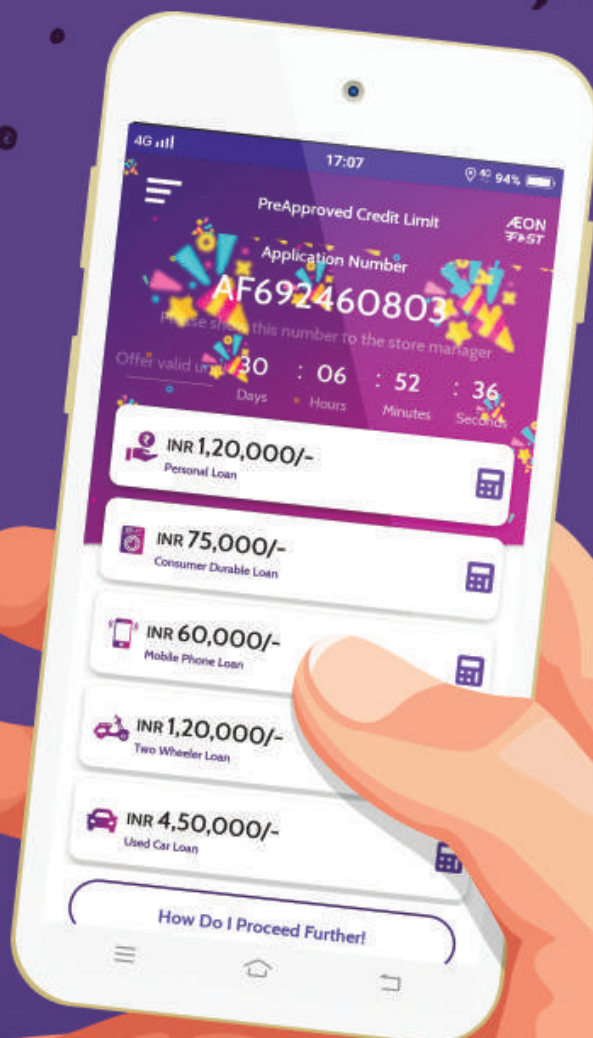


NEW AGE CONVENIENCE FOR A DIGITAL INDIA

ANNUAL REPORT 2018-19



एअॉन क्रेडिट सर्विस इंडिया प्राइवेट लिमिटेड
AEON CREDIT SERVICE INDIA PVT. LTD.



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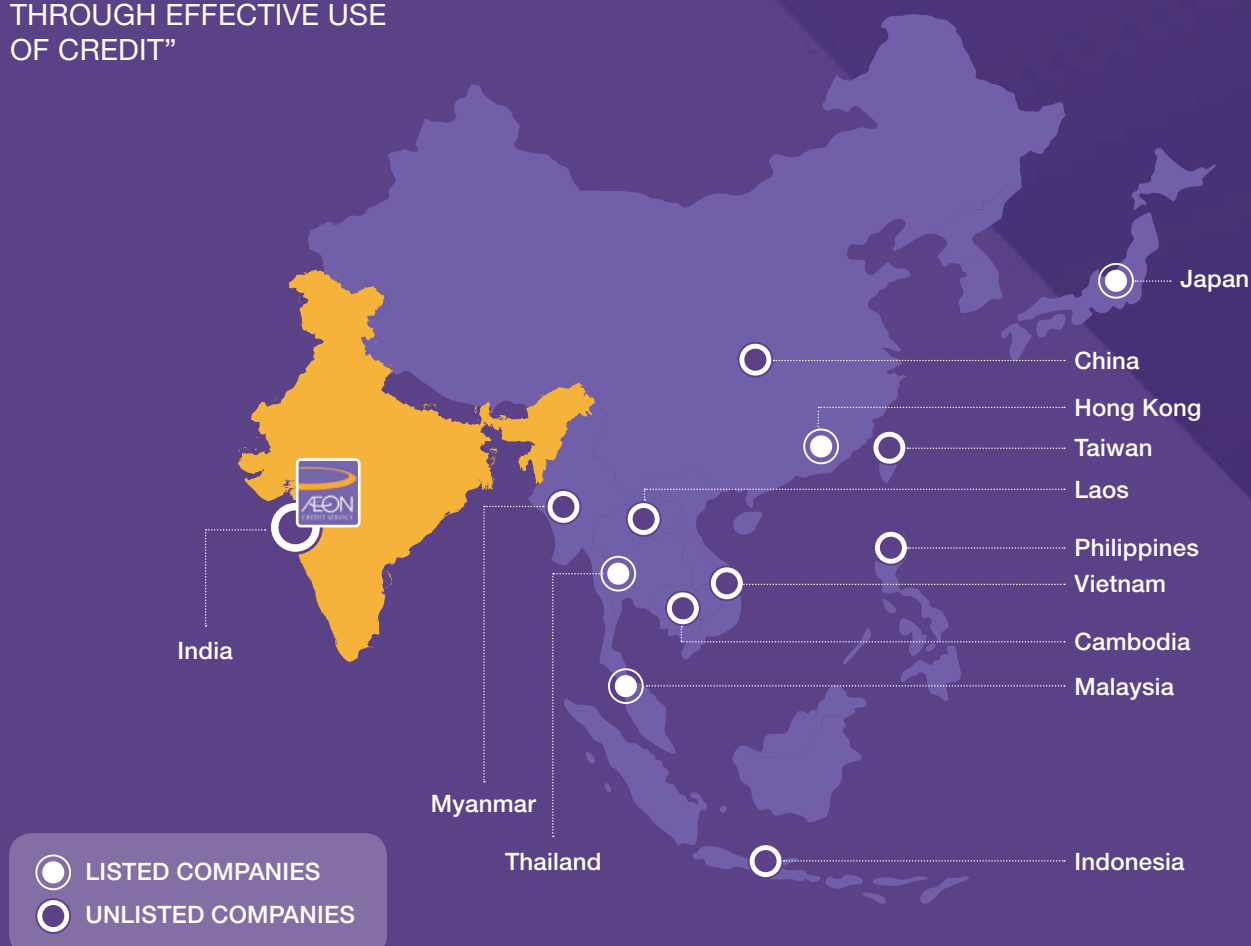


To view Annual Report 2019
Online, visit:
<https://www.aeoncredit.co.in/>

NEW AGE CONVENIENCE FOR A DIGITAL INDIA

Group Network

“SUPPORT CUSTOMERS
LIFESTYLE AND ENABLE EACH
INDIVIDUAL TO MAXIMISE
FUTURE OPPORTUNITIES
THROUGH EFFECTIVE USE
OF CREDIT”



Corporate Vision & Value

FACTORS THAT GUIDE OUR ACTIONS AND WHICH
HELP US TO ATTAIN EXCELLENCE ON ALL FRONTS.

Vision

To emerge as the best retail financial partner of Indian customers and to lead consumer financial service industry in India by embracing latest technology with innovative approach, seamless, speedy, safe and fun financial transactions with every customer to enrich each stage of customers' life with excellent financial service.



Values

ACS India believes in values like customer first, contribution to customers' life style, challenges for innovation being best, conscientiousness, care & respect towards its valued customers.



AEON Basic Principles and Code of Conduct

AEON Basic Principles

PEACE:

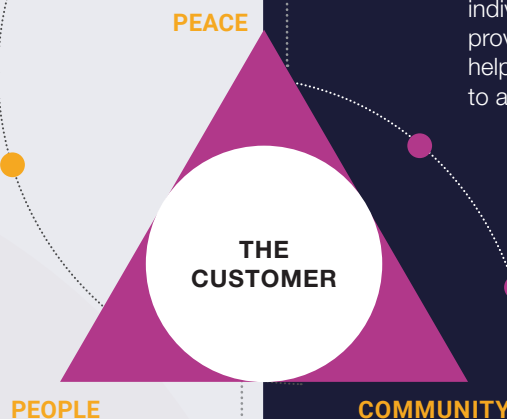
AEON is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

PEOPLE:

AEON is a corporate group that respects human dignity and values personal relationships.

COMMUNITY:

AEON is a corporate group rooted in local community life and dedicated to making contributions to the community.



01

AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humanity.

02

AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.

03

AEON people actively seek out ways to exceed customer expectations.

04

AEON people continually challenge themselves to find new ways to accomplish the AEON ideals.

05

AEON people support local community growth, acting as good corporate citizens in serving society.

AEON Code of Conduct

Corporate Background



The company was incorporated as a private limited company on 9 March 2011 with Corporate Identity Number (CIN) U74120MH2011FTC214516 issued by Ministry of Corporate Affairs. On 4th February, 2013 the company obtained its license as Non-Banking Financial Company in non-deposit taking category (NBFC-ND). As an NBFC-ND, the company was first in India to offer unsecured Instalment Finance Service in mobile phone along with other consumer durables.

Initially, the company was established as a joint venture company with joint capital investment by AEON Financial Service Co., Ltd. Japan (AFS), Edelweiss Financial Services Ltd. India (EFSL) and AEON Credit Service (M) Berhad, Malaysia (ACSM). Later on due to liberalised FDI policy, AFS acquired shareholdings of EFSL to become company's ultimate holding

company. The present shareholding structure of the company is 92.72% held by AFS and 7.28% held by ACSM.

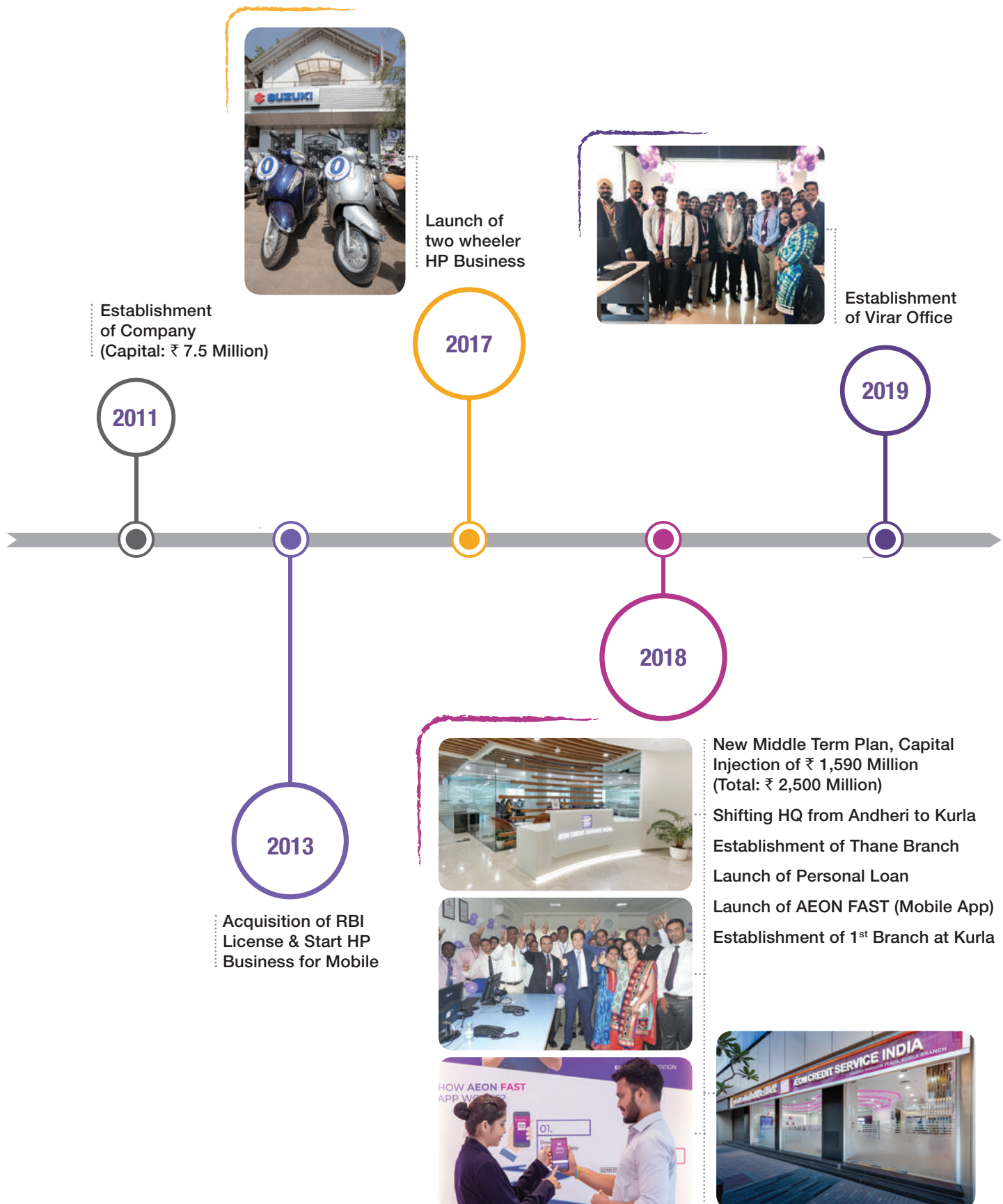
On April 5, 2017, the company launched E-bike finance with an objective to contribute to clean and green environment. Further, the company launched its Two-Wheeler financing and personal loan on October 16, 2017 and May 31, 2018 respectively as a part of its product diversification. Now the company has two more products i.e. Used Car Finance Corporate Insurance Agency business in its pipe lines to be commenced shortly.

The Company's registered and corporate office was shifted from Andheri to Kurla on February 26, 2018 for better office environment and employees' convenience. Further, for the purpose of expanding its

operations with better sales support and collection efficiency within Mumbai region, the company opened its back offices at Thane and Virar on February 6, 2018 and February 7, 2019 respectively. The Company also successfully established its first branch at Kurla on December 27, 2018 with much advanced and modern design to launch personal loan for the new customers.



Corporate History



Message from Management

Dear Valued Stakeholders Welcome to AEON Credit Services India

From the Director's desk

With a focus on expansion and a vision to rapidly transform into a leading FINTECH company, we continue to focus on digitisation, automation and diversification. We strive to innovate and provide seamless financial services to enhance the customer experience in the financial services industry. With the ever changing dynamics of the Indian market and with customer as the king of the industry we ensure to fulfil the market demands with a complete financial ecosystem. We at AEON believe that our basic principles such as "Pursuit for Peace", "Respect for Humanity" and "Contribution to Local Community" should always be customer centric and should revolve around the customer. At AEON our commitment to customers is to offer a complete financial ecosystem to meet the demands of a

"Faster, Simpler and Best in Class User Experience"

Under these guided principles, we are determined to achieve global management standards. All companies under the AEON group are guided by the unchanging "Customer First" philosophy. Our aim is to surpass customer expectations by offering a bouquet of products and quality services to meet the ever growing demand. We endeavour to improve the customer's lifestyle and provide individuals with an opportunity to grow their social status with effective use of credit. Having said that, we believe that credit should be available to every strata of the society as per the customer's needs and requirements. Therefore our diversified portfolio ensures to enhance each individual lifestyle across the country.

