



**ACI Motors Limited**

# **Internship Report**

On

**Performance Measurement and Assessment of Credit**

**System of Tractor Business**

**In ACI Motors**



Course: BUS400 (Internship)

**Submitted To:**

Syeda Shaharbanu Shahbazi

Senior Lecturer

BRAC Business School

BRAC University

**Submitted By:**

Shymoon Nahar

ID: 09304160

BBS Department

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## Letter of transmittal

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16 June, 2013

Syeda Shaharbanu Shahbazi

Senior Lecturer

BRAC Business School

66, Mohakhali, Dhaka-1212

Subject: **Submission of the Internship Report on ACI Motors**

Respected Madam,

I am submitting my internship report on **“Performance measurement and assessment of credit system of Tractor Business of ACI Motors”** with due gratefulness and admiration. As per partial accomplishment of the requirements for the BBA degree, I have completed the internship from **ACI Motors Limited**.

I have collected as much information as possible from the Advanced Chemical Industries (ACI). Three months effort on this organization was a worthwhile understanding for me as it was in such a reputed business organization. It is a great contentment for me to present you the report as a requirement of the Bachelor of Business Administration.

I believe that this internship program has enriched both my knowledge and experience.

If you have further queries regarding the report, please let me know.

Sincerely,

.....

Shymoon Nahar

ID: 09304160

BBS (BRAC Business School)

BRAC University

## **Acknowledgement**

*At first I would like to thank the almighty Allah for giving me opportunity to successfully complete my Internship Report. Then I would like to thank my Supervisor Rajib Noor, Executive Logistic Support, ACI Motors for teaching me all the things that I needed to perform my work. After that my Sincere thanks goes to my university internship supervisor Syeda Shaharbanu Shahbazi for giving me valuable feedback and proper guideline to make a better internship report.*

*At last, I would like to thank all the personnel of ACI Motors who give me support all the during my internship period.*

## **Executive Summary**

This report describes the products feature of ACI Motors and hire purchase system of Tractor business in ACI Motors of Bangladesh. This report is based on my working experience in ACI Motors. Three months effort on this organization was a worthwhile understanding for me as ACI is one of the leading reputed business organizations in Bangladesh. The study has assisted to know about the performance of the product of ACI Motors. At the same time to know about the credit policy that is very important for increasing sales. We also got to know conditions and terms of hire purchase for purchasing Tractor.

The report has been divided mainly into two divisions then in some chapters, in order to put specific emphasis on different aspects. The first part is performance measurement and then credit system of Tractor Business of ACI Motors.

In the performance measurement, I have interpreted the sales volume and sales value among the ACI Motors products like which product sales more and which one is more profitable for the company. We get the present scenario of each market by seeing the market position and share of these products from where. The report mentions about the facilities and benefits ACI Motors Limited provides to their customer. ACI have to come out with new ideas to grape customer of other brand user. They have to do give more additional value to the product, need to develop pricing strategy, improve communication with the customer for increasing sells.

Over I have discussed the credit system of Tractor in ACI. It should be more available and increase the time for installment to the customer that will attract them more compare to others. Credit sale sometimes makes discrimination in the country business. So, it needs proper planning, strategy and full organizing capability. Collection of credit is described in details in this chapter. I have discussed activities of the collection team.

However, there are certain information has been deliberately skipped in this report, as they had been qualified by the ACI as confidential information. The report also consist recommendations and conclusion according to my point of view, which I think would improve the environment of the organization if implemented.

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# Chapter-1

## **Introduction**





## **1.1. Introduction:**

Bangladesh economy depends heavily on agriculture. During financial year 2011-2012 agriculture sector alone had a contribution of 19.29% in the GDP growth. Though service sector brings almost half of economic earnings, two third of Bangladeshi people are engaged in agricultural activities. Major macroeconomic factors like employment generation, poverty improvement, human resources development and food security depends largely on the performance of the agriculture sector since it comprises about 30% of the country's GDP and employing around 60% of the total labour force. Constant researches are being done in order to obtain advanced technologies so that new crops can be created and irrigation, harvesting and such steps of cultivation can be done more efficiently so that we, as a country, can attain food security. Agro based sector is continuing to grow with the use of advanced technology and modern machineries. In Bangladesh agricultural sector refers to crop cultivation (mainly rice, jute, wheat, sugar, cotton, vegetable, tea, tobacco etc.), animal farming (poultry, dairy etc.), forestry, fisheries and other related services etc.

Competing with other nations, agribusiness of our country is moving fast towards excellence. To assure continuous progress in this industry we need to provide farmers modern machineries for cultivation. Keeping this in mind ACI Motors began its operation with a product range of agricultural machineries like tractor, power tiller, and diesel engine, combined harvester, Rice Transplanter, Pump and guaranteed supply of quality machineries and better after sales service. All of these brands have got tremendous responses from farmers. ACI Motors is importing these quality products from China, India and other countries. ACI Motors operates sales activities by establishing sales and service centre in many parts of the country and appointing dealers all over Bangladesh. Since the real life business situation is always very complex and competitive, every business has to face the intense competition and successfully operate within this critical situation. To stay and increase the pace in the business track, the perception and brand awareness is very important. Some of products like Tractor, Power Tiller, Rotavator are more expensive so customer not able to buy in cash. In these case ACI Motors allows them to buy them in credit where they can pay the payment over the period in installment.



## **1.2. Origin of the report:**

Theoretical orientation cannot make one suitable in real life. Realistic knowledge makes a man expert in the real life situation. To acquire practical knowledge about real life scenarios, every student of BBA, BRAC University has to carry out an internship program. To reach practical understanding, the placement of my internship program at Advance Chemical Industries (ACI) Limited for a period of three months duration. This report on “performance Measurement and Credit appraisal system through Tractor Business of ACI Motors” is an elaborated representation of this three months long internship program with ACI Motors Limited.

## **1.3 Objective of the Study:**

### **i. General Objective:**

The primary objective of this report is to gather practical knowledge and experience for representing the actual situation of the agricultural machineries business in Bangladesh.

### **ii. Specific objective**

I mainly discussed the ACI Motors approached to the agricultural machineries business. The performance of ACI motors products and the credit system. Some other secondary objective is also comparing the agricultural machineries business of our country, know about the Advance Chemical Industries (ACI) and present an overview and brief introduction of ACI Motors Ltd.

## **1.4 Methodology of the study:**

### **Study Type:**

Descriptive Study

### **Analysis:**

Qualitative analysis based on observation.



### **Source of Data Collection:**

To make the report more meaningful and presentable, I have use web site and documents. Information for this paper is mainly collected from various primary and secondary data sources.

#### **i. Primary Sources:**

Take Interviews and discussion with the Executive Logistic Support and other personnel of ACI Motors.

#### **ii. Secondary Sources:**

Information related to the company, is collected from internal and external sources the annual report and official website, Company's own publications- Different articles and various Business publications in the internet.

### **Duration:**

Approximate 3 months

## **1.5. Scope of the Study:**

The scope of the study is limited within agricultural machineries business sector in Bangladesh. It is also limited within the organization of ACI Motors Ltd.

## **1.6. Limitation of study**

Some of the limitations of the report are:

- i. Accuracy of the secondary data depends upon the accuracy of the secondary source as cross checking was not possible.
- ii. Due to confidentiality the policy of the company restricts disclosing some important data.
- iii. Time frame for the research is very limited.
- iv. Relevant papers and documents were not sufficient.



Chapter-2

**Overview of ACI Limited**



## 2.1. Company profile

ACI was established as the subsidiary of Imperial Chemical Industries (ICI) in the then East Pakistan in 1968. After independence the company has been incorporated in Bangladesh on the 24th of January 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. This Company also obtained listing with Dhaka Stock Exchange on 28 December, 1976 and its first trading of shares took place on 9 March, 1994. Later on 5 May, 1992, ICI plc divested 70% of its shareholding to local management. Subsequently the company was registered in the name of Advanced Chemical Industries Limited. Listing with Chittagong Stock Exchange was made on 22 October 1995.

Advance Chemical Industries (ACI) Limited is one of the leading conglomerates in Bangladesh, with a multinational image. ACI is a Public Limited Company with a total number of 19,653 shareholders. Among these, there are three foreign and fifty local institutional shareholders. The company has diversified into three major businesses. Besides these, the company has a large list of international associates and partners with various trade and business agreements.

### ❖ Strategic Business Units:

- Pharmaceuticals
- Consumer Brands & Commodity Products
- Agribusinesses

### ❖ ACI has the following subsidiaries:

- ACI Formulations Limited
- Apex Leather crafts Limited
- ACI Salt Limited
- ACI Pure Flour Limited
- ACI Foods Limited
- Consolidated Chemicals Limited
- Premiaflex Plastics Limited



- Creative Communication Limited
- ACI Motors Limited
- ACI Logistics Limited

❖ **Joint Ventures:**

- ACI Godrej Agro vet Limited
- Tetley ACI (Bangladesh) Limited
- Asian Consumer Care (Pvt.) Limited
- ACI Consumer Electronics

## **2.2. ACI MOTORS LIMITED**

ACI Agribusinesses has launched a new subsidiary business, ACI Motors, from 6th November 2007 with an objective to market high quality farm machineries and light commercial vehicles. ACI Agribusinesses now ensures complete solution to the farmers with the introduction of the agro-machineries. ACI Motors are now marketing the various models of Sonalika tractor which is 3rd leading position in India as well as the fastest growing brand. It also has introduced high quality Bull Power brand power tiller and mini combine harvester, Hardy Sprayer from China.

It has own sales and service center by which ensure highest quality after sales service, repairs and spare parts. It also provides flexible credit facilities for farmers for better customer satisfaction and service. ACI Motors are planning to introduce light commercial vehicles like pickups and mini trucks to support farmers to carrying agricultural goods. Also, high quality diesel engines and pumps for irrigation purpose will be offered in the near future. This business shows considerable promise in contributing to the agricultural productivity of Bangladesh.

## **2.3. Product Profile**

ACI Motors sell power tiller, pump, light pick-ups and mini trucks, tractors, diesel engine, harvester, rice transplanter, rice cutter, spray machine etc.



**Figure 1: Some of ACI Motor's Products -Tractor, Rotavator, Diesel engine, Power tiller, Pump, Combine harvester (from top left)**

## **2.4. COMPANY'S MISSION, VISION & VALUE**

### **❖ Mission**

ACI'S mission is to enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

### **❖ Vision**

To realize the mission ACI will:

- Endeavour to attain a position of leadership in each category of its businesses.
- Attain a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.
- Develop its employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth of its employees.



- Provide products and services of high and consistent quality, ensuring value for money to its customers.
- Encourage and assist in the qualitative improvement of the services of its suppliers and distributors.
- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence

#### ❖ **Value**

- Quality
- Customer Focus
- Fairness
- Transparency
- Continuous Improvement
- Innovation

## **2.5. DISTRIBUTION NETWORK**

The company maintains strategically located sales centers in nineteen different locations across the country. It has developed an advanced distribution system through its more than 300 skilled and trained manpower and a large fleet over eighty vehicles. The distribution system is capable of handling continuing volume of diverse range of products from the various businesses.

The company's distribution centers are highly streamlined, computerized and automated. We are capable of maintaining a cold chain for some specialized range of products such as vaccines and insulin. The combination of this advanced function and multidimensional capabilities made it possible to handle hundreds of products efficiently.

## **2.6. COMPANY POLICY**

#### ❖ **Quality policy**

ACI's mission is to achieve business excellence through quality by understanding, accepting, and meeting exceeding customer expectations.





ACI follows International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meets all national regulatory requirements relating to its current businesses and ensures that current Good Manufacturing Practices (CGMP) as recommended by World Health Organization is followed for its pharmaceutical operations.

The management of ACI commits itself to quality as the prime consideration in all its business decisions. All employees of ACI must follow documented procedures to ensure compliance with quality standards.

The pool of human resources of the company will be developed to their full potential and harnessed through regular training and their participation in seeking continuous improvement of work methods.

#### ❖ **Environment policy**

ACI is committed to maintain the harmonious balance of our eco-system and therefore constantly seeks ways to manufacture and produce products in an eco-friendly manner so that the balance of nature remains undisturbed and the environment remains sustainable. In pursuit of this goal, ACI will:

- Comply fully with all local and national environmental regulations.
- Conserve natural resources like water and energy for sustainable development, and adopt environmentally safe processes.
- Ensure appropriate treatment of all effluents prior to discharge, to prevent pollution or degradation of environment.
- Ensure appropriate communication and cooperate with internal and external interested parties on environmental issues.
- Create awareness on environmental issues among our employees and suppliers.
- Adopt modern waste management technology



## 2.7. GLOBAL COMPACT ENDORSEMENT

The ACI group has consistently demonstrated its commitment towards its employees and the environment over the years. It has been recognized as the practitioner and promoter of socially responsible business behaviour.

