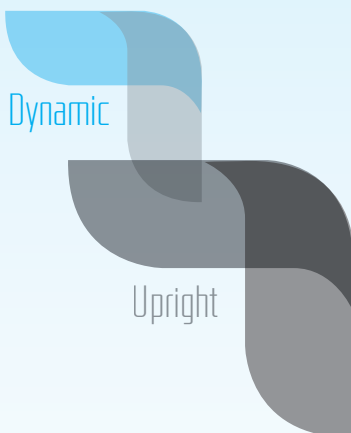


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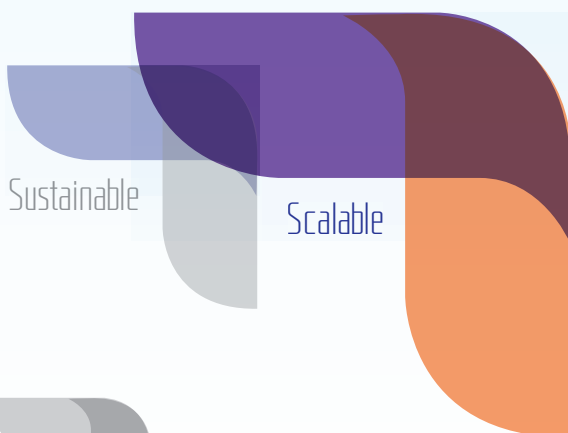
ANNUAL REPORT

Au Financiers (India) Private Limited



Dynamic

Upright

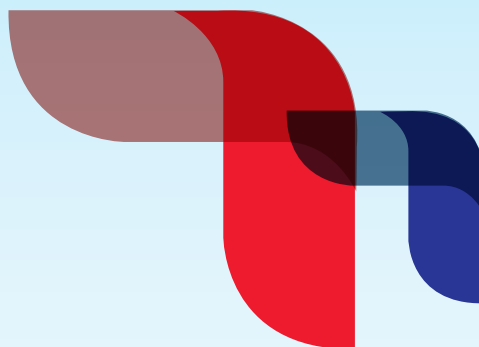


Sustainable

Scalable



Flexible



Ahead of

next



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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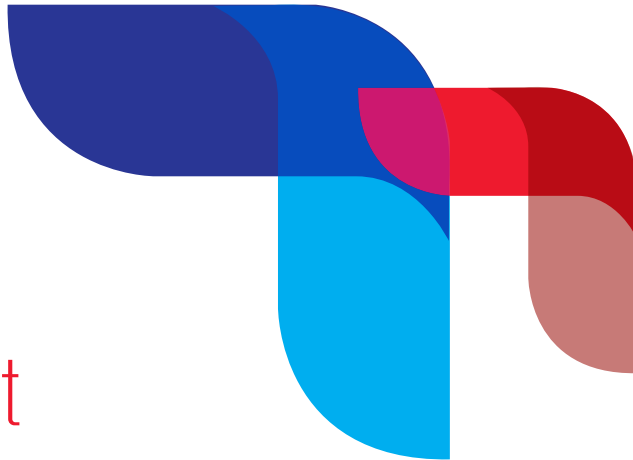
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Ahead of next



During the current challenging economic environment, *Ahead of Next* truly signifies our unwavering commitment to adapt to the dynamic market conditions, deliver excellent results, and delight customers with superior products and transparent corporate practices. Au Financiers (India) Private Limited (Au Financiers) has evolved owing to its enhanced credit rating, low borrowing cost and customer confidence. The Company is setting new trends in India's financial sphere with its fair and friendly approach towards customers. While advancing on its course, the Company has never negotiated with its core philosophy to enrich the lives of the customers. Today, Au Financiers is ahead of the next by virtue of its dynamism, uprightness, scalability, sustainability and flexibility.



Strengthening the foundation



AU FINANCIERS (INDIA) PRIVATE LIMITED IS ONE OF THE FASTEST GROWING NON BANKING FINANCIAL COMPANIES (NBFC) OF INDIA, CATERING TO THE NEEDS OF THE UNBANKED RURAL AND SEMI-URBAN INDIANS WITH MARGINAL CREDITWORTHINESS. COMMENCING ITS JOURNEY IN 1996, AU FINANCIERS HAS COME A LONG WAY AND CAPTURED CONSIDERABLE MARKET SHARE IN THE INDUSTRY. THE CONSISTENT GROWTH OF THE COMPANY HAS HELPED IT GAIN SIGNIFICANT INVESTOR CONFIDENCE, INCLUDING THAT OF RENOWNED INVESTORS SUCH AS MOTILAL OSWAL PRIVATE EQUITY ADVISORS PVT. LTD., INTERNATIONAL FINANCE CORPORATION (IFC) AND WARBURG PINCUS WITHIN A SHORT TIME SPAN. OUR STRATEGIC AND EFFECTIVE BUSINESS MODEL FURTHER ENHANCES THE LONG-TERM GROWTH OPPORTUNITIES OF THE COMPANY.