Since FY2018-19, we have been enhancing our digitalisation loan process in accordance with our corporate middle-term plan, to provide an entire convenient experience for our customers. In July 2018 we began our digital journey

with the use of latest technology in the market, and successfully launched our application "AEON Fast". Our application enables customers to generate a pre-approval credit limit within 1-minute at their own convenience. Customers can simply download our application from google playstore and fill in some basic information, according to that the system will immediately generate the credit limit for various products along with the offers. Post successful launch of our application, our sales increased rapidly, to 564% as compared to LY. Our application also enabled us to have a strong foothold in Mumbai with a tie up of more than 485 dealers for various product offerings. With the reduction in judgement turnaround time (TAT) we enjoyed a strong support from our dealer fraternity. Giving a pre-approval credit limit for the various products within 1-minute of assessment was quite new for the market. Such a quick turnaround time (TAT) benefitted customers to know their credit

worthiness of different products with exciting offers. It also enables 60% of automatic approval for loan applications without any personnel.

As an organisation we continued to expand the N number of products to support each stage of customer's life. In June 2018, we launched 'Personal Loan' to contribute in customers various dreams and ambitions like education, marriage, travelling abroad, etc. For customer's comfort we established our first branch at one of the famous malls in Mumbai, Phoenix Market City, Kurla to provide personal assistance for 'Personal Loan'. With the inspiration from our successful international stores, we introduced Kurla branch with advanced designs for better hospitality to the customer. With a substantial growth in our 'Personal Loan' portfolio and high sales we started to lay the foundation of branch expansion to cater to customers across Mumbai.



Mr. Daisuke Maeda
Managing Director

This year with a change in strategy and the potential business opportunity in two-wheeler loans and personal loans we emphasise on growth from these two product lines. We successfully developed 89 dealers during the year, and the sales reached to 255 million (286% LY). As an organisation we are continuing to expand with more product options such as 'Used Car Loan', 'Life Infrastructure's Loan' and 'Commercial Car Loan' etc. to support customer's basic needs.

On the other hand, due to the prohibition of Adhar E-KYC, fraud applications are increasing and impacting company's success ratio in second half of the financial year. We enhanced the credit-control operations and keep on analysing such fraud methods, and improving

our assessment quality. In 2019-2020, the company plans to introduce various KYC technologies with the support of 'Artificial Intelligence' (AI) to prevent fraud applications which will stabilise our collection performance.

Since our sales show strong growth with our digital platform, AEON fast application, we plan for expanding our business in major cities of India during 2019-2020.

I wish to thank our customers, business partners, merchants, and shareholders for your continued support to the company. I would also like to express my sincere

At AEON our commitment to customers is to offer a complete financial ecosystem to meet the demands of a

"Faster, Simpler and Best in Class User Experience"

appreciation to the board of directors, management team and staff of the company for their precious contribution, efforts, and commitment towards improvement of business operations and performance of the company. We are certainly looking forward to a better year ahead to continue serving our customers.

Mr. Daisuke Maeda
Managing Director

Board of Directors



Mr. Daisuke Maeda

POSITION: Managing Director
BORN (Year): 1976
EDUCATION: Bachelor of Mass Communication, Kansai University, Japan

2017 – Present:

Managing Director
 AEON Credit Service India Pvt. Ltd.

2011 – 2017

Vice-Chairman of the Board & Managing Director,
 AEON Specialized Bank (Cambodia)

2010 – 2017

Chief Representative of Cambodia
 Representative office,
 AGS Capital Corporation Limited.

2008 – 2010

Senior Vice President/ Head of Marketing Dept.
 AEONThana Sinsap (Thailand) Plc.

Mr. Masaki Watanabe

POSITION: Whole Time Director
BORN (Year): 1975
EDUCATION: Graduate in History from Nihon University, Japan

2014 – Present:

Whole Time Director
 AEON Credit Service India Pvt Ltd

2012 – 2014

Assistant General Manager
 AEON Credit Service (M) Berhad (Malaysia)

2007 – 2012

Senior Vice President
 AEON Thana Sinsap (Thailand) Plc (Thailand)

2004 – 2007

Manager at PT.
 AEON Credit Service Indonesia Co., Ltd (Indonesia)

2002 – 2004

Officer
 AEON Credit Service Co., Ltd, (Japan)

Mr. Tomo Sato

POSITION: Whole Time Director
BORN (Year): 1981
EDUCATION: Bachelor's Degree in Economics, Shinshu University, Japan

2017 – Present:

Whole Time Director
 AEON Credit Service India Pvt Ltd

2016 – 2017

Director/ Head of Control Management Division PT AEON Credit Service, Indonesia

2013 – 2016

Manager/ Control Dept, AEON Financial Service Co., Ltd

Mr. Sanjaya Kumar Dash

POSITION: Whole Time Director
BORN (Year): 1973
EDUCATION: Bachelor of Commerce, Bachelor of Law, Fellow Company Secretary & Master of Business Administration (Finance)

2014 – Present

Whole Time Director & Company Secretary,
 AEON Credit Service India Pvt. Ltd. Mumbai.

2008 – 2014

Company Secretary & AVP Legal & Compliance,
 ASREC (India) Ltd., Mumbai.

2005 – 2008

Company Secretary & Compliance Officer, Cosmo Ferrites Ltd., Delhi.

2002 – 2005

Accountant & Secretarial Executive Atithi Voyages Pvt. Ltd., Delhi.



OUR BOARD MEMBERS ARE FROM WIDE-RANGE OF BACKGROUNDS WITH VERY RICH EXPERIENCE THAT ENABLE US TO ACHIEVE SUCCESS.



Mr. Kenji Fujita

POSITION: Non-Executive Director
BORN (Year): 1969
EDUCATION: Bachelor of Arts & Humanity from Yamaguchi University & Master of Business Administration (MBA) from International University, Japan

2014 – Present
 Managing Director
 AEON Credit Service Berhad (Malaysia)

2013 – 2014
 Executive Director
 AEON Credit Service Berhad (Malaysia)

2012 – 2013
 Executive Director
 AEON Credit Holdings (Hong Kong) Co., Ltd.

March 2012 – June 2012
 General Manager
 Asian Business Division, AEON Financial Service Co., Ltd., Japan

2011 – 2012
 Served in Executive Office, AEON CO., LTD.

2009 – 2010
 Executive Director
 Administration and Finance, AEON STORES (HONG KONG) Co., Ltd.

2007 – 2009
 General Manager in Administration AEON STORES (HONG KONG) Co., Ltd.

2005 – 2007
 Served in Human Resource Development Division
 AEON CO., LTD., Japan.

Mr. Shigeto Nasu

POSITION: Non-Executive Director
BORN (Year): 1970
EDUCATION: Bachelor of Arts in Economics – AOYAMA GAKUIN University Department of Economics

2017 – Present
 Deputy Head of Corporate Management Division
 AEON Financial Service Co. Ltd.

2014 – 2017
 General Manager, Control Dept.
 AEON Financial Service Co. Ltd. and Chairman of Board of Management, AEON Trading Vietnam Co., Ltd.

2012 – 2013
 General Manager, Control Dept.
 AEON Credit Service Co., Ltd.

2010 – 2011
 Managing Director,
 ACS Capital Corporation Limited

Mr. Ratnarao Jangam Rajendraprasad

POSITION: Non-Executive Director
BORN (Year): 1951
EDUCATION: Master degree of Commerce & CAIIB

2012 – Present
 Non- Executive Director,
 AEON Credit Service India Private Ltd. Mumbai.

2009 – 2011
 Chief General Manager,
 Dept. of Govt. & Bank Accounts, RBI Central Office, Mumbai.

2005 – 2009
 Chief General Manager,
 Dept. of Banking Supervision, RBI Central Office, Mumbai.

2000 – 2005
 General Manager,
 Dept. of Banking Supervision, RBI Regional Office, Mumbai.

1998 – 2000
 Dy General Manager,
 Regional Office, Issue Dept. (Currency Management), RBI Guwahati.

1995 – 1998
 Dy General Manager, Dept. of Rural Planning & Credit Dept., RBI Central Office, Mumbai.

Mr. Kumar Rajagopalan

POSITION: Non-Executive Director
BORN (Year): 1966
EDUCATION: Chartered Accountant

2009 – Present
 Chief Executive officer (CEO)
 Retailers Association of India.

2006 – 2009
 Country head
 Retail solutions at IBM

2004 – 2006
 Executive Director & Chief Operating Officer
 Crossword book stores Ltd.

1996 – 2004
 Head operations
 Shoppers Stop Ltd.

1993 – 2004
 Head operations, finance, B&M, Shoppers Stop.co.in

1989 – 1993
 Partner at Kumar Rajagopalan & Co., Chartered Accountants.

Corporate Information

Company Secretary

Mr. Sanjaya Kumar Dash
Membership No: F7043

Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants,
19th Floor, Shapath - V
S.G. Highway
Ahmedabad-380 015
Gujarat.

Registered & Head Office

Unit No.TF-A-01, 3rd Floor,
A-Wing, Art Guild House,
Phoenix Marketcity,
LBS Marg, Kurla (West),
Mumbai – 400 070

Web Page

www.aeoncredit.co.in

Registrars

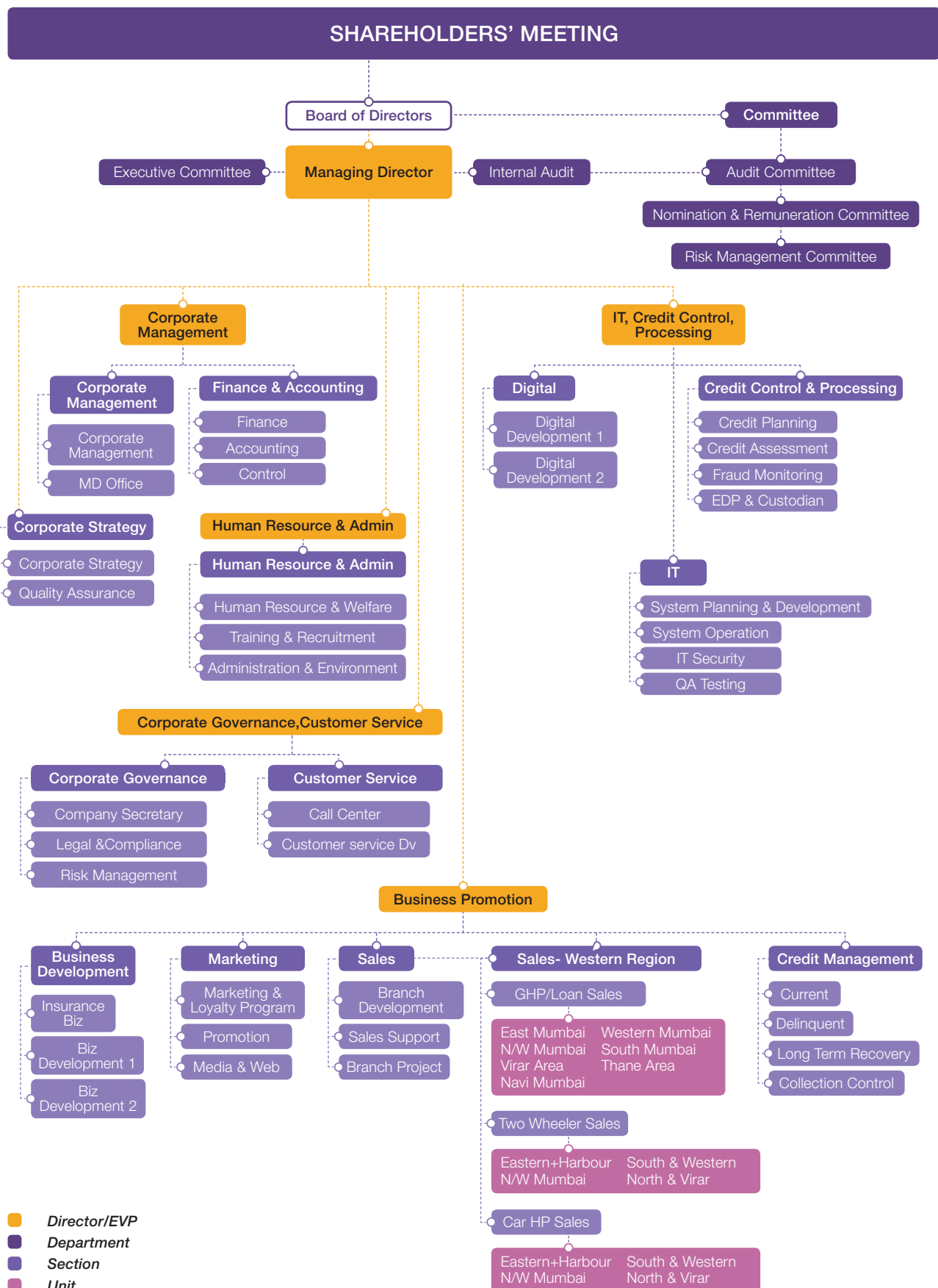
Satellite Corporate Service Pvt. Ltd.
Unit. No 49, Building No. 13 AB,
2nd Floor, Samhita Commercial
Co-Op Society Ltd, Off Andheri
Kurla Rd, MTNL Lane, Sakinaka,
Mumbai-400072.
Phone Nos: 022-28520461/462
Email: service@satellitecorporate.com

Principal Bankers

Mizuho Bank Ltd. Mumbai
Deutsche Bank AG, Mumbai
ICICI Bank Limited, Mumbai
HDFC Bank Limited, Mumbai
AXIS Bank Limited, Mumbai

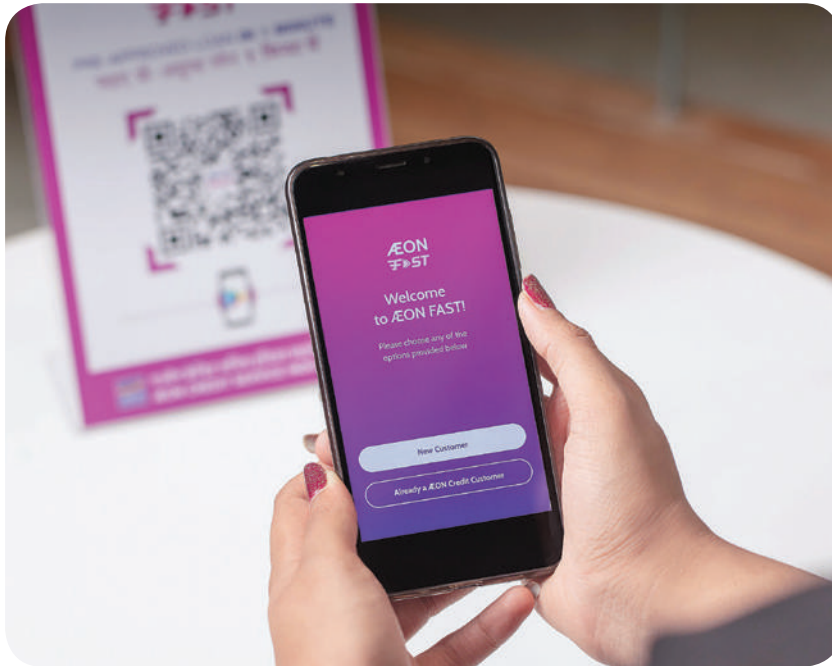


Organisation Chart



- Director/EVP
- Department
- Section
- Unit

Business Highlights FY2018-19



During the financial year 2018-19, the overall sales volume was considerably increased to the extent of 464% due to development of one Mobile App “AEON FAST”, which is an instant judgement App with ease in processing loan applications. Such drastic increase in sales was also contributed by company’s product diversification like Personal Loan and Two-Wheeler Finance in addition to mobile phone and consumer durable loan. At the same time, the Company could successfully establish three of its branches at Thane, Kurla and Virar areas within Mumbai region to generate more sales and to have better sales support. As a result, company’s revenue was increased to the extent of 78% compare to last year. On the other hand, keeping in view of future expansion, the Company invested a sizeable amount in organising management team, system and infrastructure development, automation of credit assessment process etc. As a result, the company recorded net loss amounting to INR 267 million as against INR 271 million in previous year.