To take this commitment even further, ACI has endorsed the **Principles of Global Compact** on August 18, 2003. The Global Compact is a remarkable initiative sponsored by the United National Secretary General Koffi Annan. It is based on a very simple notion: whether or not required by law, corporations should enforce basic human rights and accepted labour and environmental standards in all their business activities, to counterbalance possible negative effects of globalization.

The compact calls on companies to embrace the ten universal principles in the key areas of human rights, labour standards and the environment. These ten principles are:

### ❖ **Human Rights**

- To support and respect International Human Rights within the company's sphere of influence.
- To make sure that their own corporations are not complicit with Human Rights Violation.

### ❖ **Labour**

- To end discrimination in the workplace.
- Abolition of child labour.
- The right to collective bargaining and recognition of freedom of association.
- To eliminate the use of forced and compulsory labour.

### ❖ **Environment**

- To support a precautionary approach to environmental challenges.
- To undertake initiative to promote greater environmental responsibility.



- To encourage the diffusion of environmentally friendly technology.

#### ❖ **Anti-Corruption**

- To work against all forms of corruption, including extortion and bribery.
- ACI pledges to keep all its employees, customers, shareholders and suppliers regularly informed about the compact and the company's initiatives to uphold the principles

## **2.8. BUSINESS ACTIVITIES**

ACI Motors limited is a private Limited company incorporated in 2006 with the registrar of joint stock companies, Dhaka, Bangladesh under the company Act 1994 having 75% shares by Advanced Chemical Industries Limited 'ACI Limited'. The principal activities of the company is buying, selling, importing and assembling of vehicles of both agriculture and other than agricultural use including supply spare parts and providing service facilities for vehicles.

## **2.9. TASK OF THE MARKETING DIVISION OF ACI MOTORS**

Mechanized Cultivation is a basic requirement of Bangladesh. Farmers use tractors for land preparation and for transport of agriculture outputs to the Markets place. Farmers were not adequately supported to fulfill this need; their hardship was accentuated due to labor shortage. Furthermore mechanization would increase productivity, lead to uniform quality of land preparation, and reduce the time between crops. To fulfill this need ACI Motors started its operation on November 2007, with a wide product range of agriculture Machineries like tractors, power tillers and mini combine harvesters. We made a commitment to ensure supply of quality machineries and proper after sales service.

## **2.10. CORPORATE SOCIAL RESPONSIBILITY**

Educating the farmers, with a focus on Environment Friendly Practices, ACI has undertaken extensive programs to educate crop farmers all over rural Bangladesh in Good Agricultural practices. ACI has a team of agricultural experts working at the field all across the country, holding a range of technical training and field demonstrations. Their activities include:



- Field demonstrations on various methods of crop protection, that pose the least hazard for the environment
- Training on new technologies of cultivation ,for higher yield and new crops
- Training to channel partners (e.g. retailers and agricultural workers) and third parties (e.g. NGO workers)

❖ **ACI also has similar education programs for animal and poultry farmers. These include:**

- Technical training on diverse aspects of farming, and on application of new technologies
- Farmers’ group meeting for sharing of learning and experience
- Free visits to farmers by veterinarians, to identify problems and give advices to individual farmers.

❖ **Outcomes:**

- Raising the level of awareness among farmers on improving their agricultural output through application of new technology, encouraging them to share experiences with neighboring farmers and in the long run, developing educated farmers.
- Raising the education level and technical knowledge of channel partners and third parties who act as advisors to the farmers.
- Most importantly, making the farmers aware of ways to protect the environment from hazardous uses of chemicals on their farms, allowing them the opportunity for informed decision making.

## **2.11. HR DEPARTMENT**

ACI HR works with a vision for creating a work-environment to foster creativity, innovation and productivity for achieving business excellence through dynamic and dedicated people.

We believe that Human Resources are the most important asset of the organization. We identify the training needs and provide trainings accordingly to develop the knowledge and skills of our human resources. Thought Leadership and Team Building meetings are conducted on a regular



basis. We provide an enabling working environment to unleash the full potential of the employees and a performance based career progression.

We have a value based culture where dignity of the individual is the highest priority. We believe in empowerment and delegation. We organize different social events like Family Day, Cricket Tournament, and Badminton Tournament etc with an objective to strengthen the Bondage among the employees.

We practice modern HR Policies and procedures for Recruitment & Selection, Manpower Planning and succession planning. We use a combination of qualitative aspects and Balanced score Card for performance appraisal.

We have attractive policies regarding car loan, gratuity, provident fund and hospitalization. We offer performance bonus, leave fare assistance, festival bonus and workers profit participation fund during different times within a year.

ACI is a place to learn, grow and contribute for improving the quality of life of people.

## **2.12. FINANCE AND PLANNING**

ACI Finance and Planning function is the nerve centre of the conglomerate. Being the nature of the structure, ACI Finance and Planning plays the centralized role in all kinds of financial and accounting services. Meaning it handles financial and accounting matters of not only ACI Limited but also of all of its subsidiaries supporting the mission and vision of the Group. The major areas of its activities include:

- Corporate Finance
- Treasury
- Insurance and risk management
- Costing
- Credit Management
- Accounts payable management
- General accounting



- Taxation
- New business management

ACI finance is pioneering in introducing and implementing state of the art financial tools like electronic banking, integrated accounting systems, better foreign exchange management through hedging, derivatives etc. To allow us to excel in our performance ACI Finance has strong rapport with all the international and major local banks, non-financial institution including leasing companies.

Driving force of Finance is its motto which is "to become most value adding business partner". To drive this vision, ACI Finance proactively helps business in providing right and timely information, analysis, budgetary management and participating in cross-functional team.

The Planning function not only compiles and coordinate the company plan of the conglomerate but also instrumental in feeding the CEO and top team different macro and micro economic situation of the country as well as world in large. These in-depth analyses help the company to make correct and pragmatic decision as a part of strategic initiative.

The new business development area is one of the most exciting areas in ACI. Here we keep a track on potential areas of growth being envisaged in the country, these are followed by rigorous analysis and subsequently matching these with ACI's competence. This allows ACI's growth engine to get enough fuel to take its course forward.

### **2.13. COMMERCIAL DEPARTMENT**

Commercial Department of ACI is one of the most vital functional departments of the Company which deals with the supply chain activities of ACI. In order to keep all the businesses running flawlessly, the dedicated and hard working employees of this department maintain a good liaison with the customers, both national and international. The Commercial Department is consistently achieving the best prices for the products that we purchase, ensuring enormous amount of cost savings for the company. It offers invincible professionalism and expertise in the entire commercial activities of ACI.



## **2.14. MIS DEPARTMENT**

MIS department of ACI ensures the overall IT related supports for the company. This department manages a smooth operation of software's, hardware trouble shooting and business databases related to sales and inventory. The MIS department consists of knowledgeable and skilled programmers and software developers. MIS provides customized report and data analysis to the management to facilitate effective decision making.

## **2.15. TRAINING**

Training activities of ACI is focused on transforming its human capital to achieve business excellence by increasing the bandwidth of ACI workforce. To win present and future challenges we identify knowledge and skill sets that are pivotal factors and we design a variety of programs so that achieving such success by using creativity, agility, flexibility, skill diversity and IT technology becomes a custom. We scan external environment for comparing industry practices, benchmark best practices and implement competency management programs to offer outstanding services to our valued customers. Enormous and spontaneous shared efforts are made with the strategic intent of achieving excellence in delivering customized services to meet the ever changing development needs of the human resources. We design strategic learning roadmap consisting tailored learning strategies for each of our employee clusters of the business divisions, based on a shared vision, to make us a proud member of a learning organization. We adopt best technology based modules, methodologies, facilities, in-house and external faculties/trainers to ensure the best return from human development investments. Corporate Values of ACI are embedded in the process of designing, developing and delivering each activity of Training Department throughout the organization.



## **Chapter 3**

### **Internship position and Duties**





### **3.1. Key Task of the Job:**

In my 3 month internship period, I worked under direct supervision of the Executive Logistic support of ACI Motors. Basically, my duty was to support my supervisors in different work. During my intern period I work in the field of sales activities of ACI Motors, basically involves identification, analysis, recording, classifying, summarizing, interpreting and communicating information regarding business. In my Internship period I have performed following duties

- Assisting executives in preparing sales reports.
- Assisting Hire Purchase Head
- Make some important document related to hire purchase like credit recovery policy by the sales manager, letter of demand in various periods, letter to the guarantor etc.
- Making staff lists for bills and other requisitions
- Keeping record of sold units and unsold inventories of Tractors
- Keeping record of customer transaction of Tractor.
- Visiting Accounts for bill approval of my Department.
- Calling customers via mobile phone to keep track of sales record and their address
- Communicating with workforce regarding ledger of different outlets
- Listing data based on field forces customer wise credit balance.

My work responsibilities were decent but not much vital to the organization. I attended office everyday on time. Along with helping my supervisor I helped other managers of division. In brief, my work duties were related to learning.

### **3.2. DOCUMENTS PREPARED**

Sometimes I had to complete several tasks under the guideline of the supervisor. During my working hour I had to type a document given by supervisor and to check or monitor different important paper of the products, the materials of those products that are used for their campaign,



machines servicing vouchers with making photocopies, sending document to the employee of ACI motors division following the order of my supervisor. Sending documents to the field force of branches about different policy that is amended by the head office.

### **3.3. PROGRESS IN UNDERSTANDING**

Before doing my internee I have insignificant understanding about the Motors division of ACI. But in the time of my internee I got a good understanding about Agrimachinaries business in Bangladesh, Product Knowledge of ACI Motors: Its features and benefits, Hire Purchase of Tractor, how to work and what are activities related in this sector. Besides, I came to know the customers of the rural and urban areas about the products of ACI Motors. I gather large number of information about the products and manufacturing process of those products and finally how to sales the customers, Present situation and after sales service system of ACI Motors.



## **Chapter 4**

### **Performance Measurement of ACI Motors**



#### **4.1. Literature:**

Performance measurement is the process of collecting, analyzing and/or reporting information regarding the performance of an individual, group, organization, system or component. Performance measures quantitatively tell us something important about our products, services, and the processes that produce them. They are a tool to help us understand, manage, and improve what our organizations do. Most of us have heard some version of the standard performance measurement what gets measured gets done, if we don't measure results, can't tell success from failure.

ACI Limited is one of the leading conglomerates in Bangladesh, with a multinational image. ACI has the most diversified sources of revenue. ACI motors Limited is in the business of sales and distribution of agro-machinery and light commercial vehicles, mostly Indian brands. This is another way for ACI to take an exposure in the commercial farming industry. With very low capital intensity in the agricultural sector in Bangladesh and a demand to quickly increase productivity, this business is expected to grow in the future. In my report I have measure and compare the performance of its products, which contribute more in the business, have better sales volume along with their features, benefits and services. Again, I have shown the market position and competitors in the market

#### **4.2. Agricultural Machineries business in Bangladesh**

Agriculture Machineries Industry or business is not new in Bangladesh. This Business was started in 1962 with Deep tube well and Power Tiller by Pakistan Agriculture Development Corporation. After the independence of Bangladesh, This sector goes under the Ministry of Agriculture, Bangladesh and Bangladesh Agriculture Research Institute (BARI) and Department of Agriculture Extension (DAE) wings are the main supervisors or monitor of this sector. For the irrigation of the land water pump concept was introduced in 1974. Uses of power tiller diesel engine become popular during the beginning of 1982 with the investment of self interested people. The Chittagong Builders is one of them. After that by the withdrawal of import duty on agrimachineries in 1984, privatization of this sector gets more speed. Tractor was first introduced in Bangladesh in 1985 by The Metal Pvt Limited. But it started to get popularity from 1999. At present Total Tractor using population in our country is 20000. Agricultural Engineers of



Bangladesh Agriculture Research Institution is working on the development of new technologies and its uses in Bangladesh for the betterment of our farmer and our agriculture sector. Up to now this institution successfully introduced many modern agrimachineries to the farmers like:-- High Speed Rotary Tiller, Crop cutting Machine, Hand and Power operated corn Harvesting machine, Potato withdrawal Machine , Mango Picking and grading machine etc. This institution along with farmers also provides training to different companies on manufacturing, operating and maintenance of these machines.

### **4.3. Current situation of ACI Motors:**

ACI Motors started its operation with the product range of agriculture machineries like Tractor, Power tiller and Mini Combine Harvester and ensured supply of quality machineries and better after sales service.

