

## **RISK MANAGEMENT**

Company has adopted policy of “Reaching Maximum” people with minimum risk. Hence company is providing maximum Two Wheeler Loan only and providing upto 75% of Cost and taken following action to Minimize Risk.

Company has appointed local Persons/Dealers who know Customer personally for Financing.

1. F.I. is conducted before Sanction.
2. Guarantee of existing customer/ local persons is taken.
3. In case of default personal follow up action is taken.
4. Phone calls are made to Customer/Guarantor.
5. When ever required notices are send to customer & guarantor.
6. Timely insurance of financed product is done.
7. Pre-reminder for Re-possession is sent to customer/Guarantor.
8. Where required repossession action is taken.
9. In case of accident follow up action with insurance company is taken.
10. In Genuine cases Company waives its charges.

## Source of Fund and Deployment of Fund 31.03.2012

<u>Source</u> %	<u>Provisional</u>	<u>Amount Rs.(Lacs)</u>
Own Fund	991.33	
Convertible debenture	<u>113.31</u>	
		1104.64
33.27		
Bank Loan		1519.94
45.78		
Public Deposit		257.25
08.95		
Director & Relative (Deposit)		259.00
07.80		
Current Liability & Provision		<u>139.44</u>
<u>04.20</u>		<u>3320.27</u>
		<u>3320.27</u>
<u>100.00</u>		
<b><u>Application</u></b>		
Fixed Assets (Own use)		54.49
01.64		
Investment (SLR)		34.79
01.04		
Vehicle Loan	2865.58	
Vehicle Loan Debtors	<u>149.90</u>	
90.82		3015.48
Cash & Bank		34.02
01.02		
Loan Against deposit		36.24
01.09		
Other Loan (Staff & Other)		13.38
0.42		
Current Assets		<u>131.87</u>
<u>03.97</u>		<u>3320.27</u>
		<u>3320.27</u>
<u>100.00</u>		

## Business Model

Company is providing only Vehicle Loan. Its Credit exposure as on 31.03.2012 is as under:

	Amount Rs.(Lacs)	%
1. Vehicle Loan 98.30	2865.58	
2. Loan Against Deposit 01.24		36.24
3. Other Loan <u>0.46</u>		<u>13.38</u>
	<u>2915.20</u>	<u>100.0</u> <u>0</u>

## **Classification of Assets & Provisions**

Company is making classification of Assets as per RBI guidelines & also making provisions accordingly. Company follows more conservative Policy and NPA which seems to be non recoverable are written off and when there is recovery from Bad debts same is shown as income.

Rs.(Lacs)

Sr.no.	Assets as on 31.03.2012		Provision required	Provision made
1	Standard Assets	2795.18	06.99	07.70
2	Sub.Standard Assets	110.00	11.00	11.00
3	Doubtful Assets	10.00	04.00	04.00
	Total	2915.18	21.99	22.70

## Projected Business Plan

<u>(Rs.Lacs)</u>	<u>Year</u>	
	<u>2012-13</u>	<u>2013-14</u>
<u>2014-15</u>		
<u>Source of Fund</u>		
<u>A. Share Holder Fund</u>		
Share Capital	180.00	210.00
250.00		
Reserve & Surplus	1221.00	1771.00
2521.00		
<u>B. Loan Fund</u>		
Bank Loan	2500.00	3500.00
5000.00		

Public Deposit	160.00	75.00
25.00		
Deposit from Director	230.00	125.00
125.00		
& Relative		
<u>C.Current &amp; Liabilities</u>		
<u>&amp; Provisions</u>	110.00	125.00
120.00		
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	4401.00	5806.00
<u>8041.00</u>		
<u>Application of Fund</u>		
Fixed Assets	65.00	75.00
85.00		
Investment	35.00	35.00
25.00		
Vehicle Loan	4091.00	5491.00
7711.00		
Sundry Debtors	10.00	10.00
10.00		
Cash & Bank Balance	35.00	35.00
35.00		
Other Current Assets	120.00	110.00
125.00		
Loans & Advance	45.00	50.00
50.00		
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	4401.00	5806.00
<u>8041.00</u>		

**Company has Fixed interest on Vehicle Loan and interest will be counted in Flat manner.**

1. Where EMI is Paid by Cheque :

<u>Loan Period</u>	<u>Interest</u>
12	12%
24	13.5%
36	14%
More	15%

2. Where EMI is collected in Cash:  
(Banking Facility is not available)

Loan Period	Upto 50 k.m.	more than 50 k.m.
	Interest	Interest
12	13.5%	14.5%
24	15%	16%
36 & more	16%	17%

Managing Director may increase/reduce the interest rate for any particular area/dealer/customer upto 2% & board of Director upto 3%. The rate will be changed by Board of Directors from time to time considering Bank Interest, market competition and fund availability.

## Provisional as on 31.03.2012

### 1. NOF (Rs. Lacs)

(i) Tier 1	983.63
(ii) Tier 2	<u>121.01</u>
Total	<u>1104.64</u>

### 2. CRAR (%)

(i) Tier 1	30.77
(ii) Tier 2	<u>03.78</u>
Total	<u>34.55</u>

### 3. NPA

Provision (Rs.Lacs)

(i) Sub Standard	110	11
(ii) Doubtful	<u>10</u>	<u>4</u>
Total	<u>120</u>	<u>15</u>

### 4. Profit (Rs. Lacs)

Profit before Tax	135.96
Provision	<u>45.00</u>
Profit after Tax	<u>90.96</u>



1. We have appointed Mr.Anil Kumar Jain Director as Nodel Officer for Resolving disputes within 7 days and is submitting his report to Board of Director on quarterly basis.

2. Auditor

H.R.Jain & Company  
Chartered Accountants.  
310-313 Arihant Plaza,  
Near SBBJ, Udiapole Udaipur 313001

3. Banker

Bank of Baroda  
Main Branch  
Town Hall Road  
Udaipur 313001