At the initial period of the financial year, Company’s NPL ratio was good and under control. But with the launch of AEON FAST in second quarter, the sales volume was drastically increased due to liberal credit criteria along with certain fraud applications. As a result, the NPL ratio was further worsen during the last quarter. Again, during

second quarter, Supreme Court came up with E-KYC restriction for private finance company, due to which we were restraint to implement the same, which impacted our proposed KYC process. However, due to periodic review of our credit policy with certain brush up of credit criterion, we could able to maintain our average NPL ratio for the year at 4.9% as against the overall industry ratio of 5.8%.

During the year under review, the Company’s operational performance was quite encouraging. In the 1st quarter, the Company could develop 56 two-wheeler merchants within a period of three months and achieved sales of INR 22 Million in two-wheeler segment only, which was 293% against the budget. The Company also introduced customer feedback system (LITMUS) to get their feedback for better customer service. In 2nd quarter, the Company’s long-awaited Mobile App, AEON FAST was launched in July, 2018 for speed and seamless loan processing,





as a result of which sales volume was increased significantly by 6 times and merchant active ratio was improved from 30% to 55%. In 3rd quarter, the Company opened its first branch at Kurla with much advanced design to launch personal loan for the new customers. Also, the Company revamped its new website with many comprehensive information for the benefit of various stakeholders and to gain better brand image in the market. In 4th quarter, the Company changed its credit approval criteria in order to minimise the fraud applications and to improve collection results, which had positive impact in these two areas. Apart from these, the Company could open its back office at Virar for better sales support, since major portion of sales is generated from this area.

During the year, the Company could strengthen its organisation by recruiting higher management staff to have better internal control over its enhanced operation. The Company managed to improve staff productivity and management control with further investment on IT system and able to strengthen its corporate governance with strong independent functions of internal audit, compliance and risk departments. Going forward, the Company will be strategising its business models by expanding its product lines further to used car finance and insurance sector by this calendar year end, 2019 in order to increase its market share. To have a long run business sustainability and to cope up with very strong competition in financial market in India, ACS India is now concentrating on digitisation, process automation, replacing its existing core system with a very systematic and robust one to become a full-fledged FINTECH Company. At the same time, ACS



India is focusing on Pan-India expansion, business tie-up/ alliance with bigger E-com companies, manufacturer and country-wide merchants in order to gain sizeable market share in terms of better sales turnover, profitability and brand image.

In order to give a further boost to sales and marketing, ACS India will focus on improvement in work efficiency by Sales Support System for marketing staff. The Company has multiple business and strategic plans in its pipeline to be implemented in near future such as complete transformation into a FINTECH based lending company for providing financial service to its customers at every stage of their life by creating a complete Eco System, implementing loyalty program to our valued customers and automation of credit assessment process to the extent of at least 80% auto approval through artificial intelligence (AI). ACS India will be emphasising on improvement in its operations, overall productivity and best customer service in order to become a customer centric organisation.

Internal Controls



Company's Compliance

We, at AEON Credit Service India, always believe in hundred percent compliance on priority. Irrespective of volume of business and profitability, we always adhere to both regulatory and internal compliance first with utmost care and diligence. We do our business with ethical judgements with professional attitude for the best interest of our stakeholders. We impart training and education to our employees in regular interval for making them understand the importance of compliance. We always focus on “Personal Data Protection”, “AEON Code of Conduct”, principles enumerated in the Fair Practice code by the Reserve Bank of India and other compliance aspects as and when deemed necessary. Besides this, we ensure good governance within the organisation by establishing adequate internal controls. During the year under review, our Corporate Management Department could identify 37 Policies, 16 Regulations, 62 Procedures and 85 workflows out of which 36 Policies, 6 Regulations, 20 procedures and 53 workflows could have been established in order to ensure robust internal control within the organisation. We, in fact, have zero tolerance on non-compliance in any nature whether it is legal, regulatory or internal policy & procedures.



Our Corporate Governance Department comprises of a Legal & Compliance Section, Company Secretary Section and Risk Management Section which works hand in hand with the Operations team and keeps them updated regarding any Legal & regulatory changes by way of a monthly compliance meeting. We have our Compliance Committee at management level, which review compliance status of the applicable laws, regulations on monthly basis. This Committee monitors updates of all laws and regulations to ensure that

these are complied within the internal policies and procedures. Our Board of Directors is also reported with the compliance status every month. To ensure and check compliance with all applicable laws, rules and regulations, a monthly Compliance Checklist is submitted to the Board confirming compliance under various corporate laws including Labour law, Tax laws, etc. To strengthen the check on Compliance, an audit is conducted for various Departments, and the effectiveness of Compliance is assessed. Trainings are imparted to keep each staff up to date on the current situation of law in the country. Annual Code of Conduct Training as well as Quarterly Legal and Compliance Training is imparted to train the staff on importance of Legal & regulatory compliances and to give them the opportunity to participate in strengthening the Compliance System



Risk Management

The company considers risk management as an important element of the business and embeds strong risk culture in its day-to-day business operations. Understanding the importance of risk management to sustainable growth, the Risk Management team is involved in all stages of the risk management process to provide an independent view and input including overseeing, planning and conducting its own risk management. The company has been conducting Risk Meeting on monthly basis. The Risk Management Committee chaired by non-executive director meets on quarterly basis in order to improve and challenge the risk management practices and ensure that the company operates with a sound, effective and efficient risk management system. In addition, we will be establishing Enterprise Risk Management (ERM) Framework within the organisation to strengthen risk analysis very shortly.

Statutory Report

Notice

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of AEON Credit Service India Pvt. Ltd. will be held on Friday, 28th June, 2019 at 11:30 A.M. at its Registered Office at Unit No. TF-A-01, A-Wing, 3rd Floor, Art Guild House, Phoenix Marketcity, LBS Marg, Kurla (West), Mumbai- 400070 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts, Directors' Report & Auditors' Report

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, Statement of Profit & Loss and Cash Flow Statement for the Financial Year ended 31st March, 2019 and notes attached thereto together with the Reports of the Directors and the Auditors thereon.

2. Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, M/s Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No.117365W) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Ninth AGM at such remuneration plus GST (Goods and Services Tax), out of pocket, travelling and living expenses etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

3. Regularisation of Additional Director, Mr. Sanjaya Kumar Dash.

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 161 and other applicable provisions if any of the Companies Act 2013, Mr. Sanjaya Kumar Dash (DIN-08269773) who was appointed as an Additional Director by the Board with effect from 1st November, 2018 to hold office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

4. Regularisation of Additional Director, Mr. Tetsuro Takano (DIN 08492304)

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as

Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 161 and other applicable provisions if any of the Companies Act 2013, Mr. Tetsuro Takano (DIN 08492304) who was appointed as an Additional Director by the Board with effect from 28th June, 2019 to hold office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company.

5. Regularisation of Additional Director, Mr. Toshimitsu Kure (DIN 08492333)

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 161 and other applicable provisions if any of the Companies Act 2013, Mr. Toshimitsu Kure (DIN 08492333), who was appointed as an Additional Director by the Board with effect from 28th June, 2019 to hold office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company.

6. Reappointment and revision in remuneration, performance bonus and other terms and conditions of Mr. Daisuke Maeda as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and other applicable provisions if any of the Companies Act, 2013 read with Schedule V to the said Act and subject to the approval of Central Government if required and in pursuance to the provisions of Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the reappointment of Mr. Daisuke Maeda (DIN- 07854743) as Managing Director of the Company for a further period of three years effective from 1st July, 2019 till 30th June 2022 on the following revised terms and conditions including remuneration, performance bonus and other perquisites duly approved by the Board on recommendation of its Nomination & Remuneration

Committee as detailed below:-

Particulars		Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency		USD	INR	USD	INR
Basic Remuneration (per month)		11,300	772,665	11,300	786,819
Performance	Actual	57,300	3,989,799	-	-
Bonus (per annum)	Indicated	-	-	55,400	3,857,502

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

RESOLVED FURTHER THAT Mr. Daisuke Maeda be and is hereby eligible to other allowances including perquisites as per company's internal and group policy.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby Jointly and/or severally authorised to do all such acts deeds and things as may be expedient and necessary for giving effect to the aforesaid resolution.

7. Reappointment and revision in remuneration, performance bonus and other terms and conditions of Mr. Tomo Sato as Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and other applicable provisions if any of the Companies Act, 2013 read with Schedule V to the said Act and subject to the approval of Central Government if required and in pursuance to the provisions of Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the reappointment of Mr. Tomo Sato (DIN-07854754) as Whole Time Director of the Company for a further period of three years effective from 1st July, 2019 till 30th June 2022 on the following revised terms and conditions including remuneration, performance bonus and other perquisites duly approved by the Board on recommendation of its Nomination & Remuneration Committee as detailed below:-

Particulars		Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency		JPY	INR	JPY	INR
Basic Remuneration (per month)		610,000	376,858	663,000	430,950
Performance	Actual	2,132,000	1,385,800	-	-
Bonus (per annum)	Indicated	-	-	3,101,000	2,015,650

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

RESOLVED FURTHER THAT Mr. Tomo Sato be and is hereby eligible to other allowances including perquisites as per company's internal and group policy.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby Jointly and/or severally authorised to do all such acts deeds and things as may be expedient and necessary for giving effect to the aforesaid resolution.

8. Revision in remuneration, performance bonus and other terms and conditions of Mr. Masaki Watanabe, Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) read with Schedule V to the said Act and subject to approval of Central Government if required and in pursuance of the provisions of Articles of Association of the Company, consent of Members of the Company be and are hereby accorded to the revised monthly remuneration including performance bonus payable to Mr. Masaki Watanabe (DIN-06904968) duly approved by the Board on recommendation of its Nomination & Remuneration Committee as

Statutory Report

Notice

detailed below:-

Particulars		Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency		JPY	INR	JPY	INR
Basic Remuneration (per month)		726,000	448,523	663,000	430,950
Performance	Actual	2,765,000	1,797,250	-	-
Bonus (per annum)	Indicated	-	-	3,101,000	2,015,650

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

RESOLVED FURTHER THAT Mr. Masaki Watanabe be and is hereby eligible to other allowances including perquisites as per company's internal and group policy.

RESOLVED FURTHER THAT any of the Directors and/or Mr. Sanjaya Kumar Dash, Whole Time Director & Company Secretary be and are hereby Jointly and/or severally authorised to do all such acts deeds and things as may be expedient and necessary for giving effect to the aforesaid resolution.

9. Appointment, revision in remuneration, performance bonus and other terms and conditions of Mr. Sanjaya Kumar Dash, Whole Time Director and Company Secretary of the Company.

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and other applicable provisions if any of the Companies Act, 2013 read with Schedule V to the said Act and subject to the approval of Central Government if required and in pursuance to the provisions of Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the appointment of Mr. Sanjaya Kumar Dash (DIN-08269773) as Whole Time Director of the Company for a period from 1st Nov, 2018 till 30th June 2020 on the following revised terms and conditions including remuneration, performance bonus and other perquisites duly approved by the Board on recommendation of its Nomination & Remuneration Committee as detailed below:-

Particulars			Existing (FY 2018-19)	Revised (FY 2019-20)
Currency			INR	INR
Basic Remuneration (per month)			270,000	400,000
Performance	Bonus	Actual	320,000	-
(per annum)		Indicated	-	550,000

RESOLVED FURTHER THAT Mr. Sanjaya Kumar Dash be and is hereby eligible to other allowances including perquisites as per company's internal and group policy.

RESOLVED FURTHER THAT Mr. Daisuke Maeda or Mr. Tomo Sato or Mr. Masaki Watanabe be and are hereby authorised to do all such acts deeds and things as may be expedient and necessary for giving effect to the aforesaid resolution.

10. Alteration of Object Clause of Memorandum of Association of the company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory

modifications or re-enactment thereof, for the time being in force), and the Rules framed there under and subject to the approval of Registrar of Companies including other Statutory or Regulatory Authorities, as may be necessary, consent of the Members of the Company be and is hereby accorded to the amendment of "Objects Incidental or Ancillary to the attainment of the Main Objects" under the "Objects Clause" of the Memorandum of Association of the Company, by the inserting of sub-clause 5 after the existing sub-clause 4 to be read as follows:

"To act as agents, representatives, surveyors, sub-insurance agents, franchisers, consultants, advisors, collaborators, in all classes of insurance business and activities related thereto".

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby jointly or severally authorised to do all such acts, deeds and things as may be necessary for the purpose of aforesaid resolution.

11. Adoption of new set of Memorandum of Association as per the provisions of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under and subject to the approval of Registrar of Companies including other Statutory or Regulatory Authorities, as may be necessary, consent of the Members of the Company be and is hereby accorded to make alteration in the Memorandum of Association of the Company by merging the Objects of the Company mentioned under Clause III (C) – “Other Objects” with Clause III (B) – “Objects Incidental or Ancillary to the attainment of the Main Objects” and consequently changing the object numbering as may be appropriate;

RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the Clause III (A) and III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (A) – The objects to be pursued by the Company on its incorporation are:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby jointly or severally authorised to do all such acts, deeds and things as may be necessary for the purpose of aforesaid resolution.”

12. To authorise Board of Directors of the company for borrowing.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013, the consent of the shareholders be and are hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding ₹ 3,850 million (Rupees Three Thousand Eight Hundred Fifty Million Only) [including the money already borrowed by the Company] in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained

from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called “the Board” which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) be and is hereby authorised for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding ₹ 3,850 million (Rupees Three Thousand Eight Hundred Fifty Million Only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company) and on such terms and conditions as the Board may deem fit, by way of loans or in any other form whatsoever or issue of Bonds and/or Debentures or other Securities whether Convertible into Equity/Preference Shares and/or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to Equity/Preference Shares (hereinafter referred to as “Securities”), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.”