ACI Motors are now marketing the various models of Sonalika Tractors of IITL which is 3rd leading position in India as well as the fastest growing brand. Sonalika tractor is especially designed which is suitable for Bangladesh small land size & roads. ACI has also introduced high quality ACI Power Tiller, ACI Diesel Engine from China, Daedong Combine Harvester & Rice Transplanter of Korea & ACI water pump from China considering Bangladesh perspective. All the brands introduced by ACI have received tremendous response from the farmers.

- In 2007 Introduced "Sonalika Tractors"
- In 2008 Introduced "Bull Power" Power Tiller
- In 2009 Introduced "Diesel Engine"
- In 2010 Introduced "Combine Harvester"
- In 2011 Introduced "Rice Transplanter"
- In 2011 Introduced "ACI Water Pump"



#### 4.4. Competitors of ACI Motors:

In motors sectors Mahindra, TAFE for tractor, Chittagong builders and machinery for power tiller and Gazi, RFL, Partex for Pump.

Products	Competitors	Market share
Tractor	Sonalika Tractor	13%
	TAFE	54%
	Mahindra	21%
	Others	12%
Power Tiller And Diesel Engine	ACI Power Tiller and Diesel Engine	13%
	CBM	71%
	AB Brothers	4%
	Others	12%
Pump	Pedrollo	34%
	RFL	14%
	Gazi	14%
	AnB	7%
	Marquis	6%
	Others with ACI	25%

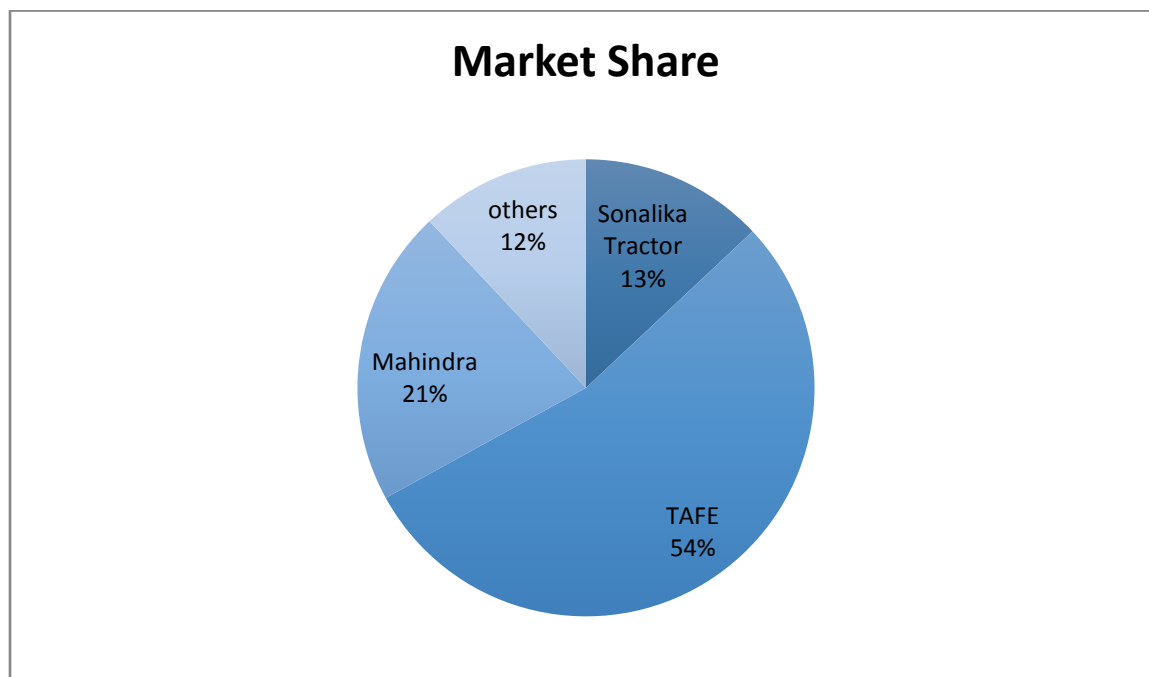
**Table 1:**

**Source: Market Plan of ACI Motors, 2012**



#### 4.4.1. ACI Tractor:

The main competitors of ACI motors especially in the Tractor power tiller and Diesel engine sector are the Metal Private Limited (TAFEE tractor), Karnafuli Private Ltd, The Alim Industries Ltd. Metal Private Limited first introduced Tractor in our country. They are the sole distributor of Indian TAFE brand tractor. At present this company is the market leader in the tractor sector of Bangladesh. TAFE brand has a very good reputation in our country and this company has a very strong network all over Bangladesh. karnafuli Private Ltd distributor of Indian Mahindra tractors in Bangladesh. At present this Mahindra brand is holding number 2 position in the tractor industry of Bangladesh. ACI Motors Tractor “Sonalika” is number 3 position in Bangladesh and India.



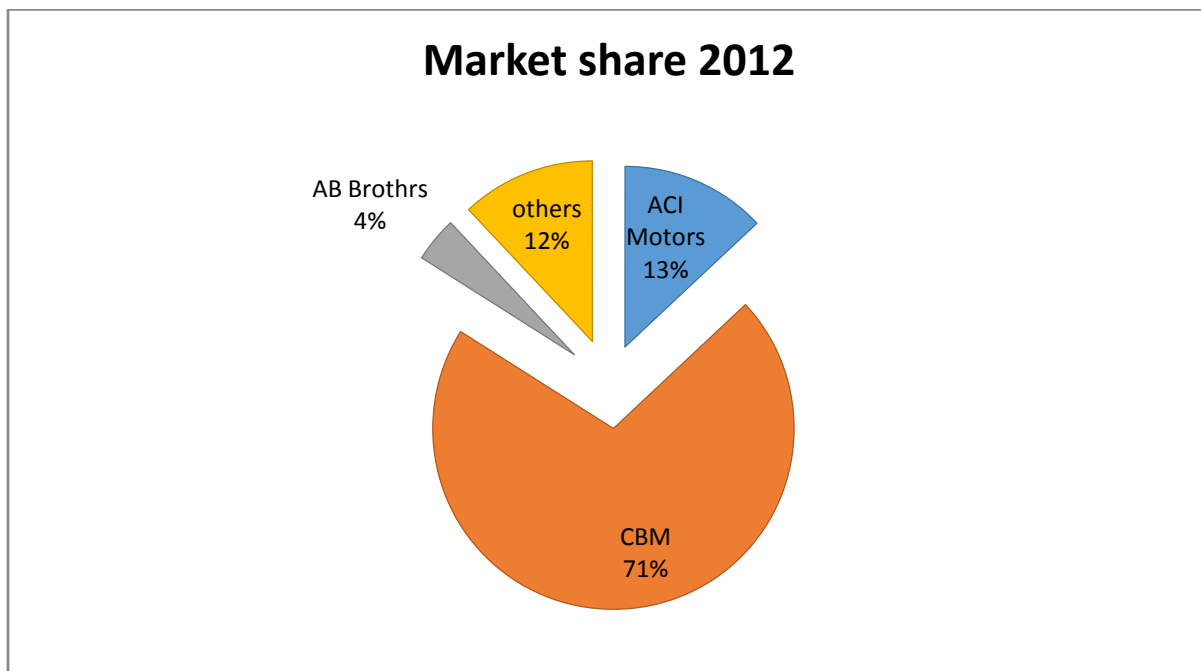
**Figure 2: Market share Of Sonalika Tractor**

**Source: Market Plain of ACI Motors**



#### 4.4.2. ACI Power Tiller and Diesel Engine:

In the early years only one company used to bring imported power tiller and diesel engine that is Chittagong Builders Ltd in Bangladesh. Chittagong Builders and Machineries is the sole distributor of Chinese “Syfeng” brand power tiller and Diesel engine. Power tiller and Diesel engine of ‘Syfeng’ brand has a very good or in other words unbreakable reputation in the market. For this reason, the sales volume of chittagong builders is also very high comparing to others. Nowadays many companies are bringing power tiller and diesel engine from abroad. ACI Motors graps a good market share within short time because of their good quality products. The following figure shows the percentage of shares by different companies:



**Figure 3: Market Share of the Power Tiller and Diesel Engine**  
Source: Marketing Plan of ACI Motors, 2012

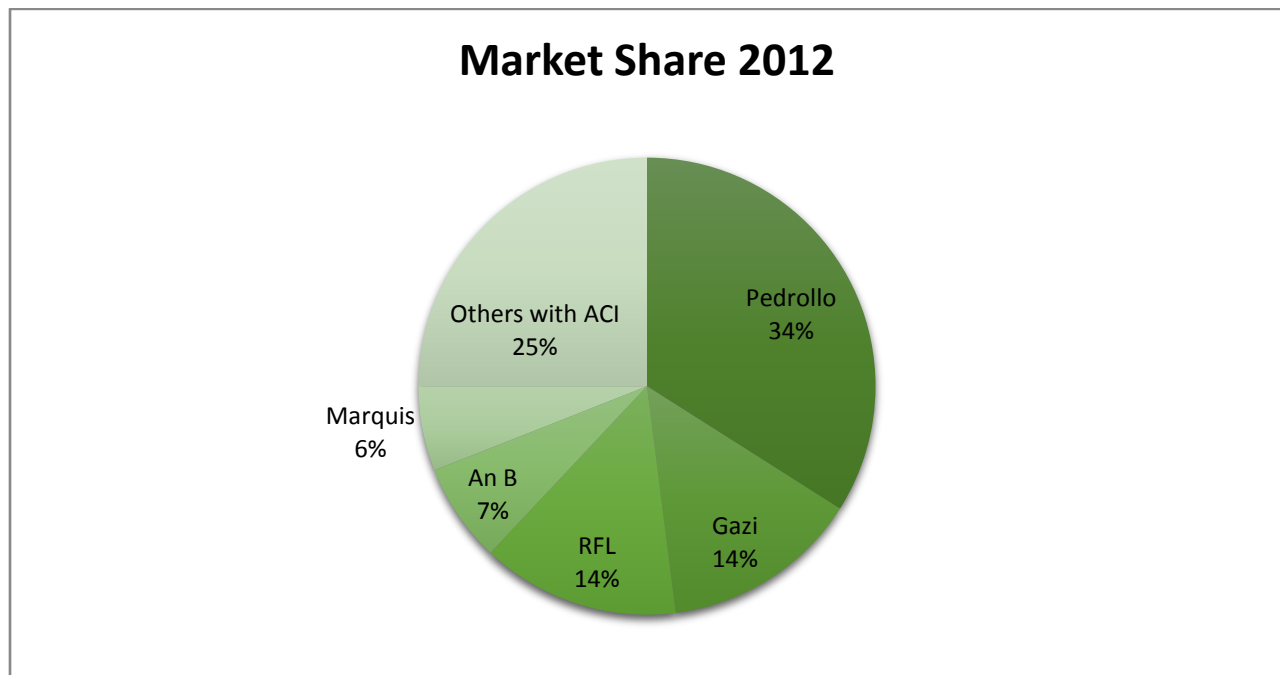
In this figure, the market share of different companies is shown in 2012. Market is lead by CBM with 71% market share where ACI has 13% market share in the last few years.





#### 4.4.3. ACI Pump:

ACI Motors introduce pump in 2011, for this reason ACI has little market share in Pump Market. Pedrollo maintained their product quality as high from very beginning based on product life longevity with premium pricing. That's why they are the market leader. Both Gazi & RFL compromised about product quality but insures the availability of after sales services with competitive pricing.



**Figure 4: Market Share of ACI Pump**  
Source: Market Plan of ACI Motors, 2012

In this figure, we have shown that market share of ACI Pump is 25% with others. Pedrollo is the market leader having 34% share. RFL and Gazi have 14% share.