THE EVOLVING WORLD OF AU FINANCIERS

We have grown by focusing on the future and staying ahead of the curve.

- ❏ A wide range of services, including Vehicle Financing, SME Loans and Housing Finance
- ❏ Extensive network of 146 branches across 7 states in Western and Central India
- ❏ Doubled its network from ₹ 15,926.87 Lacs to ₹ 39,187.72 Lacs
- ❏ Enduring relationships with leading Indian Banks, including HDFC Bank, ICICI Bank and Dhanlaxmi Bank for Tier II capital
- ❏ Financing arrangements with around 36 leading private and public sector banks and financial institutions
- ❏ 100% asset-backed secured finance with comfortable Loan to Value levels of 65% to 85%
- ❏ Excellent management of asset quality, contributing to low delinquency ratio
- ❏ Proficient in checking customers' trackrecord through local references, field inspection, creating co-borrowers and cross guarantee arrangement
- ❏ Expertise of local manpower, strengthening the bond with customers and dealers, increasing operational efficiency
- ❏ Collection efficiency one of the best in the industry
- ❏ NPA levels are the lowest
- ❏ Assigned A/Stable external rating by CRISIL (upgraded by double notch from BBB+/positive) for long-term debts
- ❏ Marquee investors - Motilal Oswal Private Equity Advisors Pvt. Ltd., IFC (World Bank Group) and Warburg Pincus

Au Financiers is the only Non Deposit accepting Systemically Important Asset Finance Company (NBFC-ND-AFC-SI) in Rajasthan.

MISSION AND VISION

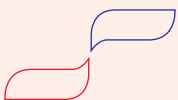
We are guided by four principles - Fair, Flexible, Fast and Friendly, that nurtures our mission and vision.

VISION

To be the most preferred financial institution with nationwide presence and provide customised and speedy financial solutions to rural and emerging India with trust and confidence, to guarantee customer delight.

MISSION

At Au Financiers, we strive to lead in providing best and trusted financial solutions to cater to the entrepreneurial aspirations of unreached and unbanked masses of India and be empathetic to their needs. We endeavour to create strong, consistent stakeholders value and live up to the trust and confidence reposed in us.





CORE VALUES

Entrepreneurship:

We stand by entrepreneurial aspirations. We inspire individuals to achieve their dreams.

Personalised touch:

In our behaviour, we endeavour to build relationships that will transform lives by valuing, understanding and articulating individual needs. We simultaneously respect and value people and uphold humanity and dignity.

Fairness and equality:

We are fair and honest in our thoughts and feelings. We treat all with the fairness and equality.

Reliability:

We honour the spirit and intent of our commitments and promises, demonstrating consistency in our actions and words. We stand by our customers in the hour of need and believe in creating a trusted bond for life.



Nurturing talent:

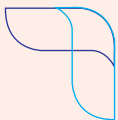
We pursue challenging and rewarding opportunities that nurture personal and professional initiatives and the growth of an individual.

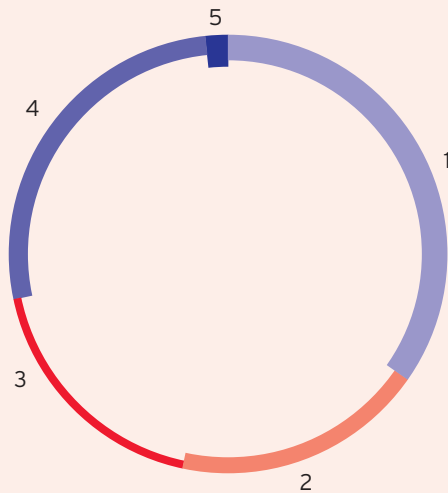
Empowerment:

We empower to dream, create and experiment in pursuit of opportunities and attain leadership through teamwork.





Audacity:

We constantly foster individuals to give open feedback towards processes, products and services to ensure improvised practices in the organisation.



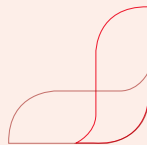


SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012 (%)

- | | | |
|-----------------|---|---|
| 1) 34.87 |  | Promoter and Family |
| 2) 18.66 |  | IBEF and IBEF-I (Motilal Oswal Private Equity Advisors Pvt. Ltd.) |
| 3) 18.34 |  | International Finance Corporation |
| 4) 26.54 |  | Redwood Investment Ltd (Warburg Pincus) |
| 5) 1.59 |  | ESOP |

OUR INVESTORS

Au Financiers enjoys active support from renowned investors such as Motilal Oswal Private Equity Advisors Pvt. Ltd. and IFC. In the current fiscal, we attracted one of the leading global private equity firms - Warburg Pincus - as an equity investor. This single largest equity infusion has almost doubled the network of the Company. Further, our existing investor - IFC - reposed confidence in the Company by placing more equity along with the new investor to reinstate its stake.