By order of the Board of Directors

PLACE: Mumbai

DATE: 28th June, 2019

Sanjaya Kumar Dash

Whole Time Director and
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / ITSELF AND THE PROXY (IES) NEED NOT BE A MEMBER. A PROXY (IES) IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses under Item No. 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12 is annexed hereto forming part of this Notice.
4. The proxy form is enclosed herewith for appointing proxy on behalf any members.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Mr. Sanjaya Kumar Dash (DIN-08269773) was appointed as Additional Director by the Board of Directors on 31st October, 2018 to hold office till the conclusion of this Annual General Meeting. The Board, after considering his detailed profile and experience, recommends to the shareholders to approve regularisation of Mr. Dash as a Director on the Board.

The Company has received his consent in writing to act as director in Form DIR - 2 and intimation in Form DIR - 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

As per provisions of Section 161 and 162 of the Companies Act, 2013 and Rules made thereunder, approval of Members is required by way of passing ordinary resolution at the General Meeting of the company for regularising Mr. Sanjaya Kumar Dash as a Director on the Board of the Company.

Except Mr. Sanjaya Kumar Dash, none of the Promoters, Directors, Manager or their relative(s), either directly or indirectly, is in any way interested or concerned in the above said resolution.

ITEM NO. 4

Mr. Tetsuro Takano (DIN 08492304) was appointed as Additional Director by the Board of Directors on – 28th June, 2019 to hold office till the conclusion of this Annual General Meeting. The Board, after considering his detailed profile and experience, recommends to the shareholders to approve regularisation of Mr. Tetsuro Takano as a Director on the Board.

The Company has received his consent in writing to act as director in Form DIR - 2 and intimation in Form DIR - 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

As per provisions of Section 161 and 162 of the Companies Act, 2013 and Rules made thereunder, approval of Members is required by way of passing ordinary resolution at the General Meeting of the company for regularising Mr. Tetsuro Takano as a Director on the Board of the Company.

Except Mr. Tetsuro Takano, none of the Promoters, Directors, Manager or their relative(s), either directly or indirectly, is in any way interested or concerned in the above said resolution.

ITEM NO. 5

Mr. Toshimitsu Kure (DIN 08492333) was appointed as Additional Director by the Board of Directors on – 28th June, 2019 to hold office till the conclusion of this Annual General Meeting. The Board, after considering his detailed profile and experience, recommends to the shareholders to approve regularisation of Mr. Toshimitsu Kure as a Director on the Board.

The Company has received his consent in writing to act as director in Form DIR - 2 and intimation in Form DIR - 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

As per provisions of Section 161 and 162 of the Companies Act, 2013 and Rules made thereunder, approval of Members is required by way of passing ordinary resolution at the General Meeting of the company for regularising Mr. Toshimitsu Kure as a Director on the Board of the Company.

Except Mr. Toshimitsu Kure, none of the Promoters, Directors, Manager or their relative(s), either directly or indirectly, is in any way interested or concerned in the above said resolution.

ITEM NO. 6.

Mr. Daisuke Maeda was appointed as Managing Director of the company by the Board in its Meeting held on 28th June, 2017 for a period of two years w.e.f 28th June, 2017 till 30th June, 2019 on such terms and condition including remuneration & other allowances, perquisites etc. on the recommendation of the Nomination & Remuneration Committee of the Board with subsequent approval of the Members of the Company in Annual General Meeting held on 28th June, 2017 pursuant to the provisions of sections 196, 197 and other applicable provisions (including statutory modification or re-enactment thereof) of the Companies Act, 2013. The existing terms of appointment of Mr. Daisuke Maeda as Managing Director of the Company expires on 30th June, 2019. Further being a Director, Mr. Daisuke Maeda has attended 12 board meetings during the F.Y. 2018-19.

In view of the above, Mr. Maeda is proposed to be re-appointed as Managing Director of the Company for a further period of three years w.e.f. 1st July, 2019 till 30th June 2022 on such terms and conditions including remuneration & other allowances, perquisites etc. as approved by the Board of Directors in its meeting held on 28th June, 2019 on the recommendation of Nomination & Remuneration Committee held on 28th June, 2019.

Therefore, as per the provisions of sections 196, 197 and other applicable provisions (including statutory modification or re-enactment thereof) of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and in pursuance to the provisions of Article 12 of the Articles of Association of the Company, the approval of the Members is required by way of passing special resolution at General Meeting of the company to reappoint Mr. Daisuke Maeda as Managing Director of the Company with such remuneration and other terms and condition as approved by the Board of Directors.

The revised remuneration and other terms and conditions of Mr. Daisuke Maeda as Managing Director are as detailed below:-

Particulars			Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency			USD	INR	USD	INR
Basic Remuneration (per month)			11,300	772,665	11,300	786,819
Performance Bonus (per annum)	Actual		57,300	3,989,799	-	-
	Indicated		-	-	55,400	3,857,502

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

Other Allowances & Perquisites would be as per company's internal and group policy including accommodation, transport, medical allowance and other perquisites to be paid by the Company on actual basis.

The above referred terms and conditions including remuneration, other perquisites and commission as a part of total annual remuneration is subject to further interim revision with approvals of AEON Financial Service Co., Ltd., Japan, Nomination and Remuneration Committee, Board of Directors, Members' General Meeting and Central Government if required.

A statement pursuant to Section II of Part II of Schedule-V to the Companies Act, 2013 along with this Notice is annexed herewith for shareholders' information.

However, in case of any unforeseen circumstances during the terms of reappointment, his office of Managing Director would be terminated with the approval of majority of Members of the Company subject to applicable provisions of the Companies Act, 2013, Rules made thereunder and Articles of Association of the Company.

Except Mr. Daisuke Maeda, no other directors and / or their relative(s) are concerned or interested in the proposed resolution.

ITEM NO. 7.

Mr. Tomo Sato was appointed as Whole Time Director of the company by the Board in its Meeting held on 28th June, 2017 for a period of two years w.e.f 28th June, 2017 till 30th June, 2019 on such terms and condition including remuneration & other allowances, perquisites etc. on the recommendation of the Nomination &

Remuneration Committee of the Board with subsequent approval of the Members of the Company in Annual General Meeting held on 28th June, 2017 pursuant to the provisions of sections 196, 197 and other applicable provisions (including statutory modification or re-enactment thereof) of the Companies Act, 2013. The existing terms of appointment of Mr. Tomo Sato, Whole Time Director of the Company expires on 30th June, 2019. Further being a Director Mr. Tomo Sato has attended 11 board meetings during the F.Y. 2018-19

In view of the above, Mr. Sato is proposed to be re-appointed as Whole Time Director of the Company w.e.f. 1st July, 2019 till 30th June 2022 on such terms and conditions including remuneration & other allowances, perquisites etc. as approved by the Board of Directors in its meeting held on 28th June, 2019 on the recommendation of Nomination & Remuneration Committee held on 28th June, 2019.

Therefore, as per the provisions of sections 196, 197 and other applicable provisions (including statutory modification or re-enactment thereof) of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and in pursuance to the provisions of Article 12 of the Articles of Association of the Company, the approval of Members is required by way of passing special resolution at General Meeting of the company to reappoint Mr. Tomo Sato as Whole Time Director of the Company with such remuneration and other terms and condition as approved by the Board of Directors.

The revised remuneration and other terms and conditions of Mr. Tomo Sato as Whole Time Director are as detailed

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below:-

Particulars			Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency			JPY	INR	JPY	INR
Basic Remuneration (per month)			610,000	376,858	663,000	430,950
Performance Bonus (per annum)	Actual		2,132,000	1,385,800	-	-
	Indicated		-	-	3,101,000	2,015,650

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

Other Allowances & Perquisites would be as per company's internal and group policy including accommodation, transport, medical allowance and other perquisites to be paid by the Company on actual basis.

The above referred terms and conditions including remuneration, other perquisites and commission as a part of total annual remuneration is subject to further interim revision with approvals of AEON Financial Service Co., Ltd., Japan, Nomination and Remuneration Committee, Board of Directors, Members' General Meeting and Central Government if required.

A statement pursuant to Section II of Part II of Schedule-V to the Companies Act, 2013 along with this Notice is annexed herewith for shareholders' information.

However, in case of any unforeseen circumstances during the terms of reappointment, his office of Whole Time Director would be terminated with the approval of majority of Members of the Company subject to applicable provisions of the Companies Act, 2013, Rules made thereunder and Articles of Association of the Company.

Except Mr. Tomo Sato, no other directors and / or their relative(s) are concerned or interested in the proposed resolution.

ITEM NO. 8.

As per the Group Companies' policy and norms and based on recommendation of Nomination & Remuneration Committee, the Board considered and approved revision in remuneration of Mr. Masaki Watanabe as detailed below:-

Particulars			Existing (FY 2018-19)		Revised (FY 2019-20)	
Currency			JPY	INR	JPY	INR
Basic Remuneration (per month)			JPY	INR	JPY	INR
Performance Bonus (per annum)	Actual		726,000	448,523	663,000	430,950
	Indicated		2,765,000	1,797,250	-	-
			-	-	3,101,000	2,015,650

(for conversion into INR, exchange rate as on the last date of the respective month or the date of payment, whichever is earlier shall be considered.)

Other Allowances & Perquisites would be as per company's internal and group policy including accommodation, transport, medical allowance and other perquisites to be paid by the Company on actual basis.

The above referred terms and conditions including remuneration, other perquisites and commission as a part of total annual remuneration is subject to further interim revision with approvals of AEON Financial Service Co., Ltd., Japan, Nomination and Remuneration Committee, Board of Directors, Members' General Meeting and Central Government if required.

Mr. Watanabe, being a Director, has attended 12 board meetings during the F.Y. 2018-19.

As per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and in pursuance to the provisions of Articles of Association of the Company, approval of Members of the Company is required by way of passing special resolution at General Meeting of the company for aforesaid revision in monthly remuneration, performance bonus and an indicated performance bonus payable to Mr. Masaki Watanabe, Whole Time Director.

Except Mr. Masaki Watanabe, no other directors and / or their relative(s) are concerned or interested in the proposed resolution.

ITEM NO. 9

Mr. Sanjaya Kumar Dash, was appointed as Whole Time Director by the Board in its Meeting held on 31st October, 2018 w.e.f 1st Nov, 2018 to 30th June 2020 on such terms and condition including remuneration & other allowances, perquisites etc. subject to approval of the Members in General Meeting. Mr. Dash has attended all the 12 board meetings during the F.Y. 2018-19.

Therefore, as per the provisions of sections 196, 197 and other applicable provisions (including statutory modification or re-enactment thereof) of the Companies Act, 2013 read with Schedule V prescribed under the Companies Act, 2013 and in pursuance to the provisions of Article 12 of the Articles of Association of the Company, approval of Members is required by way of passing special resolution at the General Meeting of the company for giving effect to the aforementioned appointment of Mr. Sanjaya Kumar Dash as Whole Time Director of the company for a period from 1st Nov, 2018 to 30th June 2020 including his revised remuneration and other terms and conditions.

The revised remuneration and other terms and conditions duly approved by Board on recommendation of Nomination & Remuneration committee on 28th June, 2019 are detailed below:-

Particulars		Existing (FY 2018-19)	Revised (FY 2019-20)
Currency		INR	INR
Basic Remuneration (per month)		270,000	400,000
Performance Bonus (per annum)	Actual	320,000	-
	Indicated	-	550,000

Other Allowances & Perquisites payable to Mr. Dash would be as per company's internal and group policy.

The above referred terms and conditions including remuneration, other perquisites and commission as a part of total annual remuneration is subject to further interim revision if any with approvals of Aeon Financial Service Co., Ltd., Japan, Remuneration and Nomination Committee, Board of Directors, Members' General Meeting and Central Government if required."

A statement pursuant to Section II of Part II of Schedule-V to the Companies Act, 2013 along with this Notice is annexed herewith for shareholders' information.

However, in case of any unforeseen circumstances during the terms of appointment, his office of Whole Time Director would be terminated with the approval of majority of Members of the Company subject to applicable provisions of the Companies Act, 2013, Rules made thereunder and Articles of Association of the Company.

Except Mr. Sanjaya Kumar Dash none of the Promoters, Directors, Manager or their relative(s), either directly or indirectly, is in any way interested or concerned in the above said resolution.

ITEM NO. 10

At present the principal business of the Company is financing the purchase of consumer durables, vehicles and providing personal loans. The Company now proposes to undertake the activity of corporate insurance agent business to facilitate providing insurance to its customers in connection with the two wheeler and used car business. In order to enable the Company to commence the aforesaid business, it is proposed to amend the "Objects Incidental or Ancillary to the attainment of the Main Objects" under the "Objects Clause" of the Memorandum of Association of the Company by the inserting of sub-clause 5 after the existing sub-clause 4.

The Board at its meeting held on 31st May, 2019 has approved the said amendment subject to approval of Members in General Meeting.

Pursuant to provisions of Section 13 of the Companies Act, 2013, the above amendment in the Memorandum of Association would require approval of Members in General meeting subject to further approval of the Registrar of Companies, and any other Statutory or Regulatory Authority, as may be necessary.

None of the directors and / or their relative(s) are concerned or interested in the proposed resolution.

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ITEM NO. 11

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MoA") for companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the said Act, it is proposed to alter the MoA of the Company by merging the Objects under Clause III (C) – "Other Objects" with Clause III (B) – "Objects Incidental or Ancillary to the attainment of the Main Objects" and also to rename the Clause III (A) and III (B) of the Object Clause as prescribed under the provisions of the Companies Act, 2013.

The Board at its meeting held on 31st May, 2019 has approved above alteration of the MOA of the Company and the Board now seek Members approval for the same.

None of the directors and / or their relative(s) are concerned or interested in the proposed resolution.

ITEM NO. 12

As per the Company's business projections for the fiscal year 2019-20, we would require additional amount by way of borrowings from several banks for future growth plans and expansion programs being contemplated and undertaken by the Company during the next one year.

In terms of provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves.

The Board at its meeting held on 31st May, 2019 has recommended to borrow money to the extent of ₹ 3,850 million (Rupees Three Thousand Eight Hundred Fifty Million Only) in aggregate subject to approval of Members in General Meeting. It may be noted here that AEON Financial Services Co., Ltd. Japan, the holding company has already approved the same.

In view of the above and to cater to the working capital needs, the shareholders are requested to authorise Board of Directors to borrow further sum of money not exceeding ₹ 3,850 million (Rupees Three Thousand Eight Hundred Fifty Million Only) in aggregate. Hence the members are requested to accord their approval and authorise / empower the Board to borrow money from time to time.

Hence, this resolution is proposed as a special resolution for approval of the members.

None of the directors is concerned or interested in the resolution.