#### 4.5. Customer of ACI Motors Products or Machineries:

An ACI motors has targeted different class or group of people for their different product or machineries. ACI Motors customers are dealers, rental service providers, user or farmer, mechanics, garden or farm owner and institutions. Science the price of tractor, power tiller



combine harvester and Rice transplanter is quite and it is quite hard for an individual farmer to buy. For this reason ACI motors have targeted specific group of people. Like:

- Solvent farmers in a specific village who has quite a good amount land or under which lots of small farmers works.
- Businessman who want to invest money in new sector.
- People who return from different foreign country and want to do a profitable business.
- Different NGO'S who work with farmers like:Asha, Dipsikha, BRAC etc
- Dealers of ACI Seed, Fertilizer (especially for Power tiller, Rice cutter, Diesel engine and sprayer)

However, price of Rice cutter, Diesel engine and sprayer is affordable to individual farmer. So, for selling these products individual farmers are also targeted by ACI Motors

## **4.6. ACI Motors products feature and benefits:**

### **A. Tractor**

**Brand Name:** Sonalika.

**Country of origin:** India

#### **Important Features and Benefits:**

- SONALIKA Tractor is manufactured by the Technology of Japan
- It is a complete and balanced tractor which have:
  - Maximum Wheel Base than others: Due to the maximum wheel base of Sonalika Tractor it doesn't lift-up in front and pulls heavy load on steep slopes while maintaining its balance. Whereas all the other tractors have small wheel base, which lifts-up their front side while doing uphill task.
  - Maximum Ground Clearance than others: Due to Sonalika Tractor's Maximum ground clearance it does not damage standing crop while plugging and weeding. It easily oversteps the bunds while going from one farm to another and crosses uneven surfaces easily.
- By Proper using and renting it will give the return of investment within 2 years



○ Economics of tractor

Description	Sonalika 45 HP Tarctor
Engine Horse power	45
Trade Price	13,80,000
<b>Usage in Cultivation</b>	
Cultivation of land per (Acre)	1.5
Fuel Cost per Acre(Diesel)	3.00
Cultivation Depth(inch)	6
Size of Carrying Trolley (CFT)	100
Engine Life time(year)	10
Seasonal Cultivation(days)	75
Cultivation capacity( Acre)	15
Cost of cultivation per Acre(tk)	700
Per day Income from cultivation	10,500
Depreciation cost per day(tk)	4,840
per day income (after deduction of all expenses)tk	5,660
per year income (after deduction of all expenses)tk	4,24,000
<b>Usage in Carrying purpose</b>	
Use in carrying per year (days)	75
Per day income from carrying(tk)	6,000
Depreciation cost (tk)	3,250
per day income (after deduction of all expenses)	2,750
per year income (after deduction of all expenses)	2,06,250
<b>Total income per year (tk)</b>	<b>6,30,250</b>
<b>Per year profit (%)</b>	<b>45.67%</b>

Table: 2



## **B. Reaper**

### ***i.* Diesel Engine:**

**Brand Name:** ACI power Engine

**Manufacturing country:** China

**Usages:** It is used for irrigation Purpose.

### ***ii.* Power Tiller:**

**Brand Name:** ACI Power Tiller

**Manufacturing Country:** China

**Usages:**

- To cultivate the land
- It is suitable both for personal and commercial cultivation.

**Feature and benefits:**

- The power tiller appears to be replacing the animal power more effectively and help in increasing demand for human labour.
- The power tillers are cost effective source of farm.
- Power tiller has helped in reducing the seasonal fallows and thereby substantially increasing cropping intensity.
- Power tiller are preferred by small farmers and are being used primarily for earning cash income through custom hiring. Thus, this machine provides opportunities for self employment in rural areas.
- Because of smaller size, two wheels and limited constructional arrangements, the power tiller becomes one of the lightest yet most effective farm power sources.
- The maintenance of the power tiller is easy
- Learning to operate a power tiller is much easier as compared to tractor and does not require driving license.



**C. Pump:**

**Brand Name:** ACI Pump

**Manufacturing country:** China.

**Usages:** For irrigation, household and industrial purpose.

**D. Institutional Sales**

**i. Rotavator:**

Brand Name: SICMA

Country of Origin: Italy

Usages: It is used to cultivate land with Sonalika cultivation tractor.

**ii. Combine Harvester Refreshed:**

Brand name: Daedong

Country of origin: South Korea

Important features and benefits:

- This Machine is able to perform 4 tasks at the same time. This machine can cut down paddy, harvest it, weeding it and put down the rice in the sack at the same time.
- It will solve labor problem for farmers
- It will save Paddy and wheat from different types of natural calamity
- It is applicable for both dry and wet land.
- For cutting, harvesting, weeding and packing of 1 acre land this combine harvester takes only 1 hour.
- This technology will reduce the production cost so it saves money and time saver for farmers.

**iii. Rice Transplanter Refreshed:**

**Brand Name:** Daedong

**Country of origin:** South Korea



Rice Transplanter has replaced the manual system into machine where farmers have to make the seed bed in the tray. There are 2 type of Rice Transplanter: Walking type (4 row based), Riding type( 6 row based) machine where farmers have to make the seed bed in the tray.

- It will solve labor problem
- Rice plant will be safe from all kind of natural calamity especially from cold injury because for this machine Seed bed is prepared in the tray and one can prepared this seed bed at home in controlled weather
- Time will be saved: This technology takes 20-22 days to for seedling the seed into seed bed to put in the land. On the other hand for the same task traditional method requires 35-40 days. So, by using this technology farmers can save 18-20 days.
- Riding type transplanter transplant 1 acre field by 1 hour and Walking type transplanter transplant 1 acre field by 1.25 hours.

#### **iv. Rice Cutter:**

**Brand Name:** ACI Rice Cutter.

**Manufacturing country:** China

#### **Features:**

- Perfect replacement of labor during the season of rice cutting
- This machine can cut rice both from wet and dry land
- This rice cutter machine is suitable for any size of land
- Through this machine 95% ripe rice can be cut down easily
- Price of this machine is affordable to individual farmer.
- Weight of this machine is 8 kg. so it is easy to use
- It is a petrol operated engine. It requires only .0.5 liter petrol per hour
- This machine will reduce labor cost by 50% and time will reduced by 80%

#### **v. Spray Machines:** Imported from China and Korea.

**Usages:** To spray Pesticides in the farm land.



#### 4.7. Sales Volume of ACI Motors product (Quantity):

Products	2010	2011	2012	% Increase
Tractor	695	883	711	-24.19%
Reaper	3700	5600	3565	-36.34%
ACI Pump	-	1201	7472	522.15%
Institutional sales	171	253	279	10.28%

Table: 3

Source: Product wise sales summary of ACI Motors

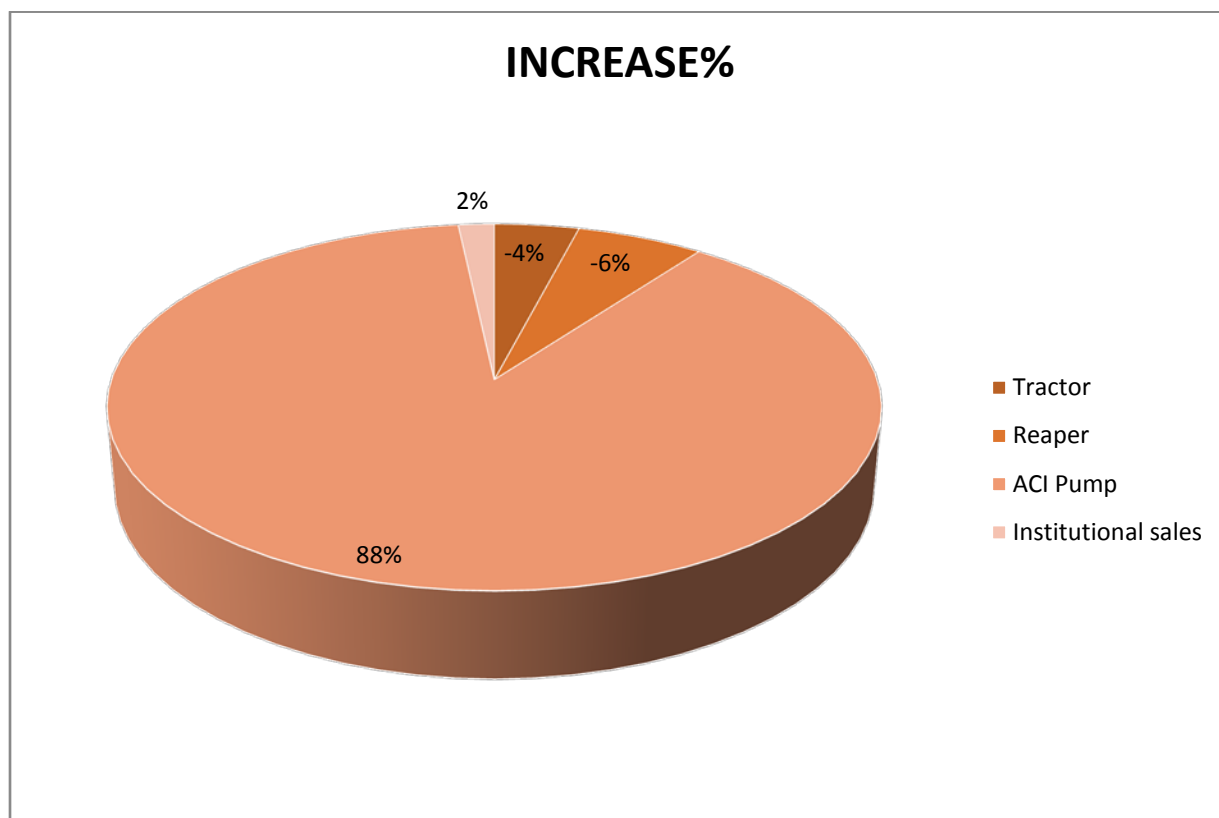


Figure 5: %increase of sales volume



#### 4.8. Sales value of product (BDT):

Products	2010	2011	2012
Tractor	509,725,000	694,140,500	644,140,000
Reaper	38,000,000	640,000,000	410,000,000
ACI Pump	-	8,352,610	59,274,320
Institutional sales	66,308,750	74,179,212	72,722,000

Table 4:

Source: Product wise Sales Summary of ACI Motors

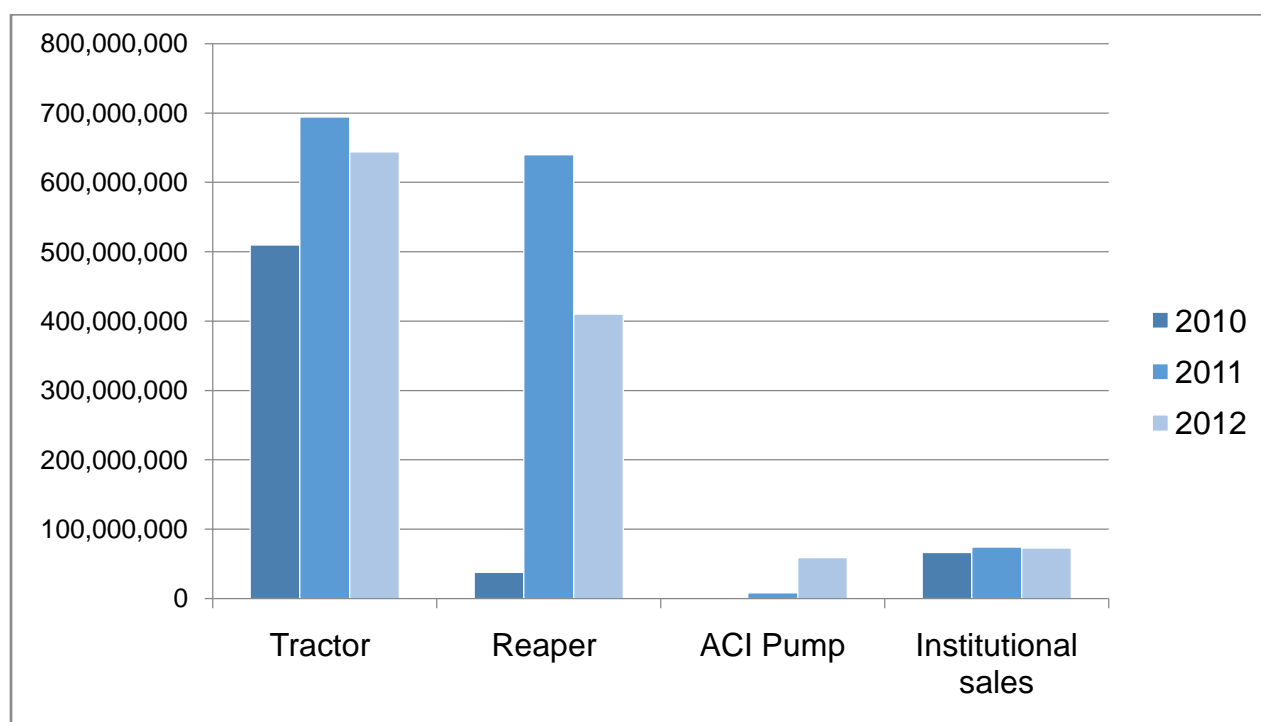


Figure 6: Sales value of ACI Motors





#### **4.9. After Sell Service System of ACI Motors:**

In this Agriculture Machineries sector after sale service plays a vital role for building a company's reputation because in our country knowledge level of farmers or users about using agriculture machineries is very low. For this reason ACI motors has build up a strong after sales services and spare parts department headed with the service Manager, Service Engineer, Service Coordination Executive, Senior and junior Mechanics. The main objective of this department is to retain customer satisfaction. The total permanent manpower of ACI Motor after sales service and spare parts department is 45. Apart from these, ACI Motors also have some contractual mechanics. This department also gives their Service Engineers and mechanics to participate in different training program organized by Bangladesh Agriculture Research Institution where they learn how to operate and manufacture different types of new and light agricultural machineries.

