

OUR DRIVING FORCE...

Au FINANCIERS (INDIA) LIMITED
18th Annual Report 2012-13

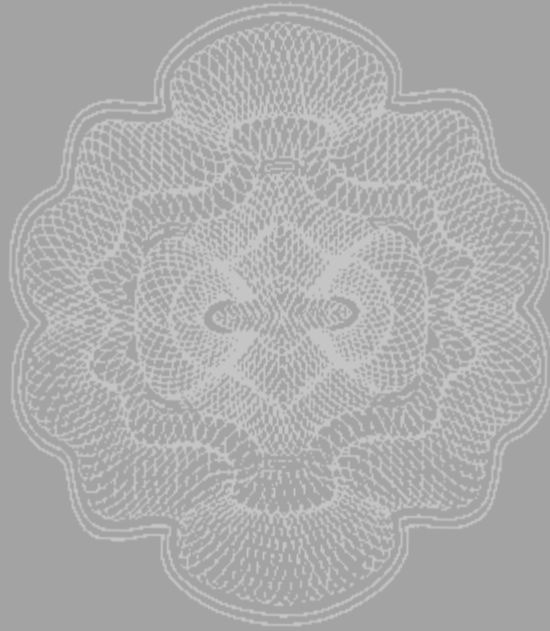
Forward-looking statement

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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PASSION.

The passion to counter conventional wisdom.

The passion to widen the circle of happiness.

The passion to make every single person part of the entrepreneurial value chain.

The passion to demonstrate that what we think is what we can be.

The passion to prove that there is always a better way to do things.

The passion to prove that ordinary people can do extraordinary things.



THIS IS THE RESULT OF THE PASSION WE BROUGHT TO OUR BUSINESS.

Helped grow our loan book 45.02% even as the national GDP grew a mere 5% percent.

Helped us grow three times the NBFC industry average in a difficult year 2012-13.

Helped us grow from one business to three in a challenging year.

Helped us achieve a commitment of ₹375 crore from reputed FIIs in the midst of an economic slowdown.



AT Au FINANCIERS, PASSION IS DEMONSTRATED IN...

...the ability to blend enthusiasm with experience. The Company's average age of 29 years is significantly lower than the industry average.

...the ability to attract unsecured funding from International Financial Institutions even as we are a first generation financing company without the backing of any big corporate group.

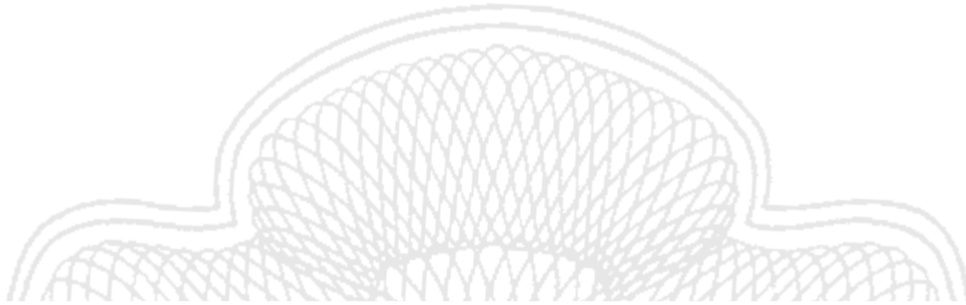
...the ability to attract some of the best professionals from large and visible companies to work with us. The Company's senior management possesses more than 200 person-years of experience in India's NBFC sector.

...the ability to transform from private to organised financing with a credible business model translating into sustainable growth. The Company has grown its book every single year of its presence.

...the ability to extend funding to first time users (FTU) and first time buyers (FTB) in the regions of its presence. The Company generated majority of its 2012-13 business from the financing of individuals otherwise dismissed as un-bankable and beyond organised financing.

...the ability to demonstrate that the financing of un-banked first generation rural, semi-urban entrepreneurs is not only socially advisable but also good business. The Company reported a net NPA of 0.20% of its asset under management in 2012-13, which is well below as compared to the industry average.

...the ability to mobilise equity funding at successive stages of the Company's growth reflected in progressively larger amounts at higher premia.



...the ability to demonstrate growth in the worst global environment. The Company's profit after tax increased from ₹5.18 crore in 2008-09 (the year in which the global slowdown commenced) to ₹80.21 crore in 2012-13 (the year generally considered as the most challenging in the last four years).

...the ability to improve credit rating at the time of an industry-wide decline. The Company reported improved credit rating from 'CRISIL BBB+/Positive' to 'CRISIL A/Stable' (two notches in one shot in June 2012) at a time when there were more downgrades, than even single notch upgrade.

...Au Financiers' team demonstrated its capabilities by promoting two more companies whereas other NBFC's would have preferred to consolidate. The Company promoted a wholly-owned subsidiary company dedicated to housing loans and another associate company focusing on insurance broking business.

CORPORATE IDENTITY

There are many ways to describe Au Financiers. The most relevant is 'rural economy driver'.

Financing the purchase of productive assets.

Inspiring the un-banked under-served thousands to get into business, building pillars of growth as part of a socially inclusive business model.

Providing them with business-strengthening advice.

Transforming hesitant individuals into active entrepreneurs.

Bringing prosperity to individuals, families, communities, regions and country.

Au Financiers (incorporated in 1996) is a non-deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and promoted by first generation entrepreneur Mr. Sanjay Agarwal. The Company is a prominent vehicle financing player in western and central India with diversified product and service offerings including all kinds of vehicles i.e. commercial vehicles (multi-utility, small, light and heavy), cars, construction equipments, tractors and financing SME loans and housing loans.

Au Financiers floated Au Housing Finance Limited (formerly Au Housing Finance Private Limited), a wholly-owned subsidiary, to offer home loans.

Au Insurance Broking Services Private Limited is an associate company, offering insurance broking services.

The Company's business is driven through 177 branches across the states of Rajasthan, Maharashtra, Punjab, Madhya Pradesh, Gujarat, Goa, Chhattisgarh and Delhi. The Company is headquartered in Jaipur, Rajasthan.

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 un-reached and un-banked 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.

OUR FOUR GUIDING PRINCIPLES

We are guided by four principles – Fair, Flexible, Fast and Friends, which reflects the way we work and nurtures our mission and vision.

Fair

We are fair and transparent in our dealings. Transparency in thoughts, feelings and policies. We understand the requirement of our customers and offer only those products that suffice their needs, making it a win-win situation.

Flexible

We are flexible in our approach and try sincerely to match your needs and expectations. We are open and flexible with our products and schemes. We understand our clients and their concerns and offer the highest levels of flexibility possible.

Fast

We are really fast, as your priority are our priorities. We are quick with our decision making process. Our robust operations and disbursement processes ensure best-in-class turnaround time. We take minimum time for processing applications and disbursement of loans.

Friends

You have got a friend for life. We have nurtured friendly and congenial relationships with our dealers and customers. This unique aspect helps us make new friends and promote kinship across generations.

CORE VALUES

Our foundation lies on the right balance between stakeholders and the management, which is achieved through these values.

Entrepreneurship

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

Personalised touch

Through our behaviour, we endeavour to build relationships which transform their lives by valuing, understanding and articulating individual's needs. We simultaneously respect and value people and uphold human dignity.

Fairness and equality

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

Reliability

We honour the spirit and intent of our commitments and promises, demonstrating consistency between our actions and our words. We stand by our clients in their hour of need to create a bond of trust for life.

Nurturing talent

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

Empowerment

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

Audacity

We constantly foster individuals for giving open feedback towards processes, products, services to improve practices in the organisation.