By order of the Board of Directors

PLACE: Mumbai
DATE: 28th June, 2019

Sanjaya Kumar Dash
Whole Time Director and
Company Secretary

Annexure

STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE-V OF THE COMPANIES ACT, 2013.

I. GENERAL INFORMATION :

(1) Nature of Industry

Financial Service Sector (Non-Deposit Taking NBFC)

(2) Date or expected date of commencement of commercial production

Not Applicable

(3) In case of new companies, expected date of commencement of activities as per project approved financial institution appearing in the prospectus

Not Applicable

(4) Financial Performance as at 31st March, 2019 (Audited) based on given indicators

a) Net Profit/(Loss):- ₹ (267,167,420)

b) Total Assets (INR):-

Financing Receivable	1,197,856,427
Allowance for Bad Debts	(57,940,782)
Cash & Cash equivalents	48,124,588
Other Assets	200,855,563
Total	1,388,895,796

c) Total Liabilities & Equities (INR):-

Total Liabilities	128,661,453
Shareholders' Fund	1,260,234,343
Total	1,388,895,796

(5) Foreign investment or collaboration if any

Foreign Direct Investment: - ₹ 2,500,000,000 (Share Capital)

II. INFORMATION ABOUT THE APPOINTEE :

A. Mr. Daisuke Maeda

(1) Background Details

Date of Birth:	7 th Nov. 1976
Qualification and Education Background	
Year	Particulars
1999	BA Degree in Mass Communication - Kansai University
Employment History (experience)	
Year	Particulars
1999 - 2000	Officer/ Tokyo Branch/ AEON Credit Service Co., Ltd.
2000 - 2002	Senior Officer / Kashiwa Branch/ AEON Credit Service Co., Ltd.
2002 - 2005	Chief / Osaka Branch/ AEON Credit Service Co., Ltd.
2005 - 2005	Chief / Overseas Business Development/ AEON Credit Service Co., Ltd.
2005 - 2006	Manager / Credit Control Section, AEON Thana Sinsap (Thailand) Plc.
2006 - 2007	Assistant Vice President/ Marketing Dept. AEON Thana Sinsap (Thailand) Plc.
2007 - 2008	Vice President/ Marketing Dept. AEON Thana Sinsap (Thailand) Plc.

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2008 - 2010	Senior Vice President/ Head of Marketing Dept. AEON Thana Sinsap (Thailand) Plc.
2010 - 2017	Chief Representative of Cambodia Representative office, ACS Capital Corporation Ltd.
2011 - 2017	
Nov May	Vice-Chairman of the Board and Managing Director, AEON Specialised Bank (Cambodia) Plc. (Former AEON Microfinance Cambodia)
2017 - Present	
May	Managing Director, AEON Credit Service India Pvt. Ltd.

- (2) Past Remuneration: - Please refer explanatory statement.
- (3) Recognition or Awards:- Mr. Daisuke Maeda has been well recognised by various corporates especially by AEON groups companies since the year 2002. Mr. Maeda, due to his excellent managerial ability, could reach at a position like Vice-Chairman of the Board and Managing Director, AEON Specialized Bank (Cambodia) Plc. (Former AEON Microfinance Cambodia) and Managing Director, AEON Credit Service India Pvt. Ltd.
- (4) Job Profile and his suitability:-
- Consumer Financing;
 - Sales & Marketing;
 - Credit Assessment;
 - Credit Management.
 - Other Operation Divisions in group financing companies.
- (5) Remuneration Proposed: - Please refer explanatory statement
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriate the relevant details would be with respect to the country of his origin)
The proposed remuneration of Mr. Daisuke Maeda, being an expatriate originating from Japan is comparatively reasonable with respect to industry, size of the company, profile of the position and person in the originating country Japan.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.
Mr. Daisuke Maeda does not have any pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

B. Mr. Tomo Sato

- (1) Background Details

Date of Birth:	26 th Sep. 1981
Qualification and Education Background	
Year	Particulars
2004	BA Degree in Economics - Shinshu University
Employment History (experience)	
Year	Particulars
2004 - 2004	Officer/ Mito Branch/ AEON Credit Service Co., Ltd.
2004 - 2006	Officer / Tsuchiura Branch/ AEON Credit Service Co., Ltd.
2006 - 2013	Chief / Corporate Planning Division/ AEON Credit Service Co., Ltd.
2013 - 2013	Chief / Corporate Planning Division/ AEON Financial Service Co., Ltd.
2013 - 2016	Manager / Control Division/ AEON Financial Service Co., Ltd.
2016 - May 2017	Director, Corporate Management Division/ PT. AEON Credit Service Indonesia

- (2) Past Remuneration: - Please refer the explanatory statement.
- (3) Recognition or Awards:- Mr. Tomo Sato has been well recognised by various corporates especially by AEON groups companies since the year 2004. Mr. Sato, due to his excellent managerial ability, could reach at a position like Director, Corporate Management Division/ PT. AEON Credit Service Indonesia and Whole Time Director, AEON Credit Service India Pvt. Ltd.
- (4) Job Profile and his suitability:-
- Consumer Financing;
 - Corporate Planning & strategy;
 - Accounts & Finance;
 - Other Operation Divisions in group financing companies.
- (5) Remuneration Proposed: - Please refer the Explanatory Statement.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriate the relevant details would be with respect to the country of his origin)
The proposed remuneration of Mr. Tomo Sato, being an expatriate originating from Japan is comparatively reasonable with respect to industry, size of the company, profile of the position and person in the originating country Japan.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.
Mr. Tomo Sato does not have any pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

C. Mr. Sanjaya Kumar Dash

- (1) Background Details

Date of Birth:	22 nd April, 1973
Qualification and Education Background	
Year	Particulars
1993	Bachelor of Commerce (B Com), Utkal University, Odisha, India
1998	Bachelor of Law (LLB) Utkal University, Odisha, India
2006	Member of the Institute of Company Secretaries of India, New Delhi .
2015	Master in Business Administration (MBA) in Finance from ICFAI , India.
Employment History (experience)	
Year	Particulars
2014 – Present	Whole Time Director & Company Secretary, AEON Credit Service India Pvt. Ltd. Mumbai.
2008 – 2014	Company Secretary & AVP Legal & Compliance, ASREC (India) Ltd., Mumbai.
2005 – 2008	Company Secretary & Compliance Officer, Cosmo Ferrites Ltd., Delhi.
2002 – 2005	Accountant & Secretarial Executive Atithi Voyages Pvt. Ltd., Delhi.

- (2) Past Remuneration: - Please refer explanatory statement.
- (3) Recognition or Awards:- Mr. Sanjaya Kumar Dash, being a multi qualified professional has been well recognised by various corporates in Banking and Finance sector in India. Due to his outstanding managerial ability, Mr. Dash who joined as a Manager in AEON Credit Service Private Limited (ACSI) could reach at a level of Executive Director on the Board of ACSI within a very short period of time. While pursuing Company Secretary course, Mr. Dash was awarded with the first prize for scoring the highest mark in Company Law in Bhubaneswar chapter of The Institute of Company Secretaries of India.

Statutory Report

Notice

- (4) Job Profile and his suitability:-
- Company Secretary.
 - Corporate Legal & Compliance
 - Risk Management
 - Customer Service
- (5) Remuneration Proposed: - Please refer explanatory statement
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriate the relevant details would be with respect to the country of his origin)
The proposed remuneration of Mr. Sanjaya Kumar Dash is comparatively reasonable with respect to industry, size of the company, profile of the position.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.
Mr. Sanjaya Kumar Dash does not have any pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

III. OTHER INFORMATION :

- (1) Reason of loss or inadequate profit: - Presently, income derived from financing business is being invested in men power, system development and other business setup, resulting thereby loss or inadequate profit.
- (2) Steps taken or proposed to be taken for improvement:- The Company's present business strategy of product diversification, strengthening internal controls, increase in operation efficiency and cost cutting in certain undesirable / unproductive areas would be resulting into improvement in business performance so that the present loss or inadequate profit can be minimised as earliest as possible.
- (3) Expected increase in productivity and profits in measurable terms:-
The Company's Management has a strategic planning to have the following expected increase in productivity and profits:-

(₹ '000)

Particulars	Mar. 2018	Mar. 2019
Turnover (Sales)		
(Productivity)	322,719,977	1,819,080,769
Net Profit	(270,759,243)	(267,167,420)

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **AEON CREDIT SERVICE INDIA PRIVATE LIMITED**

Regd. office: **Unit No. TF-A-01, A-Wing, 3rd Floor, Art Guild House, Phoenix Marketcity, LBS Marg, Kurla (West), Mumbai- 400070**

CIN: **U65929MH2011FTC214516**

Name of the Member(s):

Name of the Corporate Authorised Representative:

Registered Address:

Email ID:

Folio:

I/We, being the member (s) holding shares of the above named company, hereby appoint

1. Name

Address:

E-mail Id:

Signature:or failing him

2. Name

Address:

E-mail Id:

Signature:or failing him

3. Name

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Friday, 28h June, 2019 at 11.30 A.M. at the registered office of the Company and at any adjournment thereof in respect all resolutions specified in the Notice.

Signed this..... day of..... (Date, Month, and Year)

.....

Signature of shareholder (Authorised Representative)

.....

Signature of Proxy holder(s)

Affix a
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

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Directors' Report

To,
The Members of
AEON CREDIT SERVICE INDIA PRIVATE LIMITED

The Directors take pleasure in presenting the Eighth Annual Report of your Company together with Audited Financial Statements for the year ended March 31, 2019. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2018-19 are governed by the relevant provisions, schedules, rules of the Companies Act, 2013.

FINANCIAL PERFORMANCE SUMMARY

Particulars	Year ended 31 st March, 2019 (from 1 st Apr. 2018 to 31 st Mar. 2019) (In ₹)	Year ended 31 st March, 2018 (from 1 st Apr. 2017 to 31 st Mar. 2018) (In ₹)
Gross Income	266,828,523	150,117,624
Expenditure	504,805,814	397,835,659
Profit / (Loss) Before Depreciation & Tax	(237,977,291)	(247,718,035)
Less: Depreciation	29,190,128	23,041,208
Less: Provision for Taxation (Including Deferred Tax and Fringe Benefit Tax)	NIL	NIL
Less: Provision for proposed dividend (Including Dividend Tax)	NIL	NIL
Net Profit / (Loss) After Tax	(267,167,420)	(270,759,243)
Balance carried to Balance Sheet	(267,167,420)	(270,759,243)

OPERATIONS & PERFORMANCE:

As at March 2019, the Company recorded a total sales of ₹ 1,819 million and a revenue of ₹ 267 million with 464% and 78% growth respectively against the same period last year. During the year, the overall sales volume was considerably increased due to development of our Mobile App "AEON FAST", which is an instant judgement App with very high reduction in loan processing time and promoting digitisation. Also, such higher sales volume was contributed by product diversification like Personal Loan and Two-Wheeler Finance apart from mobile phone and consumer durable loan. At the same time, the Company could successfully established three of its branches at Thane, Kurla and Virar areas within Mumbai region to generate more sales and to have better sales support. As a result, company's revenue was increased to the extent of 78%. On the other hand, keeping in view of future expansion, the Company invested a sizeable amount in organising management team, system and infrastructure development, automation of credit assessment process etc. As a result the company recorded net loss amounting to ₹ 267 million as against ₹ 271 million in previous year.

At the initial period of the financial year, Company's NPL ratio was good and under control. But with the launch of AEON FAST in second quarter, the sales volume was drastically increased due to liberal credit criteria along with certain fraud applications. As a result, the NPL ratio was further worsen during the last quarter. During the

year, Supreme Court came up with E-KYC restriction for private finance company, due to which we were restraint to implement the same. However, due to periodic review of our credit policy with certain brush up of credit criterion, we could able to maintain our average NPL ratio for the year at 4.9% as against the overall industry ratio of 5.8%.

During the year under review, the Company's operational performance was quite encouraging. In the 1st quarter, the Company could develop 56 two-wheeler merchants within a period of three months and achieved sales of ₹ 22 Million in two-wheeler segment only, which was 293% of company's initial business plan. The Company also introduced customer feedback system (LITMUS) to get their feedback for better customer service. In 2nd quarter, the Company's long awaited Mobile App, AEON FAST was launched in July, 2018 for speed and seamless loan processing. As a result of which sales volume was increased significantly by six times and merchant active ratio was improved from 30% to 55%. In 3rd quarter, the Company opened its first branch at Kurla with much advanced design to launch personal loan for the new customers. Also, the Company revamped its new website with many comprehensive information for the benefit of various stakeholders and to gain better brand image in the market. In 4th quarter, the Company changed its credit approval criteria in order to minimise the fraud applications and to improve collection results, which had positive impact in these two areas. Apart from these, the Company

could open its back office at Virar for better sales support, since major portion of sales is generated from this area.

As part of our management objectives, we continued to focus on strengthening credit policies, credit management and back-end operations to improve efficiency towards realising profitability.

During the year, the Company could strengthen its organisation by recruiting higher management staff to have better internal control over its enhanced operation. The Company managed to improve staff productivity and management control with further investment on IT system and able to strengthen its corporate governance with strong independent functions of internal audit and compliance & risk departments.

FUTURE OUTLOOK AND BUSINESS PLANS:

Non-banking Financial Companies in the Indian economy is on rising path as they target those left traditionally out by the banks. These companies are tech-driven and may achieve 19% of credit market by 2020. NBFC is hence the critically important component of the financial system of Indian economy. For a country like India which is diverse and vast, the financial sector is the fuel of the economy, and NBFCs are crucial links of the economy delivering a different set of services such as lending, Investment banking and capital market operations.

Since there is immense business potential in Indian financial market, AEON Credit Service India (ACS India) is strategising its business models by expanding its product lines further to Used Car Finance and insurance Sector in 2019 in order to increase its market share. To have a long run business sustainability and to cope up with very strong competition in financial market in India, ACS India is now concentrating on digitisation, process automation, replacing its existing core system with a very systematic and robust one to become a full-fledged FINTECH Company. At the same time, ACS India is focusing on product diversification, Pan-India expansion, business tie-up/alliance with bigger E-com companies, manufacturer and country-wide merchants in order to gain sizeable market share in terms of better sales turnover, profitability and brand image.

According to the three years Middle Term Plan (2018-20), ACS India has formulated its significant business plan for 2019 by focusing on completion of Business Network in Mumbai, completion of Digital Platform & Entering into E-Commerce, Shifting business portfolio to Two Wheeler & Used Car Hire Purchase, Establishment of Organisation for Expansion in major cities and completion of product line-up/alliance with Major market players. In order to give a further boost to sales and marketing, ACS India will focus on improvement in work efficiency by Sales Support System for marketing staff. The Company has multiple business and strategic plans in its pipeline to be implemented in near future such as complete

transformation into a FINTECH based lending company for providing financial service to its customers at every stage of their life by creating a complete Eco System, implementing loyalty program to our valued customers and automation of credit assessment process to the extent of at least 80% auto approval through artificial intelligence (AI). ACS India will be emphasising on improvement in its operations, overall productivity and best customer service in order to become a customer centric organisation.