Apart from these Service and spare parts department of ACI Motor organized training program for their service engineers and mechanics to increase their product knowledge and efficiency. Training is given by the expert Indian Service engineer of sonalika tractor.

After selling of agrimachineries to customers Service engineer or mechanics of this department provide practical training to the customers about how to drive tractor, power tiller, how to maintain it properly, what should do and what should not to do etc. A written Bengali manual is also given at that time.

For Tractor Service department of ACI Motors provide 1 year free servicing or free servicing for using up to 1200 hours which one appears first.

#### **4.10. Uniqueness of ACI Motors after Sales service department:**

**Provide maximum free service:** Free servicing facilities of Sonalika Tractor start after 50 hours where other companies start this facility after 300 hour.

**Door to Door Service:** It is a unique service providing system of ACI Motor after sell service department. In this system customers of ACI Motor give a call to the service engineer or service Coordination Executive of his region and told his problem. After that, Mechanic of that



region will go to his house or mentioned place according to the promised schedule. Here, the customer does not have to take his machine or drive his machine to the showroom of his region.

#### **4.11. WARRANTY POLICY FOR SONALIKA TRACTOR**

- Warranty up to **12 months**.
- Welding, machining, transportation, labor charges will not covered under warranty.
- Electrical items like bulb, Switches and glasses do not come under warranty.
- Filters, oil, gasket, hose pipe, Nut & bolts, Clutch Lining, Brake lining Plastic materials, Chain & Pins, front & rear wheel bearing are not included in the warranty.

Warranty is not applicable if tractor used in overload & poor maintenance



## **Chapter 5**

# **Review of Credit System Literature**



## **5.1. Introduction**

Credit system is a credit that allowing to purchase goods and other important things without paying it in that time because credit system is made to give chance buying items or getting money and pay it in the most exact time. Credit is the trust which allows one party to provide resources to another party where that second party does not reimburse the first party immediately (thereby generating a debt), but instead arranges either to repay or return those resources (or other materials of equal value) at a later date. The resources provided may be financial (e.g. granting a loan), or they may consist of goods or services (e.g. consumer credit). Credit is extended by a creditor, also known as a lender, to a debtor, also known as a borrower. Credit does not necessarily require money. Credit is in turn dependent on the reputation or creditworthiness of the entity which takes responsibility for the funds.

As the price of agricultural machineries is too much expensive for the farmer so ACI Motors sales their machineries in credits. If the customers want to buy the Tractor, they get the facilities to buy in credit. Their existing need is served by the brands they prefer in market. They mainly require Tractor for basic cultivation or carrying solution. Moreover, they get advantage of in low cost and also can resale. They can get maintenance services from local service providers and also get spare parts available when needed. The process ACI motors follow for credit sales is Hire Purchase where customers have to pay installment over time and owned the Tractor after the full payment of installment. It is a contract between ACI Motors and the buyer.

## **5.2. Concept of Hire and Purchase**

Hire Purchase is a method of buying goods through making installment payments over time. It is a contract (more fully called contract of hire with an option of purchase) in which a person hires goods for a specified period and at a fixed rent, with the added condition that if he shall retain the goods for the full period and pay all the installments of rent as they become due the contract shall determine and the title vest absolutely in him, and that if he chooses he may at any time during the term surrender the goods and be quit of any liability for future installments upon the contract.



In other word, hire and purchase is a system by which a buyer pays for a thing in regular installments while enjoying the use of it. During the repayment period, ownership of the item does not pass to the buyer. Upon the full payment of the loan, the title passes to the buyer.

If the buyer defaults in paying the installments, the owner may repossess the goods, a vendor protection not available with unsecured-consumer-credit systems. HP is frequently advantageous to consumers because it spreads the cost of expensive items over an extended time period. Business consumers may find the different balance sheet and taxation treatment of hire-purchase goods beneficial to their taxable income.

On the other hand, Hire-purchase system is a special system of purchase and sale of goods. Under this system purchaser pays the price of the goods in installments. The installments may be annual, six monthly, quarterly, monthly fortnightly etc. Under this system the goods are delivered to the purchaser at the time of agreement before the payment of installments but the title on the goods is transferred after the payment of all installments as per the hire-purchase agreement.

Many kinds of business asset are suitable for financing using hire purchase including:

- Plant and machinery
- Business cars
- Commercial vehicles
- Agricultural equipment
- Hotel equipment
- Medical and dental equipment
- Computers, including software packages
- Office equipment

### **5.3. Features of a Hire Purchase:**

When someone enters into a hire purchase arrangement, have the use of the vehicle during that term, but don't own it. Other features of a hire purchase include:



- Hire-purchase is a credit purchase. The price under hire-purchase system is paid in installments. The buyer takes possession of goods immediately and agrees to pay the total hire purchase price in installments. Each installment is treated as hire charges.
- In hire purchase buyer owns the goods at the end. At the end of a hire purchase agreement, once hirer has made final payment the ownership of goods get the buyer automatically. The ownership of the goods passes from the seller to the buyer on the payment of the last installment.
- When buyer first enters into a hire purchase he will need to make an initial loan/down payment and pay a deposit, stamp duty and registration fees. In some cases can negotiate that some of these fees be added to the hire amount.
- The monthly repayments due on hire purchase will be calculated on the total amount of the purchase price, plus interest charges, duties and other loan fees.
- In case the buyer makes any default in the payment of any installment the seller has right to recover the goods from the buyer and the amount already received treating it as hire charge.
- The hirer has the right to terminate the agreement any time before the property passes. That is, he has the option to return the goods in which case he need not pay installments falling due thereafter. However, he cannot recover the sums already paid as such sums legally represent hire charges on the goods in question.
- At the end of the hire purchase term buyer can keep the products after make final payment and pay out any balloon. He can also sell or trades in the vehicle, but the risk of dropping value now become the buyer. Or he can refinance the balloon amount over a new term if he wants to keep the vehicle for a few more years.

#### **5.4. The Advantages of Hire Purchase Agreements:–**

- a) Spread the cost of finance: Hire purchase is cheaper than a (‘unsecured’) personal loan because the ownership of the goods is retained by the finance company and if buyers don’t make monthly payments then they will simply take the vehicle back. Whilst choosing to pay in cash is preferable, this might not be possible for consumer on a tight budget. A hire purchase agreement allows a consumer to make monthly repayments over a pre-specified period of time.



- b) Higher acceptance rates: The rate of acceptance on hire purchase agreements is higher than other form of unsecured borrowing because the lenders have collateral;
- c) Sales: A hire purchase agreement allows a consumer to purchase sale items when they aren't in a position to pay in cash. The discounts secured will save many families money.
- d) Debt solutions: Consumers that buy on credit can pursue a debt solution, such as a debt management plan, should they experience money problems further down the line.
- e) Facility of buying: People with small income can buy expensive articles such as car, house, furniture, etc. They can make payment in easy installments and thereby improve their standard of living. The buyer can return the goods if he is not satisfied with their quality or is unable to pay further installments.
- f) Thrift and savings: Hire purchase system encourages people to reduce expenses and save money to pay installments at regular intervals.

### **5.5. Disadvantages of Hire Purchase:**

- a) Over-spending: A hire purchase agreement is yet another form of personal debt it is monthly repayment commitment that needs to be paid each month. Hire purchase system induces middle class people to buy luxury goods which they cannot otherwise afford. They are tempted to pledge their future income. They may not be able to pay installments in time. They suffer heavy loss when the seller takes back the goods on default of payment.
- b) Final payment: A consumer doesn't have rightful title to the goods until the final monthly repayment has been made.
- c) Bad credit: All hire purchase agreements will involve a credit check. Consumers that have a bad credit rating will either be turned down or will be asked to pay a high interest rate.
- d) Creditor harassment: Opting to buy on credit can create money problems should a family experience a change of personal circumstances.
- e) Repossession rights: A seller is entitled to 'snatch back' any goods when less than a third of the amount has been paid back. Should more than a third of the amount have been paid back, the seller will need a court order or for the buyer to return the item voluntarily.



- f) Large investment: The hire purchase seller has to invest considerable funds because payments are received from buyers over a long period of time.

## **5.6. How hire purchase works**

Customers choose goods from the dealer or company according to their needs. Sometimes the garage acts as an agent for a finance company and earns commission to arrange the finance for customer. In this case, the garage is acting as a credit intermediary and must be authorized to act on behalf of the finance company. They can check if they are authorized on our register of Credit Intermediaries. The customers choose the most suitable repayment period, between 24 and 60 months. They agree on a deposit or final lump sum payment, and monthly repayments to suit their budget.

When someone uses a hire purchase agreement to buy goods, the motor dealer sells the car to the finance company. The finance company then rents the goods to customer for an agreed period of time in return for a set monthly repayment over a number of years.

During the agreement, buyer can use the car but the finance company actually owns it. They are the owner, and buyer is the hirer. At the end of the agreement, the finance company passes ownership to customer, provided has made all the repayments.

Try not to be influenced by repayments that seem low - look at the total hire purchase price as this is what buyer must pay to own the goods. And don't choose long, fixed-repayment agreements if they can get a more flexible personal loan from a credit union or bank.

If buyer cannot clear the debt in the agreed time, his credit rating may be affected and this can make it more difficult for him to get a loan or mortgage in the future. And, the finance company may have the right to repossess the goods if buyer cannot pay in full.





## **Chapter 6**

### **Credit System through Tractor Business in ACI Motors**



## **6.1. Hire purchase in ACI:**

The target group of ACI motors is not that much although the user of ACI motors products is huge but big especially for Tractor, combine harvester and rice transplanted. So, 1 to 1 selling strategy is used by ACI motors. ACI motors have 8 show room in Bangladesh for distributing and selling their machineries. ACI motor has showroom in: Comilla, Dinajpur, Jessore, Bogra Rangpur, Sylhet, Barishal and Dhaka.

For identifying prospect, motivating them, projecting year to year sales ACI Motor has Territory Manger in each division, Marketing officer and more than 100 sales officers all over Bangladesh.

Different models of Sonalika tractor is sold by 25% to 30% down payment of the total amount of the tractor. Rest of the amount is collected by 24 installments within 2 years with adding service charge from the customers. At the time of selling the tractor is registered on the name of ACI motors so that the company can take the tractor from customer if he failed to pay his installment. After completing the installment customers can register this tractor on his own name at his own cost.

ACI Motors has agreement with Krishi Bank and Markentile Bank and Agrani Bank from which customer can take loan for buying tractor.

## **6.2. Legal position:**

Under company Act.1994 ACI Motors Limited is registered which facilitates formation of companies. ACI Motors Limited executes hire purchase agreement as per existing “Contract Law” 1972 and “Goods Sales Law” 1930 of Bangladesh.



### 6.3. Procedure of Hire purchase:

#### 6.3.1. Customer selection:

The interested customer visits the nearby branch of ACI Motors and chooses suitable Tractor. They can buy the Tractor through the motor dealer or the company. The company provides application and asks them to fill it up. The company-investigating officers do enquiries, and customer credit worthiness is determined on the basis of the details given by the references. The customer needs to put Guarantor who provides security against loss, damages and any ensuing legal fees that can be incurred by customer. The customer has to give the photograph of himself and the guarantor, which would hold as a document to the agreement. After verifying all the necessary requirements of both the parties, ACI Motors allows the customer for buying the Tractor through hire purchase.

Following is a sample application form:

Name of Buyer or Nominate person:	Code of Customer:
Model No. Of Car:	
Address of Buyer:	

01	What is the educational qualification of Customer or nominate person?	<input type="checkbox"/> Primary education <input type="checkbox"/> Secondary education <input type="checkbox"/> Higher secondary <input type="checkbox"/> More than above <input type="checkbox"/> Others
02	Is the address match with address of the national ID card and U.P. chairman certificate of customer or nominated person?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Others..... .....