Considering the legacy of our investors in the global and Indian financial services space, it is a proud moment for us to be associated with them. Their increasing faith bears testimony of our sustainable value creation, management expertise and the ability to create a sound business that can accept the challenges of a changing economic scenario. Our strong entrepreneurial spirit and deep commitment to our customer will enable us power the business ahead.

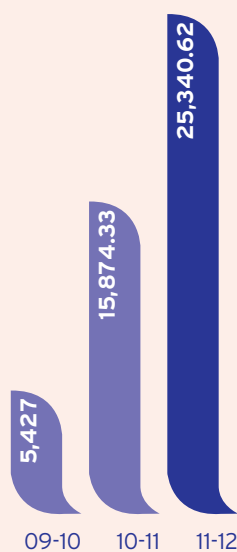


Moving forward

Financial highlights

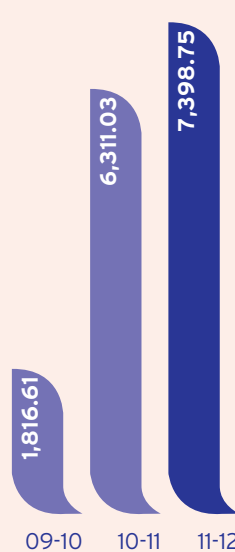
TOTAL INCOME

(₹ In Lacs)



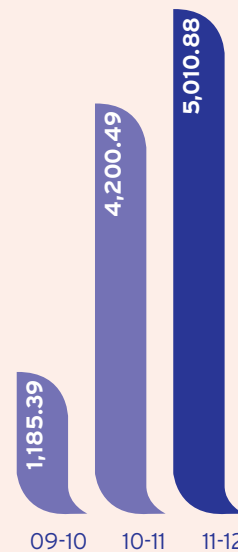
PBT

(₹ In Lacs)



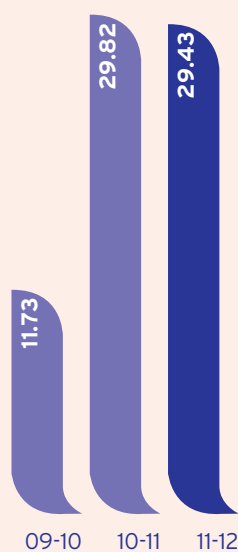
PAT

(₹ In Lacs)



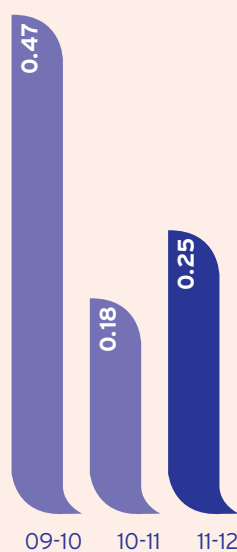
BASIC EPS (Per Share)

(₹)



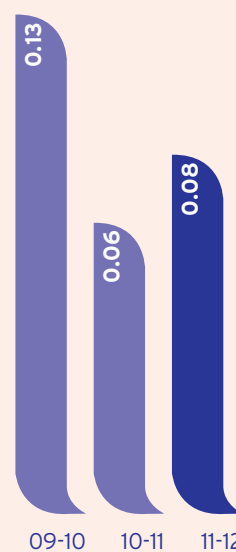
GROSS NPA

(%)



NET NPA

(%)





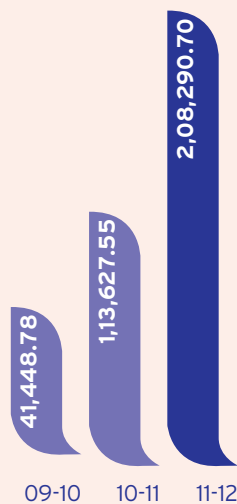
Moving forward

Operational highlights



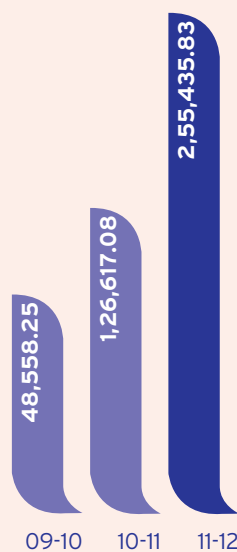
TOTAL DISBURSEMENT

(₹ In Lacs)



TOTAL AUM

(₹ In Lacs)



CUSTOMER BASE

(In Number)