DIVIDEND:

Your Directors do not recommend payment of dividend for the Financial Year under review, due to lack of availability of profits.

DEPOSITS:

During the year under review, your Company has neither invited nor accepted / renewed any Deposits from public within the meaning of the section 73 of the Companies Act, 2013 and the rules issued by Reserve Bank of India.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT:

There are no such material changes and commitments affecting financial positions of the Company between the end of Financial Year and the date of the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

(A) Conservation of Energy & Technology Absorption:

Since the Company is not engaged in manufacturing activities, the particulars pursuant to Company (Accounts) Rules, 2014 are not applicable to the Company for the year under reference.

(B) Foreign Exchange Earnings & Outgo:

Particulars	Year ended 31.03.2019 (from 1 st Apr. 2018 to 31 st Mar. 2019) (Amount in ₹)	Year ended 31.03.2018 (from 1 st Apr. 2017 to 31 st Mar. 2018) (Amount in ₹)
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign Exchange	49,399,651	54,219,996

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Directors' Report

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES IN PURSUANCE TO SECTION 188 OF THE COMPANIES ACT, 2013:

Statement containing particulars of contracts or arrangements with the related parties in pursuance to the provision of section 188 is attached to the Directors' Report in the prescribed format AOC-2 as Annexure-I.

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT IN PURSUANCE TO SECTION 186 OF THE COMPANIES ACT, 2013:

The company has not given any loan, guarantee and made any investment in pursuance to the section 186 of the Companies Act, 2013 during the period under review.

BOARD OF DIRECTORS:

The Board of Directors along with its three Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of eight Directors consisting of four Executive Directors and four Non-Executive Directors.

MEETING OF BOARD OF DIRECTORS:

The Board of Directors have met twelve times during the financial year under review on 30th April, 2018, 31st May, 2018, 29th June, 2018, 31st July, 2018, 29th August, 2018, 28th September, 2018, 31st October, 2018, 30th November, 2018, 27th December, 2018, 31st January, 2019, 28th February, 2019 & 29th March, 2019.

AUDIT COMMITTEE:

The Audit Committee currently comprises of four Non-Executive Directors. The Audit Committee have met four times during the financial year under review on 31st May, 2018, 31st July, 2018, 31st October, 2018 and 31st January, 2019.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee currently comprises of six Directors consisting of four Executive Directors and two Non-Executive Directors. The Risk Management Committee have met four times during the financial year under review on 30th April, 2018, 29th August, 2018, 30th November, 2018 and 28th February, 2019.

REMUNERATION & NOMINATION COMMITTEE:

The Remuneration & Nomination Committee currently comprises of four Non-Executive Directors. The Remuneration & Nomination Committee have met one time during the financial year under review i.e on 29th June, 2018.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors affirm that:

- (i) In the preparation of the Annual Accounts of the Company, the applicable Accounting Standards had been followed along with the material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2019 and Profit/Loss for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the Annual Accounts on a going concern basis;
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITOR'S REPORT:

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting. The Company has sought their willingness to act as Statutory Auditors of the Company for the next financial year subject to their conformity with the provisions of Sections 138-141 of the Companies Act, 2013. After receipt of their consent and conformity, M/s. Deloitte Haskins & Sells, Chartered Accountants will be appointed as Statutory Auditors of the Company for the next financial Year with the approval of members in the Annual General Meeting.

The observations made by the Auditors in their Report read with relevant Notes given in the Notes to Accounts are self-explanatory and therefore do not require any comments from your Directors pursuant to the Section 134 of Companies Act, 2013.

TRANSFER TO RESERVE:

No amount was transferred to the reserves during the financial year ended 31st March, 2019.

RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

ANNUAL RETURN:

The extract of the Annual Return for the financial year ended 31st March, 2019 is attached with the Directors Report in the prescribed format MGT-9 as Annexure II. The Company is having website i.e. www.aeoncredit.co.in and the annual return of Company will be published on such website.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

COST RECORD:

The provision of Cost audit as per section 148 of the Companies Act, 2013 is not applicable on the Company.

CONSTITUTION OF COMMITTEE ON SEXUAL HARASSMENT AT WORKPLACE:

The Company has constituted committee under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the company has complied with the provisions of the same.

ACKNOWLEDGEMENT:

Your Directors greatly value the support and co-operation received during the period under review from the Bankers, Statutory Authorities, Auditors and employees of the company at all level.

For and on behalf of the Board

PLACE: Mumbai
DATE: 31st May, 2019

DAISUKE MAEDA
MANAGING DIRECTOR

Statutory Report

Annexure-I

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Details of contracts or arrangements or transactions not at arm's length basis:

NOT APPLICABLE

Details of contracts or arrangements or transactions at arm's length basis:

NOT APPLICABLE

For and on behalf of the Board

PLACE: Mumbai
DATE: 31st May, 2019

DAISUKE MAEDA
MANAGING DIRECTOR

Statutory Report

Annexure-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN:- U65929MH2011FTC214516
- (ii) Registration Date :- 09/03/2011
- (iii) Name of the Company:- AEON CREDIT SERVICE INDIA PRIVATE LIMITED.
- (iv) Category/Sub-Category of the Company:- Company Limited by Share (Subsidiary of Foreign Company)
- (v) Address of the Registered office and contact details:-
Unit No. TF-A-01, A-Wing, 3rd Floor, Art Guild House, Phoenix Marketcity,
LBS Marg, Kurla (West), Mumbai- 400070.
Tel: +91 22 6266 4800, Fax: +91 22 6266 4999
- (vi) Whether listed company:- No
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, :-

Satellite Corporate Services Private Limited

Address: Unit. No 49, Building No. 13 AB,
2nd Floor, Samhita Commercial Co-Op Society Ltd,
Off Andheri Kurla Rd, MTNL Lane,
Sakinaka, Mumbai-400072.
Phone Nos: 022-28520461/462
Email Id: service@satellitecorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name And Description of main Product/Services	NIC code of the product/ service	% to total turnover of the company
1.	Financing of consumer durable goods	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN/REGN. No.	HOLDING / SUBIDIARY / ASSOCIATE	% OF SHARE HELD	APPLICABLE SECTION
1.	AEON FINANCIAL SERVICE CO., LTD. ADDRESS: 1-1, Kandanishiki-Cho, Chiyoda-ku, Tokyo, Japan	0100-01-010887	Holding Company	92.72	Section 2(46) of Companies Act, 2013
2.	AEON Credit Service(M) Berhad ADDRESS: Level 18, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, 59200 Kuala Lumpur, Malaysia	412767-V	Associate Company	7.28	Section 2(6) of Companies Act, 2013

Statutory Report

Annexure-II

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total –(A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	18,200,000	18,200,000	7.28	-	18,200,000	18,200,000	7.28	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total –(A) (2)	-	18,200,000	18,200,000	7.28	-	18,200,000	18,200,000	7.28	-
Total Shareholding of Promoter(A)=(A)(1) + (A) (2)	-	18,200,000	18,200,000	7.28	-	18,200,000	18,200,000	7.28	-
B. Public Shareholding									
1. Institution									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total –(B) (1)	-	-	-	-	-	-	-	-	-

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total share	Demat	Physical	Total	% of shares	
2.	Non-Institution									
a)	Bodies Corporate									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	231,800,000	231,800,000	92.72	-	231,800,000	231,800,000	92.72	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹. 1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹.1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total –(B) (2)	-	231,800,000	231,800,000	92.72	-	231,800,000	231,800,000	92.72	-
	Total Public Shareholding(B) = (B)(1) + (B)(2)	-	231,800,000	231,800,000	92.72	-	231,800,000	231,800,000	92.72	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		-	250,000,000	250,000,000	100	-	250,000,000	250,000,000	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	AEON Credit Service(M) Berhad	18,200,000	7.28	-	18,200,000	7.28	-	-
3	Total	18,200,000	7.28	-	18,200,000	7.28	-	-

(iii) Changes in Promoters' Shareholding(Please specify if there is no change):- There is no Changes in Promoters' Shareholding

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholding at the beginning of the year	Cumulative shareholding during the year
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Statutory Report

Annexure-II

1	AEON Financial Service Co., Ltd., Japan	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	231,800,000	92.72	231,800,000	92.72
	Increase or decrease in shareholding during the year specifying the reason for increase or decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)				
	At the end of the year	231,800,000	92.72	231,800,000	92.72

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
2	AEON Credit Service(M) Berhad	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	18,200,000	7.28	18,200,000	7.28
	Increase or decrease in promoter's shareholding during the year specifying the reason for increase or decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	18,200,000	7.28	18,200,000	7.28

(v) Shareholding of Directors and Key Managerial personnel :

There is no shareholding of Director and Key Managerial Personnel during the reporting period.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured loans (₹.)	Deposits	Total Indebtedness (₹.)
Indebtedness at the beginning of the Financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER

Sl. No	Particulars of Remuneration	Mr. Daisuke Maeda Managing Director (₹)	Mr. Masaki Watanabe, Whole Time Director (₹)	Mr. Tomo Sato Whole Time Director (₹)	Mr. Sanjaya Kumar Dash, Whole Time Director (₹) (1.11.2018 – 31.03.2019)	Total Amount (₹)
1	Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	13,904,907	6,672,633	5,918,491	1,381,250	27,877,281
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	7,218,444	2,912,218	2,570,779	250,000	12,951,441
(c)	Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
-	As % of profit	-	-	-	-	-
-	Other, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total(A)(1)	21,123,351	9,584,851	8,489,270	1,631,250	40,828,722
	Ceiling as per the Act	-	-	-	-	-

B. REMUNERATION TO OTHER DIRECTORS:- Not Applicable

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:- Not Applicable

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:- Not applicable

For and on behalf of the Board

PLACE: Mumbai

DATE: 31st May, 2019

DAISUKE MAEDA
MANAGING DIRECTOR

Independent Auditor's Report

To The Members of
AEON Credit Service India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AEON Credit Service India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the Cash Flow Statement, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

Independent Auditor's Report

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a

reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration referred to in the Other Matters section above we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

Financial Statement

Independent Auditor's Report

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No.117365W)

Rupen K. Bhatt

(Partner)
(Membership No. 046930)

PLACE: Mumbai

DATE: 31st May, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of AEON Credit Service India Private Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm’s Registration No.117365W)

Rupen K. Bhatt
(Partner)

PLACE: Mumbai
DATE: 31st May, 2019

(Membership No. 046930)

Financial Statement

Annexure “B” to the Independent Auditor’s

Report of AEON Credit Service India Private Limited

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Companies (Auditor’s Report) Order, 2016 (“CARO 2016”) is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company did not have any unclaimed deposit.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except the following:

Name of Statute	Nature of Dues	Amount (₹)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Employees’ State Insurance Act, 1948	Employees’ State Insurance	538		Prior to April 2018	Not paid till date
Employees’ Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	302	March, 2018	April 15, 2018	Not paid till date
		2,136	June, 2018	July 15, 2018	Not paid till date
		2,461	July, 2018	August 14, 2018	Not paid till date
		3,537	August, 2018	September 15, 2018	Not paid till date

- (c) There are no dues of Income-tax and Goods and Services tax as on March 31, 2019 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause
- (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

Annexure “B” to the Independent Auditor’s Report of Aeon Credit Service India Private Limited

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) The Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm’s Registration No.117365W)

Rupen K. Bhatt

(Partner)
(Membership No. 046930)

PLACE: Mumbai
DATE: 31st May, 2019

Financial Statement

Balance Sheet

as at March 31, 2019

Amount in ₹

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,500,000,000	2,500,000,000
Reserves and surplus	4	(1,239,765,657)	(972,598,237)
		1,260,234,343	1,527,401,763
Non-current liabilities			
Long-term provisions	5	9,037,797	6,905,179
Deferred tax liability (net)	30	-	-
Current liabilities			
Short-term borrowings	6	-	-
Trade payables	7	-	-
(i) Total outstanding dues of Micro and Small Enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises		71,027,287	29,401,981
Other current liabilities	8	44,752,870	30,542,599
Short-term provisions	9	3,843,499	1,147,216
		119,623,656	61,091,796
TOTAL		1,388,895,796	1,595,398,738
ASSETS			
Non-current assets			
Fixed Assets			
Property, plant and equipment	10a	59,122,952	51,042,813
Intangible assets	10a	38,085,285	24,450,816
Capital work-in-progress		16,222,599	7,016,166
Long-term loans and advances	11	51,813,693	25,799,262
Receivables under financing activity-Non current	12a	327,187,234	18,415,171
		492,431,763	126,724,228
Current assets			
Receivables under financing activity-Current	12b	812,728,411	221,159,640
Cash and cash equivalents	13	48,124,588	1,222,013,174
Short-term loans and advances	14	10,457,325	8,669,070
Other current assets	15	25,153,709	16,832,626
		896,464,033	1,468,674,510
TOTAL		1,388,895,796	1,595,398,738

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner

PLACE: Mumbai
DATE: 31st May, 2019

For AEON Credit Service India Private Limited

Daisuke Maeda
Managing Director
(DIN: 07854743)

Tomo Sato
Director
(DIN: 07854754)

Sanjaya Kumar Dash
Company Secretary
(M.No.F7043)

PLACE: Mumbai
DATE: 31st May, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

Amount in ₹

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	16	204,351,656	112,241,771
Other income	17	62,476,867	37,875,853
Total Revenue		266,828,523	150,117,624
Expenses:			
Employee benefits expense	18	223,918,537	185,427,562
Finance costs	19	856,806	19,279,150
Depreciation/Amortisation expense	10b	29,190,128	23,041,208
Other expenses	20	280,030,472	193,128,947
Total Expenses		533,995,943	420,876,867
Loss before tax		(267,167,420)	(270,759,243)
Less: Tax expense			
(a) Current tax expense		-	-
(b) Deferred tax	30	-	-
Loss after tax		(267,167,420)	(270,759,243)
Earnings per share (Face value of shares ₹ 10 each)	29		
(a) Basic		(1.07)	(2.20)
(b) Diluted		(1.07)	(2.20)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner

PLACE: Mumbai
DATE: 31st May, 2019

For AEON Credit Service India Private Limited

Daisuke Maeda
Managing Director
(DIN: 07854743)

Sanjaya Kumar Dash
Company Secretary
(M.No.F7043)

PLACE: Mumbai
DATE: 31st May, 2019

Tomo Sato
Director
(DIN: 07854754)