03	What is the income source of customer or nominate person?  If do business, then how is trading?	<input type="checkbox"/> Business <input type="checkbox"/> Job Holders <input type="checkbox"/> Others.....  <input type="checkbox"/> Very Poor <input type="checkbox"/> Poor <input type="checkbox"/> Average  <input type="checkbox"/> Good <input type="checkbox"/> Excellent
04	Who is the income source of customer?	<input type="checkbox"/> Himself/Herself <input type="checkbox"/> Father/Son will provide  <input type="checkbox"/> From Foreign relatives
05	Is the customer having any fixed asset?  If any then how much?	<input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> If any than the amount.....  .....
06	What is the source of down payment of customer?	<input type="checkbox"/> Himself <input type="checkbox"/> Father/ son will provide  <input type="checkbox"/> Loan from Bank or NGO
07	What is the purpose of buying Tractor?	<input type="checkbox"/> Transportation of product <input type="checkbox"/> Cultivation  <input type="checkbox"/> Both of them <input type="checkbox"/> Others
08	Is the customer using others company's Tractor?  If any then how is the transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Very Poor  <input type="checkbox"/> Poor <input type="checkbox"/> Average  <input type="checkbox"/> Good <input type="checkbox"/> Excellent
09	How is the social status of the customer?	<input type="checkbox"/> Very poor <input type="checkbox"/> Poor  <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Excellent
10	Is the customer member or related with any political party?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> If yes then.....
11	Are they meeting with any well known person for the identification of customer?	<input type="checkbox"/> Government worker <input type="checkbox"/> Teacher  <input type="checkbox"/> Lawyer/ Barrister <input type="checkbox"/> Others .....

Name of the SM/ MO: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: .....

Name of the ST/TM: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: .....



This application is verified through sales staff. Sales manager or monitoring officer, sales territory or territory manager is signed in the application form for verification. Credit limit amount and remarks will be recommended by the sales staff. He will also confirm whether the below documents are available or not.

### **6.3.2. Description of documents:**

- Application for purchase of tractor/ Rotavator
- Bio – Data of customer
- Two copies of passport size photograph
- Photocopy of voter ID card or driver license or first seven (7) pages of passport or Nationality certificate from Union Porishod or Pouroshova.
- Bank statement for last 6 months
- 12/24 cheques of all installments and a security cheque equivalent to total amount (Finance amount + service Charge.)
- Signature verification by the bank.

### **6.3.3. Eligibility for hire purchase:**

- Individuals aged above 18 years old for making the contact. Acceptable guarantor is required unless the approving authority is satisfied that the applicant is financially sound/ creditworthy.
- Individual has to be a Bangladeshi citizen
- Proprietorship and partnership registered in Bangladesh.
- Place of Incorporation must be in Bangladesh.
- Legal business with regular and sufficient income to meet current liabilities.
- Generally the approval is based on applicant's personal & legal capacity, credit character, past payment patterns.



After verifying all documents it will recommend by sales management, business manager/ marketing manager. Then for approval of credit limit, it will approve by credit operation of agribusiness, financial approval by business director (agribusiness). Finally, finance department verify all the things and open code for that specific customer.

#### **6.3.4. After approval checklist:**

When customer get the approval for buying the tractor on credit sales manager checks below documents after approval

- Agreement on stamp paper
- Signed cheques
- Passport size photograph
- Bank solvency certificate
- Certificate from Up chairman
- Initial Down payment tk.
- Registration amount
- Delivered on:
- Certificate from 2 referee
- Customer reference no.



## **6.4. Terms and condition of hire purchase**

### **6.4.1. Pre-contract information:**

When ACI Motors enter into hire-purchase agreement, they give the following key information in writing to customer; otherwise the contract won't be legally valid:

- The price of the goods in hire-purchase
- The amount of down payment that have to pay before delivery of Tractor.
- Information about the interest payable, the annual interest rate and the method of charging it, the total interest to be paid, and the length of any interest-free term.
- The date each installment is to be paid.
- The amount of each payment, the number of payments, when the first payment is due and how often the payments will be made after that
- Other fees and charges other than interest, such as registration fee, insurance fees, credit check fees, and security valuation fees, default fees that is, fees customer will have to pay if they don't keep up their payments, fees may be charged if pay off the goods or loan early.

### **6.4.2. Parties are the Seller and the Buyer:**

Basically there are two parties in the Hire purchase agreement, the intending seller (ACI Motors Limited) and the intending buyer or the hirer. Sometimes, it is involved three parties, the seller, the financier (The Bank) and the hirer. They finance the customers and get the interest. In this case ACI Motors Transfer the ownership to the name of bank, they deal the hire purchase agreement with the customer. The bank is authorized on behalf of the company. Bank collects the monthly collection and transfer the balance to the company. In return Bank gets commission from the company.

**Owner:** Seller is the person who sells the Goods to the Buyer. The Seller has entered into a factoring contract with the Factor and based on that the Seller has the right to assign the right of claim against the Buyer arising from the Contract to the Factor. ACI Motors Limited is the owner of Tractor.



**Hirer:** Buyer is the natural person who acquires the Tractor from the Seller under the terms and conditions of the Contract and is obliged to pay the Factor for it pursuant to the procedure.

### **6.4.3. Standard provisions**

To be valid, hire purchase agreements must be in writing and signed by both [parties]. They must clearly lay out the following information:

- a) A clear description of the Sonalika Tractor and other related products like Rotavator, Trailer and spare parts.
- b) The cash price for the Sonalika Tractor
- c) The Hire purchase price, i.e., the total sum that must be paid to hire and then purchase the motors
- d) The Down payment amount that is 25-30 percents for Sonalika Tactor.
- e) The monthly installments (most states require that the applicable interest rate is disclosed and regulate the rates and charges that can be applied in HP transactions). Now ACI Motors have 22% interest rate.
- f) A reasonably comprehensive statement of the parties' rights to end the agreement early
- g) Information about the 'cooling-off' period (the time in which customer can change their mind and decide not to go through with the agreement )
- h) Information on the costs and penalties that will have to pay if customers do not stick to the terms of the agreement.

### **6.4.4. The hirer usually has the following rights:**

- a) After paying the down payment the customer can take the Tractor in his possession.
- b) To buy the Tractor at any time by giving notice to the owner and paying the balance of the HP price
- c) To return the Tractor to the owner — this is subject to the payment of a penalty to reflect the owner's loss of profit but subject to a maximum specified in each jurisdiction's law to





strike a balance between the need for the buyer to minimize liability and the fact that the owner now has possession of an obsolescent asset of reduced value.

- d) The buyer can register the Tractor in his application name by giving purchase option at the end of agreement. Company or the first party will take final decision in case the second party wants to register to another name.
- e) Within the 90 days company will be bound to handover all the document to the buyer, when the buyer Pay the full amount of due payment in time.
- f) Where the owner wrongfully repossesses the goods, either to recover the goods plus damages for loss of quiet possession or to damages representing the value of the goods lost.

#### **6.4.5. The hirer's obligations**

The hirer usually has the following obligations:

- i. To pay the installments each period to appointed person or registered office of company.
- ii. The buyer shall have to take all kind of responsibility of the product once he takes the possession. He or she will be legally responsible for any kind of damages like- accident of lose stolen, destruction or deterioration, theft, fire damage of it. They may compensate the company for any loss in asset value.
- iii. The buyer collects the Tractor from the Showroom or the company or appointed representative of the company in his own obligation.
- iv. During the agreement the buyer cannot bear any kind of illegal products or activities to the Tractor. If he does such kind of activities, buyer will be responsible all along.
- v. Until pay the due amount the buyer cannot sell or lease the Tractor to another person.
- vi. To inform the owner where the goods will be kept.
- vii. A hirer can sell the Tractor if, and only if, he has purchased the Tractor finally or else not to any other third party.



#### **6.4.6. The owner's rights**

The owner usually has the right to terminate the agreement where the hirer defaults in paying the installments or breaches any of the other terms in the agreement. This entitles the owner:

- a) With the down payment customer have to give registration fee and purchase option fee or else first party the company take the money from the first installment.
- b) To get the deposit
- c) Any kind of amendment, change, adjustment, modification of credit police depend on the first party or the company.
- d) To retain the installments already paid and recover the balance due
- e) To repossess the goods when buyer will be unable to pay the installment. ACI Motors company have right to take the Tractor if the payment is due for 15 days or more.
- f) To claim damages for any loss suffered.

#### **6.4.7. Title and Ownership:**

With regards to the ownership of the vehicle, the hirer holds the motor vehicle as a bailee of the owner and he shall not have any right, title or interest in the motor vehicle. There will a plate in the Tractor body written “FINANCED By ACI MOTORS LTD.” It is used in the ordinary course of business as proof of ownership, possession or control of goods

#### **6.4.8. Guarantee:**

Guarantor is the very important and the third party to the agreement. He acts as a security to the hirer or the agreement. As per the agreement in case of the owner hiring out the vehicle to the hirer, guarantor agrees to fulfill all the obligations or responsibilities to be done by the hirer in case he fails to do so. The guarantor shall stand discharged of his obligations as the owner receives all amounts due owing and payable to the owner in pursuance of the agreement. He agrees that he shall be in full force and will be valid till the completed is charge of all liabilities of the hirer under this agreement.



#### **6.4.9. Schedule of Payment:**

The customer pays the said sum in equal installments, which are known as hire purchase installments, which are known as hire purchase installments and at the end he is required to pay all to own the Tractor.

#### **6.4.10. Fees and charges:**

##### **Interest and how it is charged:**

The total amount you pay back to the finance company is called the hire purchase price. It is made up of:

- The cash price of the vehicle, plus
- interest, plus
- Fees to set up and end the agreement.

<b>Price of Tractor</b>	-
<b>Down Payment</b>	<b>25-30%</b>
<b>Interest Rate</b>	<b>22%</b>
<b>Tenor</b>	<b>24 months</b>
<b>Registration Fee</b>	<b>8000</b>
<b>Purchase option</b>	<b>8000</b>

#### **6.4.11. Other condition:**

- The place and time of delivery and the hirer's liability to bear delivery charges are included in the agreement.
- Detail information (name, address) of the first and second party that is the ACI Company and the buyer.
- The agreement will be signed by both the parties.



- If the buyer fails to pay the installment have to give 100 tk. late fees per day. In this case company decision will be final.
- Other fees and charges other than interest, such as registration fee, insurance fees, credit check fees, and security valuation fees, default fees that is, fees customer will have to pay if they don't keep up their payments, fees may be charged if pay off the goods or loan early.

#### **6.4.12. Termination of agreements:**

At the natural end of a Hire Purchase contract, once all the contracted payments have been made, buyer can pay registration and purchase option fee take legal title to the car. Alternatively, they can choose not to pay this fee and register tractor by themselves

The branch manager approaches the divisional branch for termination of the agreement on satisfactory completion of the agreement. In case of foreclosure by the hirer, on his own volition the foreclosure amount as set by the divisional manager will be collected by the branch manager and paid to the zonal office. The branch manager after proper scrutiny hands over the termination papers to regional office. ACI Motors hands over the termination papers to the hirer effectively terminating the agreement

### **6.5. Collection Policy**

Objective of Collection Unit is to build a cost effective Collection process which is risk aware, pro-active and information based. Its purpose is to assist business growth and maximize profitability by maintaining balance between risk and reward over the life-cycle of product. Customer has to pay installment every month to the account of ACI Motors.

### **6.6. Recovery of credit policy that ACI Motors follow:**

#### **6.6.1. Identification of Accounts**

When a customer fails to pay the minimum amount of due or installment on the payment due date, the account is considered in arrears or delinquent. When accounts are delinquent, collection



procedures are occurred to regularize the accounts without losing the customer' s goodwill to ensuring that the company interests are protected.

ACI Motors practices good debt recovery procedures and a credit policy. They track records and take step from fist due of credit. They also keep records of all telephone conversations and corresponding letters to and from customers. Collection of bad dept options include:

- personal communication and consultation with client
- a written request to settle the debt (letter of demand)
- Legal action.

### **6.6.2 Recovery of first due installment:**

When collecting a debt, it is important to remember to keep things casual, at least in the beginning phase of debt collection. Company do not allow too much time to pass without notifying client that credit terms have been broken. Field officer will try to collect the installment early. They maintain positive relationships with customers as they are beneficial for the company.

- When overdue the first installment immediately Contact with client by phone or mail the day after the invoice is due. This lets client know that company keep close track of accounts receivable. Sometimes there may be occurred shot term problem so ACI Motors maintain positive relationships with client and be polite and friendly.
- Provide information about the Tractor's service. During this time, customers should be advised about late fee. If they pay late installment, and then they will have to pay an extra amount of money.
- The legal action will be taken when the contract expired
- send a letter with the outstanding repayments to the customer

### **6.6.3. Recover of 2nd-3rd outstanding installments:**

- When 2-3 month's installments are overdue, the local office Visit to the client.
- Local officer lets the client aware of the amount of the late fee; days are left for servicing of Tractor and agreement.



- At this stage, a letter will be sent to client with the outstanding repayments from the local office that be signed RSM (Regional sales Manager).
- If a buyer valuable for the business, ACI Motors willing to temporarily extend their credit terms.
- The details of debt (date, amounts due and overdue days), request that payment be made by a certain date and warn that legal action may be taken for credit recovery or may capture the tractor if payment is not received by the nominated date.

#### **6.6.4. Recovery of more 3<sup>rd</sup> due installment:**

- When installment are due for more than three RSM must be visited at the field and bring down the Premium cost.
- Again Clients will be notified of the amount of the late fee
- A letter will be sent by RSM.
- Send the latter to the Grantor.
- If necessary then general diary in the police station.
- Keep copies of any letters sent to customers to run legal system which has been trying to recover from the debt of the envelope containing the will, which may be required in the future.

#### **6.6.5. Recovery installment due for more than 5 months:**

- RSM must visit in the field.
- A latter send for due installment where mention the debt amount, late fee.
- Tell about the debt of client to the Chairman, members, political persons, Guarantor, the police will so that he pay quickly and don't able to go anywhere.
- General Diary (GD) shall file in the concern police station.
- Try to capture the Tractor.

#### **6.6.6. Recovery of more than 6 months due:**

- Final letter sent for due payments and legal action is being taken.
- Field force must be tried to capture the tractor.
- Legal action is taken.



## **Chapter 7**

# **Conclusion and Recommendation**



## **Conclusion**

To conclude I want to say that as a new company the performance of ACI Motors up to now is quite impressive. As, they have a very strong network which they build up with their working experience.

Hire purchase is one of the important types of financing a purchase of commercial vehicles. It is most preferred type of financing with its advantages over other types. Many companies are coming up with the hire purchase system to provide finance to the commercial vehicles and improving the economic standards by making the facility profitable and cost effective. ACI Motors Limited is one of the major players in Hire Purchase industry by providing truck finance to the small owners across the country.

ACI Motors is quite efficient in collecting their due debts and that they observe the collection periods given to each client although they rarely take their clients to court if default occurs, preferring to re-negotiate and assist in the client's ability to pay.





## **Recommendation and Suggestion**

- The hire purchase facility should be made easily available to the Farmer.
- The time allocation and installment size is not suitable for our Farmer, they are not able to afford much money. So it will be very helpful for the farmer if ACI Motors increase the time for installment. It could be done extend their time for 5 years. By this farmer will get more time for return the debts and monthly installment size become small.
- The customer should not feel burden about the hire purchase installments, this should be realized by the company as the customer can provide with better provisions in payments.
- The company should help the customer in owning the advanced vehicles.
- The lending rates should be reasonable considering the economic condition of the society.
- ACI Motors is very efficient in keeping of the client's records but are not quite willing in encouraging their clients to reconcile their statements. So it needs reconcile the customer about their terms and conditions.
- I think ACI should educate their clients about their hire purchase policies so that both the existing and potential clients wishing to apply for a hire purchase facility and buy the Tractor.
- It has threats a lot due to the high price of the ACI Motors Machineries and competitors are more comfortable because they are established. So, need to develop pricing strategy for increasing sells.
- Credit sale sometimes makes discrimination in the country business. So, it needs proper planning, strategy and full organizing capability



# **Chapter 8**

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  - ✓ MD. Maksudur Rahman, Executive Hire Purchase, ACI Motors Limited.



## **Chapter 9**

## **Appendix**



### বিক্রয় চুক্তিপত্র

অন্য..... ইং তারিখে নিম্ন লিখিত পক্ষদ্বয়ের মধ্যে এ.সি.আই মটরস লিমিটেড এর নিবন্ধিত প্রধান কার্যালয় এ.সি.আই সেন্টার, ২৪৫, তেজগাঁও শিল্প এলাকা, ঢাকা-১২০৮, বাংলাদেশ এই বিক্রয় চুক্তিপত্র স্বাক্ষর সম্পাদিত হয়।

এ.সি.আই মটরস লিমিটেড, যাযা ১৯৯৪ সালের কোম্পানী আইন অনুসারে নিবন্ধিত হয় এবং ইহার নিবন্ধিত প্রধান কার্যালয় এ.সি.আই সেন্টার, ২৪৫, তেজগাঁও শিল্প এলাকা, ঢাকা-১২০৮, বাংলাদেশ।

..... বিক্রয় কোম্পানী প্রথম পক্ষ।

### এবং

১. ক্রেতার পূর্ণ নাম .....  
পিতা/স্বামীর নাম ..... মাতার নাম .....  
বর্তমান ঠিকানা : বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
স্থায়ী ঠিকানা: বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
বয়স ..... ধর্ম ..... পেশা ..... জাতীয়তা .....  
ভেটোর আই.ডি. নম্বর / পাসপোর্ট নম্বর/ অন্যান্য.....

২. ক্রেতার পূর্ণ নাম .....  
পিতা/স্বামীর নাম ..... মাতার নাম .....  
বর্তমান ঠিকানা : বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
স্থায়ী ঠিকানা: বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
বয়স ..... ধর্ম ..... পেশা ..... জাতীয়তা .....  
ভেটোর আই.ডি. নম্বর / পাসপোর্ট নম্বর/ অন্যান্য.....

৩. ক্রেতার পূর্ণ নাম .....  
পিতা/স্বামীর নাম ..... মাতার নাম .....  
বর্তমান ঠিকানা : বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
স্থায়ী ঠিকানা: বাড়ী/গ্রাম ..... ডাকঘর .....  
থানা ..... জেলা .....  
বয়স ..... ধর্ম ..... পেশা ..... জাতীয়তা .....  
ভেটোর আই.ডি. নম্বর / পাসপোর্ট নম্বর/ অন্যান্য.....

..... ক্রেতাগণ দ্বিতীয় পক্ষ।

বাংলাদেশে প্রচলিত ১৯৭২ সালের “চুক্তি আইন” এবং ১৯৩০ সালের “পণ্য বিক্রয় আইন” মোতাবেক প্রথম পক্ষ বিক্রয় কোম্পানী এবং দ্বিতীয় পক্ষ ক্রেতাগণ এর মধ্যে ( )টি ইউনিট ..... ট্রাক্টর মডেল নং ..... ও রোটোভেটর/ ..... নিম্নলিখিত শর্তাবলী সাপেক্ষে উভয় পক্ষের সম্মতিক্রমে এক বিক্রয় চুক্তিপত্র স্বাক্ষর সম্পাদিত হয়।

### বিক্রয় চুক্তির শর্তাবলী

১. ইং তারিখের প্রাপ্ত আবেদনের প্রেক্ষিতে দ্বিতীয় পক্ষ ক্রেতাগণ প্রথম পক্ষ বিক্রয় কোম্পানীর নিকট হইতে ( ) টি ..... ট্রাক্টর মডেল নং ..... ও রোটোভেটর/ (.....) ..... সর্বমোট মূল্য ..... টাকা এবং মোট ..... মাসের ঋণের কিস্তি ..... টাকা (সাত্বিস চার্জ সহ) এবং ..... টাকা ডাউন পেমেন্ট প্রদান সাপেক্ষে ক্রয়ের জন্য মনোনিত হয়েছেন।



২। দ্বিতীয় পক্ষ ক্রেতাগণ ..... ইং তারিখে ..... রোটাবেটর/ (.....) বাবদ নগদ ..... টাকা এবং অবশিষ্ট ট্রাস্টর বাবদ ..... টাকা পে-অর্ডার/ ডিমান্ড ড্রাফট এর মাধ্যমে ডাউন পেমেণ্ট হিসাবে প্রথম পক্ষ বিক্রেতা কোম্পানীর মনোনীত প্রতিনিধির নিকট বা কোম্পানীর নিবন্ধিত কার্যালয়ে পরিশোধ করিবেন।

৩। দ্বিতীয় পক্ষ ক্রেতাগণের ক্রয়কৃত পণ্য অর্থাৎ ..... ট্রাস্টর মডেল নং ..... এর ডাউন পেমেণ্টের টাকা পরিশোধের পর দ্বিতীয় পক্ষ ক্রেতাগণ পণ্যটি নিজ দখলে আনয়ন করিতে পারিবেন।

৪। দ্বিতীয় পক্ষ ক্রেতাগণের ক্রয়কৃত পণ্য অর্থাৎ ..... ট্রাস্টর মডেল নং ..... এর ডাউন পেমেণ্টের টাকার সহিত দ্বিতীয় পক্ষ ক্রেতাগণ ক্রয়কৃত পণ্যের রেজিস্ট্রেশন ও ক্রয় অপশন বাবদ ..... টাকা প্রদান করিবেন। অন্যথায় প্রথম পক্ষ বিক্রেতা দ্বিতীয় পক্ষ ক্রেতাগণের ক্রয়কৃত পণ্যের ১ম কিস্তির পরিমাণ টাকা হইতে অথবা রেজিস্ট্রেশন ও ক্রয় অপশন সমপরিমাণ টাকা র্তন করিবেন এবং উক্ত সমপরিমাণ কিস্তির টাকা দ্বিতীয় পক্ষ ক্রেতাগণ পরিশোধ করিতে বাধ্য থাকিবেন।

৫। দ্বিতীয় পক্ষ ক্রেতাগণ নিজ দায়িত্বে প্রথম পক্ষ বিক্রেতা কোম্পানীর সংশ্লিষ্ট শো-রুম বা প্রথম পক্ষ বিক্রেতা কোম্পানীর বা কোম্পানীর নিযুক্তীয় প্রতিনিধির নির্দেশ মত স্থান থেকে কিস্তিতে ক্রয়কৃত পণ্যটি সংগ্রহ করিবেন।

৬। দ্বিতীয় পক্ষ ক্রেতাগণের কিস্তি ঋণে ক্রয়কৃত ..... ট্রাস্টর মডেল নং ..... ক্রেতাগণ নিজ দখলে নেওয়ার পর পণ্যের যাবতীয় দায় দায়িত্ব যেমন- যেকোন দুর্ঘটনা, পণ্য হারিয়ে যাওয়া, পণ্য চুরি হয়ে যাওয়া, পণ্য আগুনে পুড়ে যাওয়া, প্রাকৃতিক দুর্ভোগের কারণে পণ্যটি ক্ষতি সাধিত হওয়া ইত্যাদি সহ ক্রেতাগণের অবহেলা জনিত কারণে যাবতীয় ক্ষয়-ক্ষতির জন্য দ্বিতীয় পক্ষ ক্রেতাগণ আইনগত দায়ী থাকিবেন।

৭। দ্বিতীয় পক্ষ ক্রেতাগণ অবশিষ্ট পাওনা..... টাকা (সার্ভিস চার্জ ছাড়া) প্রথম পক্ষ বিক্রেতা কোম্পানী এর আভ্যন্তরীণ ঋণ নীতি মোতাবেক .....টি মাসিক কিস্তি প্রয়োজন মতো সার্ভিস চার্জ (  সহ/  ছাড়া) সংযুক্ত তফসিল মোতাবেক পরিশোধ করিবেন। প্রথম পক্ষ বিক্রেতা কোম্পানী প্রয়োজন মোতাবেক তাহার আভ্যন্তরীণ ঋণ নীতি পরিবর্তন, পরিবর্ধন, সংযোজন, বিয়োজন, সংশোধন করার ক্ষমতা সংরক্ষণ করিবেন।

৮। দ্বিতীয় পক্ষ ক্রেতাগণ কিস্তি ঋণের ক্রয়কৃত পণ্যটি সংযুক্ত পেমেণ্ট তফসিল অনুযায়ী প্রথম পক্ষ বিক্রেতা কোম্পানীকে বা তাহার মনোনীত নিযুক্তীয় প্রতিনিধির নিকট হইতে অর্থ প্রাপ্তি পত্রের বিনিময় টাকা পরিশোধ করিতে বাধ্য থাকিবেন। সংযুক্ত পেমেণ্ট তফসিলের তারিখ মোতাবেক দ্বিতীয় পক্ষ ক্রেতাগণ সম্পূর্ণ কিস্তি প্রদানে ব্যর্থ হইলে প্রথম পক্ষ বিক্রেতা কোম্পানীর আভ্যন্তরীণ ঋণ নীতি অনুযায়ী প্রতিটি বিলম্ব দিনের জন্য ১০০/- (একশত) টাকা হারে বিলম্ব ফি দিতে বাধ্য থাকিবেন। এক্ষেত্রে প্রথম পক্ষ বিক্রেতা কোম্পানী এর সিদ্ধান্ত চূড়ান্ত বলিয়া গণ্য হবে।