Financial Statement

Cash Flow Statement

for the year ended March 31, 2019

Amount in ₹

Particulars	For the year ended March, 2019	For the year ended March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax	(267,167,420)	(270,759,243)
Adjustment for:		
Depreciation and amortisation expense	29,190,128	23,041,208
Interest from banks on deposits	(35,912,034)	(16,224,505)
Interest income from financing activity	(186,450,050)	(104,766,946)
Interest on borrowings	-	17,843,376
Loss on sale of Property, plant and equipment	6,042	1,037,521
Provision for retirement benefits	2,532,259	477,576
Provision for doubtful receivables under financing activity	46,604,255	(66,404,406)
Contingent provision against standard assets	2,296,642	(1,562,901)
(Gain) / Loss on foreign exchange translation (net)	(23,257)	16,257
	(141,756,015)	146,542,819
Operating Loss before Working Capital changes	(408,923,435)	(417,302,063)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Receivables under financing activity -Non current	(312,454,642)	21,227,548
Receivables under financing activity -Current	(634,490,447)	403,784,671
Long-term loans and advances	(22,751,254)	(10,052,900)
Other current assets	892,384	(892,384)
Short-term loans and advances	(1,788,255)	(1,274,642)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	41,625,306	(816,538)
Other current liabilities	690,718	5,627,828
Cash (used in) / generated from operations after working capital changes and before adjustments for interest received and interest paid	(1,337,199,625)	301,520
Interest received	168,141,563	122,334,465
Interest paid	-	(17,843,376)
Cash (used in) / generated from operations	(1,169,058,062)	104,792,609
Income-tax paid (taxes deducted at source) (net)	(3,433,015)	(699,738)
NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES (A)	(1,172,491,077)	104,092,872
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest from banks on deposits	45,007,054	6,997,347
Purchase of Property, plant and equipment including capital advance	(46,404,563)	(39,000,547)
Proceeds from deposits not considered as cash and cash equivalents	400,000,000	-
Sale of property, plant and equipment	-	11,845
Bank balance not considered as cash and cash equivalents - Placed	(500,000)	(400,000,000)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	398,102,491	(431,991,355)

Cash Flow Statement for the year ended March 31, 2019

Amount in ₹

Particulars	For the year ended March, 2019	For the year ended March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from unsecured working capital demand loan	-	(445,100,000)
Proceeds from issue of share capital	-	1,590,000,000
NET CASH FROM FINANCING ACTIVITIES (C)	-	1,144,900,000
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(774,388,586)	817,001,516
Cash and cash equivalents at the beginning of the year	822,013,174	5,011,658
Cash and cash equivalents at the end of the year	47,624,588	822,013,174
Cash in hand	-	-
Balance with banks:		
In current accounts	7,624,588	4,513,174
In other deposit accounts	40,500,000	1,217,500,000
Cash and cash equivalents as at the end of the year	48,124,588	1,222,013,174
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer note 13)	48,124,588	1,222,013,174
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
In other deposit accounts		
- original maturity more than 3 months	500,000	400,000,000
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	47,624,588	822,013,174

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner

PLACE: Mumbai
DATE: 31st May, 2019

For AEON Credit Service India Private Limited

Daisuke Maeda
Managing Director
(DIN: 07854743)

Sanjaya Kumar Dash
Company Secretary
(M.No.F7043)

PLACE: Mumbai
DATE: 31st May, 2019

Tomo Sato
Director
(DIN: 07854754)

Financial Statement

Notes

Forming part of the Financial Statements

1. Background of the Company

AEON Credit Service India Private Limited (the "Company") was incorporated on March 9, 2011. The Company has obtained a license from the Reserve Bank of India to carry out Non-Banking Financial activities with effect from February 4, 2013. The Company is in the business of financing the purchase of consumer durables, two-wheelers and granting of personal loans.

2. Significant Accounting Policies

a) Basis for preparation of accounts

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"). Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting year. Examples of such accounting estimates include employee benefits, assessment of income taxes and useful lives of fixed assets. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

c) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/

amortisation. Cost comprises the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

d) Intangible assets

Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition for its intended use, less accumulated amortisation and impairment

e) Impairment of Property, plant and equipment

At each Balance Sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. An impairment loss is recognised in the Statement of Profit and Loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of asset and from its ultimate disposal are discounted to the present value using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

f) Depreciation/Amortisation

Depreciation/amortisation is provided using the Straight Line Method (SLM) at the following useful life which are higher than or equal to the useful lives specified in Schedule II to the Companies Act, 2013:

Assets	Useful Life in years
Furniture and fixtures	5
Office equipment	5
Computers	2
Server (included in Computers)	2
Computer software	5

Leasehold improvements are amortised over the unexpired period of lease.

Notes

Forming part of the Financial Statements

g) Revenue Recognition

Income from loan transactions is accounted for by allocating finance income on a systematic basis over the tenure of the loan. No income is recognised on non-performing assets as per the prudential norms for income recognition by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs). Interest income on such assets is recognised on receipt basis.

Upfront processing fees collected from the customer for processing loans are primarily towards documentation charges. This is accounted as income when the amount becomes due provided the recovery thereof is not uncertain.

Penalty recovered for banking instruments dishonoured are recognised on receipt basis

Interest income on fixed deposit is accounted for on accrual basis.

h) Receivables under financing activity

- i. Receivables under financing activity represent principal and matured finance charges outstanding at the close of the year net of amount provided.
- ii. The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets as considered necessary. The Company provides for entire receivables, where the installments are overdue for a period exceeding 3 months. The Company ensures that the said provisions are not lower than the provisions stipulated by the Reserve Bank of India (the "RBI").
- iii. A general provision is also made by the Company on the standard assets and disclosed under "Short terms provisions" in Note 9 in the financial statements as required by the RBI.

i) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of lease or, if lower, at the

present value of the minimum lease payments as determined at the inception of lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in the Statement of Profit and Loss.

Lease rentals under operating lease are recognised in the Statement of Profit and Loss on a straight line basis.

j) Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rate of exchange prevailing as at the date of the Balance Sheet. Gains or losses arising on account of difference in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are measured in terms of historical cost using the exchange rate at the date of the transaction and are not retranslated.

k) Taxation

Tax expense/credit comprises of current tax and deferred tax.

Current tax:

Current tax expenses are determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax:

Deferred tax assets and liabilities are measured using the tax rates which have been enacted or substantively enacted at the Balance Sheet date. Deferred tax expenses or benefit is recognised, subject to consideration of prudence, on timing differences being the difference between the taxable incomes and accounting income that originated in one year and are capable of reversing in one or more subsequent years.

Deferred tax assets are recognised for all deductible timing differences and are carried forward to the extent there is reasonable certainty that sufficient taxable profit will be available to realise these assets.

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In the event of unabsorbed depreciation and carry forward losses, deferred tax asset is recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available to realise these assets.

l) Employee Benefits

i. Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation

ii. Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently 12% of employee's salary). The contributions as specified under the law are paid to respective Regional Provident Fund.

iii. Compensated absences:

The Company's liabilities towards compensated absences are determined by an independent actuary as at the end of the reporting year, using the projected unit credit method.

m) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as a part of the cost of that asset. Other borrowing costs are recognised as expense in the year in which they are incurred.

n) Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are

determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

o) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p) Cash flow statement

Cash flows are reported using the "indirect method", set out in the Accounting Standard 3 "Cash Flow Statements" and presents the cash flow by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

q) Earnings per share

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes

Forming part of the Financial Statements

Note 3: Share capital

Amount in ₹

Particulars	As at March 31, 2019	As at March 31, 2018
A Authorised:		
250,000,000 (2018: 250,000,000) Equity Shares of ₹ 10 each with voting rights	2,500,000,000	2,500,000,000
B Issued, subscribed and fully paid-up		
250,000,000 (2018: 250,000,000) Equity Shares of ₹ 10 each with voting rights	2,500,000,000	2,500,000,000

Notes:

Note 3.1: Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity Shares with voting rights -Issued, subscribed and fully paid-up			
Year ended March 31, 2019			
Number of shares	250,000,000	-	250,000,000
Amount in ₹	2,500,000,000	-	2,500,000,000
Year ended March 31, 2018			
Number of shares	91,000,000	159,000,000	250,000,000
Amount in ₹	910,000,000	1,590,000,000	2,500,000,000

Note 3.2: Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
AEON Financial Service Co., Ltd. Japan, the holding company	231,800,000	93%	231,800,000	93%
Held by AEON Credit Service (M) Berhad, a subsidiary of the holding company	18,200,000	7%	18,200,000	7%

Note 3.3: Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
AEON Financial Service Co., Ltd. Japan	231,800,000	93%	231,800,000	93%
AEON Credit Service (M) Berhad	18,200,000	7%	18,200,000	7%

Note 3.4: Rights, preferences and restrictions attached to equity shares:

The Company has single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

Financial Statement

Notes

Forming part of the Financial Statements

Note 4: Reserves and surplus

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Opening balance of Statement of Profit and Loss	(972,598,237)	(701,838,994)
Add: Loss for the year	(267,167,420)	(270,759,243)
Closing balance	(1,239,765,657)	(972,598,237)

Note 5: Long-term provisions

Amount in ₹

Provision for employee benefits	As at March 31, 2019	As at March 31, 2018
Gratuity	4,879,964	4,035,700
Compensated absences	4,157,833	2,869,479
Total	9,037,797	6,905,179

Note 6: Short-term borrowings

Unsecured Working Capital demand loan from Bank	-	-
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Note 7: Trade payables

Others- Total outstanding dues of creditors other than micro and small enterprises (Refer Note 21 and Note 27)

	71,027,287	29,401,981
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Note 8: Other current liabilities

Amount in ₹

Other payables	As at March 31, 2019	As at March 31, 2018
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, etc.)	7,439,228	5,538,254
Income received in Advance	209,150	330,811
Refund payable to customers	9,575,168	8,618,616
Unallocated credit from customers	9,885,198	9,652,896
Payable for property, plant and equipment (Refer Note 27)	16,042,810	2,500,000
AEON Financial Service Co., Ltd. Japan (Refer Note 27)	50,220	-
AEON Credit Service Co., Ltd. Japan (Refer Note 27)	1,551,096	3,902,022
Total	44,752,870	30,542,599

Note 9: Short-term provisions

Amount in ₹

Provision for employee benefits	As at March 31, 2019	As at March 31, 2018
Gratuity	226,726	132,555
Compensated absences	704,411	398,941
Contingent provision against standard assets (Refer Note 2(h)(iii))	2,912,362	615,720
Total	3,843,499	1,147,216

Notes

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Note 10 a: Fixed assets

Particulars	Gross Block				Accumulated Depreciation / Amortisation			Net Block	
	As at March 31, 2018	Additions during the year	Deductions and adjustments	As at March 31, 2019	As at March 31, 2018	For the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment									
Furniture and fixtures	4,783,855	3,281,285	-	8,065,140	1,142,695	1,105,247	-	2,247,942	5,817,198
	(3,175,740)	(4,901,676)	(3,293,561)	(4,783,855)	(1,660,204)	(1,742,189)	(2,259,698)	(1,142,695)	(3,641,160)
Office equipment	4,986,682	3,006,903	-	7,993,585	2,903,653	1,117,594	-	4,021,247	3,972,338
	(4,981,707)	(71,944)	(66,969)	(4,986,682)	(2,076,082)	(879,037)	(51,466)	(2,903,653)	(2,083,029)
Leasehold improvements	22,786,852	14,849,158	-	37,636,010	23,229	7,266,941	-	7,290,170	30,345,840
	(7,729,821)	(22,786,852)	(7,729,821)	(22,786,852)	(7,729,815)	(23,235)	(7,729,821)	(23,229)	(22,763,623)
Computers	66,724,588	5,973,774	-	72,698,362	44,169,587	9,541,199	-	53,710,786	18,987,576
	(65,689,944)	(1,034,644)	(-)	(66,724,588)	(30,345,090)	(13,824,497)	(-)	(44,169,587)	(22,555,001)
Total (A)	99,281,977	27,111,120	-	126,393,097	48,239,164	19,030,981	-	67,270,145	59,122,952
Previous Year	(81,577,212)	(28,795,116)	(11,090,351)	(99,281,977)	(41,811,191)	(16,468,958)	(10,040,985)	(48,239,164)	(51,042,813)
Intangible Assets*:									
Computer software	34,988,920	23,799,658	10,070	58,778,508	10,538,104	10,159,147	4,028	20,693,223	38,085,285
	(23,002,424)	(11,986,496)	(-)	(34,988,920)	(3,965,854)	(6,572,250)	(-)	(10,538,104)	(24,450,816)
Total (B)	34,988,920	23,799,658	10,070	58,778,508	10,538,104	10,159,147	4,028	20,693,223	38,085,285
Previous Year	(23,002,424)	(11,986,496)	(-)	(34,988,920)	(3,965,854)	(6,572,250)	(-)	(10,538,104)	(24,450,816)
Total (A+B)	134,270,897	50,910,778	10,070	185,171,605	58,777,268	29,190,128	4,028	87,963,368	97,208,237
Previous Year	(104,579,636)	(40,781,612)	(11,090,351)	(134,270,897)	(45,777,045)	(23,041,208)	(10,040,985)	(58,777,268)	(75,493,629)

The figures in bracket are the corresponding figures for the previous year.

*There are no internally generated intangible assets.

Note: The Accounting Standard (AS) 10 'Property, plant and equipment' amended by the Central Government, had become applicable to the company from April 1, 2016.

In accordance with the transitional provisions prescribed in the said AS, the Company had adopted the cost model as its accounting policy.