৯। দ্বিতীয় পক্ষ ক্রেতাগণ সংযুক্ত পেমেণ্ট তফসিল মোতাবেক কিস্তি প্রদানে সর্বোচ্চ ১৫ দিনের বেশি বিলম্ব করিলে দ্বিতীয় পক্ষ ক্রেতাগণ নিজ দায়িত্বে প্রথম পক্ষ বিক্রেতা কোম্পানীর নিকট সেচ্ছায় তাহার কিস্তিতে ক্রয়কৃত মডেল নং ..... ট্রাস্টরটি হস্তান্তর করিবেন, যদি কোন কারণ বসতঃ দ্বিতীয় পক্ষ ক্রেতাগণ ট্রাস্টরটি প্রথম পক্ষ বিক্রেতা কোম্পানীর নিকট হস্তান্তর করিতে অপারগতা প্রকাশ বা কালেক্ষেপন করেন সেক্ষেত্রে প্রথম পক্ষ বিক্রেতা কোম্পানীর বিক্রিত পণ্য অর্থাৎ মডেল নং ..... ট্রাস্টরটি তাহার নিজ দখলে আনয়ন করার ক্ষমতা সংরক্ষন রাখিবেন। এক্ষেত্রে প্রথম পক্ষ বিক্রেতা কোম্পানীর সিদ্ধান্ত চূড়ান্ত বলে গণ্য হইবে।

১০। দ্বিতীয় পক্ষ ক্রেতাগণ প্রথম পক্ষ বিক্রেতা কোম্পানীর অনুকূলে পাওনা পরিশোধের নিমিত্তে ..... টি চেক প্রদান করিবেন যাহা দ্বিতীয় পক্ষ ক্রেতাগণ, প্রথম পক্ষ বিক্রেতা কোম্পানীকে চেক নগদায়নে ক্ষমতা প্রদান করিবে, যাহার বিবরণ নিম্নরূপ :

ক)

খ)

গ)

১১। দ্বিতীয় পক্ষ ক্রেতাগণ ( ) টি ইউনিট ..... ট্রাস্টর মডেল নং ..... সংযুক্ত পেমেণ্ট তফসিল অনুযায়ী মূল্য পরিশোধ করে দ্বিতীয় পক্ষ ক্রেতাগণ প্রথম পক্ষ বিক্রেতা কোম্পানীর বা কোম্পানীর নিযুক্তীয় মনোনীত প্রতিনিধির কাছ থেকে ছাড়পত্র পাওয়ার পর দ্বিতীয় পক্ষ ক্রেতাগণ নিজ খরচে ..... টাকা ট্রাস্টর মডেল নং ..... ক্রেতাগণ নিজ নামে রেজিস্ট্রেশন করে নিতে পারিবেন। উল্লেখিত প্রথম পক্ষ বিক্রেতা কোম্পানী ..... টি ইউনিট ..... ট্রাস্টর মডেল নং ..... বিক্রয়কৃত ট্রাস্টরটির বি.আর.টি.এ রেজিস্ট্রেশনের প্রাক্কালে এক বছরের জন্য ফিটনেস করিয়া দিবে এবং সংযুক্ত পেমেণ্ট তফসিল অনুযায়ী পাওনা সম্পূর্ণ পরিশোধ হওয়া পর্যন্ত প্রতি বছরের ফিটনেসের যাবতীয় খরচ দ্বিতীয় পক্ষ ক্রেতাগণ পরিশোধ করিবেন। মালিকানা পরিবর্তনের প্রাক্কালে ফিটনেস নবায়ন সংক্রান্ত সমুদয় ফিসও দ্বিতীয় পক্ষ ক্রেতাগণ পরিশোধ করিবেন।



১২। দ্বিতীয় পক্ষ ক্রেতাগণ তাহার আবেদন পত্রের উল্লেখিত নামে নিজ খরচে ক্রয় অপশন বাবদ ..... টাকা প্রদান সাপেক্ষে কিস্তি ঋণে ক্রয়কৃত পণ্যটি ক্রেতাগণ নিজ নামে রেজিস্ট্রেশন করিতে পারিবেন। আবেদন পত্রের উল্লেখিত নাম ব্যতীত অন্য কোন নামে ..... ট্রাস্টের মডেল নং ..... রেজিস্ট্রেশন করিতে চাইলে প্রথম পক্ষ বিক্রেতা কোম্পানীর সিদ্ধান্তই চূড়ান্ত বলিয়া গণ্য হইবে।

১৩। দ্বিতীয় পক্ষ ক্রেতাগণ তাহার কিস্তি ঋণের মাধ্যমে ক্রয়কৃত..... ট্রাস্টের মডেল নং ..... এর বডিতে সংযুক্ত **FINANCED BY ACI MOTORS LTD.** ফলকটি সম্পূর্ণ কিস্তির টাকা পরিশোধ না করা পর্যন্ত সংযুক্ত রাখিতে বাধ্য থাকিবেন।

১৪। দ্বিতীয় পক্ষ ক্রেতাগণ তাহার কিস্তি ঋণের মাধ্যমে ক্রয়কৃত ট্রাস্টের সংযুক্ত পেমেন্ট তফসিল অনুযায়ী কিস্তির টাকা পরিশোধ কালীন সময়ে ট্রাস্টরটিতে কোন রূপ অবৈধ মালামাল পরিবহন বা অবৈধ কর্মকাণ্ডে ব্যবহার করিতে পারিবেন না। দ্বিতীয় পক্ষ ক্রেতাগণ তাদের ঋণ কিস্তির মাধ্যমে ক্রয়কৃত ট্রাস্টের সংযুক্ত পেমেন্ট তফসিল অনুযায়ী কিস্তির টাকা পরিশোধ কালীন সময়ে ট্রাস্টরটিতে কোনরূপ অবৈধ মালামাল পরিবহন বা কোনরূপ অবৈধ কর্মকাণ্ডে ব্যবহার করিলে ক্রেতাগণ ব্যক্তিগত ভাবে দায়বদ্ধ হইবেন। ইহার কোনরূপ অবৈধ দায় দায়িত্ব প্রথম পক্ষ বিক্রেতা কোম্পানীর উপর বর্তাইবে না।

১৫। দ্বিতীয় পক্ষ ক্রেতাগণ কিস্তিতে ক্রয়কৃত মডেল নং ..... ট্রাস্টরটি কিস্তির সম্পূর্ণ টাকা পরিশোধ না করা পর্যন্ত ট্রাস্টরটি বিক্রয়, বন্ধক, হেবা, অস্থিত সহ যে কোন প্রকার হস্তান্তর এবং কাউকে আনমোক্তার নিযুক্ত করিতে পারিবেন না।

১৬। দ্বিতীয় পক্ষ ক্রেতাগণের ক্রয়কৃত ..... ট্রাস্টের মডেল নং ..... যদি কোন কারণ বশত বন্ধ থাকে বা দ্বিতীয় পক্ষ ক্রেতাগণের দায় দায়িত্বের কারণে আটক থাকে তাহলে দ্বিতীয় পক্ষ ক্রেতাগণ সংযুক্ত পেমেন্ট তফসিল অনুযায়ী তাহার কিস্তি পরিশোধ করিয়া যাইতে বাধ্য থাকিবেন।

১৭। দ্বিতীয় পক্ষ ক্রেতাগণ এর ক্রয়কৃত ..... ট্রাস্টের মডেল নং ..... কিস্তির সম্পূর্ণ বকেয়া টাকা সংযুক্ত পেমেন্ট তফসিলের তারিখ মোতাবেক যথাসময়ে পরিশোধ করে প্রথম পক্ষ বিক্রেতা কোম্পানীর বরাবর আবেদন করিলে, প্রথম পক্ষ বিক্রেতা কোম্পানী কর্তৃক আবেদন অনুমোদনের তারিখ হইতে ৯০ দিনের মধ্যে বিক্রেতা কোম্পানী প্রথম পক্ষ, ক্রেতাগণের যাবতীয় কাগজপত্র বুঝাইয়া দিতে বাধ্য থাকিবেন।

১৮। প্রথম পক্ষ বিক্রেতা কোম্পানী এবং দ্বিতীয় পক্ষ ক্রেতাগণ এর মধ্যে যদি কিস্তি ঋণে ক্রয়কৃত ..... ট্রাস্টের মডেল নং ..... দ্বিতীয় পক্ষ ক্রেতাগণের নিজ নামে বা ক্রেতার মনোনীত ব্যক্তির নামে রেজিস্ট্রেশন হওয়ার পূর্বে যদি অত্র চুক্তির কোন শর্তাবলী নিয়ে উভয় পক্ষের মধ্যে কোন মতবিরোধ দেখা দেয় তাহলে সালিশ আইন-২০০১ অনুসারে নিষ্পত্তি করিতে উভয় পক্ষ সম্মত থাকিবে। সালিশ এর স্থান হইবে এ.সি.আই সংশ্লিষ্ট শো-রুম এ।

এতদ্বারা স্বেচ্ছায়, স্বজ্ঞানে সুস্থ মস্তিষ্কে অন্যের বিনা প্ররোচনায় অত্র বিক্রয় চুক্তির সকল শর্তাবলী পড়িয়া শুনিয়া ও ইহার মর্ম অনুধাবন করিয়া যথাযথ ভাবে অত্র বিক্রয় চুক্তির সকল শর্ত যথাযথ ভাবে পালনের অঙ্গীকার করিয়া আমরা উভয় পক্ষ উপস্থিত স্বাক্ষীগণের মোকাবিলায় নিজ নিজ নাম সহ স্বাক্ষর সম্পাদন করিলাম।

প্রথম পক্ষ বিক্রেতা কোম্পানীর স্বাক্ষর

দ্বিতীয় পক্ষ ক্রেতাগণের স্বাক্ষর

এ.সি.আই মটরস লিমিটেড এর পক্ষে

১ম ক্রেতা. \_\_\_\_\_

২য় ক্রেতা. \_\_\_\_\_

৩য় ক্রেতা. \_\_\_\_\_

স্বাক্ষী :

০১।

০২।

০৩।

স্বাক্ষী :

০১।

০২।

০৩।





ACI Motors Ltd.



২৪৫ তেজগাঁও ইন্ডাস্ট্রিয়াল এরিয়া

245, Tejgaon Industrial Area

ঢাকা ১২০৮, বাংলাদেশ

Dhaka 1208, Bangladesh

টেলিফোন ৯৮৮ ৫৬৯৪

Telephone (8802) 988 5694

Your ref

our ref

Date -----

জনাব/জনাবা

আপনার সদয় অবগতির জন্য জানানো যাচ্ছে যে, আপনি এ সি আই মটরস্ লিঃ এর নিকট হইতে ----টি ট্রান্সমিটার মডেল -----

----- ও ----- কিস্তিতে ক্রয় করিয়াছেন । কোম্পানীর সাথে বিক্রয় চুক্তির কিস্তি সিডিউল অনুসারে বর্তমানে টাকা বকেয়া রহিয়াছে । কোম্পানী বিশ্বাস করে আপনার অজাল্টেড হয়তো এই বকেয়ার সৃষ্টি হয়েছে । অতএব কোম্পানী আশা করে যে অতিদ্রুততম সময়ের মধ্যে আপনার সমুদয় বকেয়া কিস্তি এবং চলতি মাসের কিস্তি সম্পূর্ণ টাকা পরিশোধ

করে ব্যবসায়িক সুনাম অক্ষুন্ন রাখবেন

ধন্যবাদান্তে

এ. সি. আই মটরস্ লিঃ

অনুলিপি:

১. বিজনেস ডিরেক্টর
২. হেড অব হায়ার পারচেস
৩. হেড অব রিকোভারি
৪. সেলস্ ম্যানেজার
৫. রিজনেস সেলস্ ম্যানেজার/এরিয়া ম্যানেজার/সিঃ টেরিটোরি ম্যানেজার/টেরিটোরি ম্যানেজার/টেরিটোরি ইনচার্জ

বিঃদ্র: এই পত্রটি কম্পিউটারাইজড বলে স্বাক্ষরের প্রয়োজন নাই । যদি আপনি এই চিঠিটি পাওয়ার আগে আপনার বকেয়া টাকা পরিশোধ করে থাকেন, তাহলে এই চিঠিটি আমলে নেওয়ার প্রয়োজন নাই । যে কোন তথ্যের জন আপনাকে ক্রেডিট অপারেশনস, এগ্রিবিজনেসেস এর সাথে যোগাযোগ করার জন্য অনুরোধ করা যাচ্ছে । মোবাইল: ০১৭৩০০২৪৪৬৪, ০১৭৫৫৬০৮৪০০, ০১৭১৩৩৯৯৯৭৪ ।