Note 10: Fixed assets (contd.)

b. Depreciation and amortisation expense

	Amount in ₹	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, plant and equipment as per Note 10a	19,030,981	16,468,958
Amortisation on intangible assets as per Note 10a	10,159,147	6,572,250
Total	29,190,128	23,041,208

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Note 11: Long-term loans and advances (Unsecured, considered good)

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Capital Advance	1,268,527	1,438,365
Security deposit	18,725,451	10,399,872
Prepaid expenses	450,846	119,640
Advance Income-tax (Tax deducted at source) (Refer Note 24)	5,204,239	1,771,224
Balances with government authorities:		
Goods and Services Tax Credit Receivable	26,164,630	12,070,161
Total	51,813,693	25,799,262

Note 12 (a): Receivables under financing activity- Non current

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	-
Unsecured, considered doubtful	88,500	-
	88,500	-
Less: Provision for doubtful receivables under financing activity	88,500	-
	-	-
Others		
Unsecured, considered good	327,187,234	18,415,171
Unsecured, considered doubtful	3,594,079	-
	330,781,313	18,415,171
Less: Provision for doubtful receivables under financing activity	3,594,079	-
	327,187,234	18,415,171
Total	327,187,234	18,415,171

Note 12 (b): Receivables under financing activity- Current

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	-
Unsecured, considered doubtful	4,794,992	987,865
	4,794,992	987,865
Less: Provision for doubtful receivables under financing activity	4,794,992	987,865
Others		
Unsecured, considered good	812,728,411	221,159,640
Unsecured, considered doubtful	49,463,211	10,348,662
	862,191,622	231,508,302
Less: Provision for doubtful receivables under financing activity	49,463,211	10,348,662
	812,728,411	221,159,640
Total	812,728,411	221,159,640

Notes

Forming part of the Financial Statements

Note 13: Cash and cash equivalents

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Cash in hand	-	-
Balances with banks: (Refer note below)		
In current accounts	7,624,588	4,513,174
In other deposit accounts	40,500,000	1,217,500,000
Total	48,124,588	1,222,013,174

Note:

Of the above, the balances that do not meet the definition of Cash and cash equivalents as per Accounting Standard ("AS") 3 Cash Flow Statements is Balances with banks- other deposits accounts aggregating ₹ 500,000 (Previous year; ₹ 400,000,000)

Note 14: Short-term loans and advances

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless otherwise specified)		
Security deposits		
Unsecured, considered good	2,606,833	2,803,965
Unsecured, considered doubtful	-	2,158,000
	2,606,833	4,961,965
Less: Provision for doubtful security deposit	-	2,158,000
	2,606,833	2,803,965
Prepaid expenses	7,499,582	5,864,320
Advance to merchant and employees	350,910	785
Total	10,457,325	8,669,070

Note 15: Other current assets

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Receivable from AEON Financial Service Co., Ltd. Japan (Refer Note 27)	-	892,384
Interest accrued on deposits	132,138	9,227,158
Accrued interest from financing activity	25,021,571	6,713,084
	25,153,709	16,832,626

Note 16: Revenue from operations

Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income from financing activity	186,450,050	104,766,946
Processing fees	17,901,606	7,474,825
Total	204,351,656	112,241,771

Financial Statement

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Forming part of the Financial Statements

Note 17: Other income

Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Penalty recovered for banking instruments dishonoured	4,518,524	5,246,983
Recovery from written off asset	9,496,753	13,368,875
Sale of written off asset	7,500,000	-
Interest from banks on deposits	35,912,034	16,224,505
Payables written back	160,783	1,204,179
Miscellaneous income	4,653,329	1,831,311
Interest on Income Tax Refund	235,444	-
Total	62,476,867	37,875,853

Note 18: Employee benefits expense

Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and incentives ** (Refer Note 27)	205,283,244	170,306,381
Contribution to provident fund (Refer Note 25)	12,053,109	9,258,934
Gratuity (Refer Note 25)	1,339,064	1,174,132
Staff welfare expenses (Refer Note 25)	5,243,120	4,688,115
Total	223,918,537	185,427,562

Note 19: Finance costs

Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	-	17,843,376
Bank charges	252,264	1,356,932
Interest on delayed statutory payments	604,542	78,842
Total	856,806	19,279,150

Note 20: Other expenses

Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	1,927,081	3,866,090
Rent including lease rentals (Refer Note 28)	29,381,871	23,622,095
Repairs and maintenance - Others	12,883,391	15,008,015
Insurance	837,328	597,398
Rates and taxes	603,034	17,314,660

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Amount in ₹

	For the year ended March 31, 2019	For the year ended March 31, 2018
Communication expenses	3,868,770	5,295,975
Travelling expenses	11,503,467	7,943,755
Postage and courier expenses	4,782,168	3,687,290
Printing and stationery	2,379,207	778,892
Legal and professional	13,946,282	5,182,551
Payment to auditors (Refer Note below)	2,982,259	6,464,698
Customer credit appraisals	54,003,473	5,388,139
Transaction processing charges	6,856,686	5,450,665
Loss on sale of property, plant and equipment	6,042	1,037,521
Brokerage	1,734,888	2,079,684
Business promotion	7,200,231	302,653
Provision for doubtful receivables under financing activity	94,150,777	60,289,451
Contingent Provision against standard assets	2,296,642	(1,562,901)
Write off - Receivables under financing activity	47,546,522	
Less: Provision held	(47,546,522)	
Loss on foreign exchange translation (net)	910,136	516,374
Software expenses (Refer Note 27)	19,879,459	22,593,041
Provision for doubtful security deposit	-	2,208,000
Training expenses	3,191,682	2,068,972
Office expenses	2,226,435	1,036,585
Miscellaneous expenses (Refer Note 27)	2,479,163	1,959,344
Total	280,030,472	193,128,947
Note:		
Payments to the auditors comprises (including goods and services tax):		
As auditors-statutory audit	1,444,250	1,450,875
For taxation matters	354,250	359,125
For other services*	1,169,759	4,628,670
Reimbursement of expenses	14,000	26,028
Total	2,982,259	6,464,698

*Represents payments of ₹ 864,300 (2018: ₹ 3,679,983) made to affiliated firm

** Salary Allowance and Incentives includes outsource services

21. The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of the information provided by the vendors to the Company. This has been relied upon by the auditors.

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22. Particulars of un-hedged foreign currency exposure as at the Balance Sheet Date:

Particulars	Foreign Currency (FC)	As at March 31, 2019			As at March 31, 2018		
		Exchange Rate	Amount in FC	Amount in ₹	Exchange Rate	Amount in FC	Amount in ₹
Assets							
AEON Financial Service Co., Ltd. Japan	Japanese Yen	-	-	-	0.62	865,271	532,488
Liabilities							
AEON Financial Service Co., Ltd. Japan	Japanese Yen	0.61	81,859	50,220	-	-	-
AEON Credit Service Co., Ltd. Japan	Japanese Yen	0.61	2,528,274	1,551,096	0.62	6,110,861	3,760,624
AEON Credit Service Systems (Philippines) INC	US Dollars	68.43	127,009	8,691,245	65.04	60,430	3,930,580

23. Expenditure in foreign currency (on accrual basis) :

	Amount in ₹	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and incentives	28,145,939	32,767,845
Legal and professional	64,971	-
Software expenses	18,923,250	20,173,368
Membership and Subscription	-	137,376
Training expenses	2,257,072	1,138,493
Miscellaneous expenses	8,419	2,914

24. Contingent Liabilities and Commitments:

During the previous year, the CIT (Appeals) with respect to the demand for Income tax disallowances aggregating ₹ 1,051,030/- had decided the matter in favour of the Company. However, the order giving effect of the appeal is pending to be received by the Company.

25. Defined Contribution plan:

- The Company makes Provident Fund contributions to a defined contribution plan administered by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised ₹ 12,053,109/- (2018: ₹ 9,258,934) for Provident Fund contribution in the Statement of Profit and Loss for the year ended March 31, 2019. The contribution made by the Company is in accordance with the rules framed by the Government from time to time.

The Company makes contributions to Employees' State Insurance Corporation at a specified percent of basic salary. The Company has recognised ₹ 1,870,129/- (2018: ₹ 2,182,536) for Employees' State Insurance Contribution under staff welfare expenses in the Statement of Profit and Loss for the year ended March 31, 2019.

- The Company operates un-funded defined benefit plan for gratuity. The plan provides for a lump sum payment to employee, at retirement, death while in service or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service. The detail of gratuity plan is as follows:

Notes

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Amount in ₹

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Reconciliation of opening and closing balances of obligation		
a. Opening obligation	4,168,255	3,678,008
b. Current service cost	2,041,733	1,422,707
c. Interest cost	324,892	365,082
d. Actuarial (gain) / losses	(1,027,561)	(613,657)
e. Benefits Paid	(400,629)	(683,885)
f. Closing obligation	5,106,690	4,168,255
2. Expense recognised in the Statement of Profit and Loss		
a. Current service cost	2,041,733	1,422,707
b. Interest cost	324,892	365,082
c. Actuarial (gain) / losses	(1,027,561)	(613,657)
d. Expense recognised in the year	1,339,064	1,174,132
3. Amount recognised in Balance Sheet		
a. Fair value of plan assets as at the year end	-	-
b. Present value of obligation as at the year end	5,106,690	4,168,255
c. Amount recognised in Balance Sheet	5,106,690	4,168,255
4. Actuarial Assumptions		
a. Discount rate (p.a.)	7.65%	7.80%
b. Mortality base	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table
c. Turnover rate	3% - 10%	2% - 10%
d. Salary escalation rate	6%	7%
e. Normal retirement age	58 years	58 years

Description	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the fifteen months period ended March 31, 2016	For the year ended December 31, 2014
	₹	₹	₹	₹	₹
5. Experience Adjustments					
a. Present value of obligation	5,106,690	4,168,255	3,678,008	3,650,194	1,264,136
b. Experience adjustment on plan liabilities	(506,233)	(276,063)	(1,496,500)	(247,110)	70,722

The estimate of future salary increases taking into account the inflation, seniority, promotion and other relevant factors.

- iii. Compensated absences which are not expected to occur within twelve months after the end of the period in which an employee renders the related service are recognised as liability at the present value of defined benefit obligation as at the Balance Sheet date. Accordingly, an amount of ₹ 3,163,562/- has been charged to the Statement of Profit and Loss for the year ended March 31, 2019 (Debited for the year ended March 31, 2018: ₹ 1,387,567)

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- iv. The Company, based on legal advice, is of the view that the Ruling issued on February 28, 2019 by the Honourable Supreme Court, clarifying the definition of basic wages under The Employee's Provident Funds and Miscellaneous Provisions Act, 1952 is applicable from the date of the said Ruling. Accordingly, the Company has given effect to the said Ruling on a prospective basis. The impact determined on a prospective basis is insignificant.

26. The Company is engaged in the business of financing the purchase of consumer durables, two-wheelers and granting of personal loans in India, which in the context of Accounting Standard 17 "Segment Reporting" constitutes a single reportable business segment.
27. As per Accounting Standard 18 "Related Party Disclosures", the disclosure of transactions with related parties are given below:

List of related parties with whom transactions have taken place and relationship

(a) Related Party with whom control exists:	
Holding Company	AEON Financial Service Co., Ltd. Japan
(b) Other Related Parties with whom the Company has transactions:	
Fellow Subsidiary	AEON Credit Service (M) Berhad AEON Credit Service Co., Ltd. Japan AEON Credit Service Systems (Philippines) INC AEON Asia SDN. BHD. PT AEON Credit Service Indonesia AEON Specialized Bank (Cambodia) PLC.
Key Management Personnel	Daisuke Maeda (with effect from June 28, 2017) Tomo Sato (with effect from June 28, 2017) Masaki Watanabe Sanjaya Kumar Dash (with effect from November 1, 2018) Jayabalan Ramakrishnan (up to June 28, 2017) Yutaka Sudoh (up to June 28, 2017)

(c) Transactions with related parties during the year and balance as at the year-end:

Amount in ₹

Nature of transactions	Holding Company		Fellow Subsidiaries					Key Management Personnel
	AEON Financial Service Co., Ltd. Japan	AEON Credit Service Co., Ltd. Japan	AEON Credit Service (M) Berhad	AEON Credit Service Systems (Philippines) INC.	AEON Asia SDN. BHD.	PT AEON Credit Service Indonesia	AEON Specialized Bank (Cambodia) PLC.	
Remuneration:								
Daisuke Maeda	-	-	-	-	-	-	-	21,463,973
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(11,439,675)
Tomo Sato	-	-	-	-	-	-	-	10,326,701
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7,240,678)
Masaki Watanabe	-	-	-	-	-	-	-	10,892,560
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(12,508,405)
Sanjaya Kumar Dash	-	-	-	-	-	-	-	1,631,250
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Jayabalan Ramakrishnan	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,645,717)
Yutaka Sudoh	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4,575,258)

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Nature of transactions	Holding Company		Fellow Subsidiaries					Key Management Personnel
	AEON Financial Service Co., Ltd. Japan	AEON Credit Service Co., Ltd. Japan	AEON Credit Service (M) Berhad	AEON Credit Service Systems (Philippines) INC.	AEON Asia SDN. BHD.	PT AEON Credit Service Indonesia	AEON Specialized Bank (Cambodia) PLC.	
Equity contributions	- (1,590,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Purchase of software (including Capital work-in-progress)	- (-)	- (-)	- (-)	15,289,114 (5,881,024)	- (-)	- (-)	- (-)	- (-)
Software Expenses	- (-)	- (-)	- (-)	19,879,459 (22,593,041)	- (-)	- (-)	- (-)	- (-)
Training (included in other expenses)	19,060 (127,699)	- (97,601)	- (-)	- (-)	81,976 (613,193)	- (-)	- (-)	- (-)
Staff welfare (included in employee benefits expense)	- (-)	- (-)	- (-)	- (-)	- (-)	- (78,923)	- (534,586)	- (-)
Miscellaneous expenses	8,419 (2,914)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Written back as no longer payable**	- (-)	160,783 (-)	- (1,204,179)	- (-)	- (-)	- (-)	- (-)	- (-)
Balances as at March 31, 2019								
Other Current Liabilities:								
Payable to AEON Credit Service (M) Berhad*	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Payable to AEON Financial Service Co., Ltd. Japan*	50,220 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Payable to AEON Credit Service Co., Ltd. Japan*	- (-)	1,551,096 (3,902,022)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Trade Payables:								
Payable to AEON Credit Service Systems (Philippines) INC.	- (-)	- (-)	- (-)	8,691,245 (3,930,580)	- (-)	- (-)	- (-)	- (-)
Other current assets								
Receivable from AEON Financial Service Co., Ltd. Japan*	- (892,384)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

*Represents reimbursement of salary and other expenses paid on behalf of the Company.

**During the year there were no amounts written off and written back from related parties other than disclosed above

Note: Figures in bracket relate to previous year

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28. (a) Disclosures in respect of assets taken on non-cancellable operating lease under Accounting Standard (AS) 19 – “Leases”.

The Company has taken office premises, residential flats and software on lease. Terms of lease includes operating term for renewal, increase in rent in future period and terms for cancellation where applicable. The lease rental payments are included in “Rent including lease rentals” in Note no. 20.

The minimum lease payments to be made in future towards non-cancellable lease agreements are follows:

Amount in ₹

Estimated future minimum payments under non- cancellable operating leases	As at March 31, 2019	As at March 31, 2018
Not later than one year	44,758,653	25,441,186
Later than one year and not later than five years	119,973,414	82,909,899
Later than five years	-	-
Total	164,732,067	108,351,085

- (b) With effect from February 2015, the Company has obtained non-exclusive, non-transferable and non-sub licensable license to use a software for 60 months for a fixed monthly fees of ₹ 539,707 per month (equivalent to USD 7,887). The Fee is included in “Software expenses” in Note no. 20.

29. Earnings per equity share:

Amount in ₹

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Loss after Tax	A	(267,167,420)	(270,759,243)
Weighted Average number of Equity Shares	B	250,000,000	122,800,000
Basic and Diluted Earnings per share	A/B	(1.07)	(2.20)
Nominal Value of Equity Shares (₹)		10	10

30. The components of Company's deferred tax assets and liabilities are as below. The recognition of deferred tax assets is restricted to the extent of deferred tax liability arising from the timing differences on account of depreciation, reversal of which is virtually certain.

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability:		
Depreciation	1,791,851	2,776,678
Deferred Tax Assets:		
Section 43B disallowances	1,791,851	1,532,686
Provision for compensated absences	-	1,009,942
Provision for gratuity (Restricted to the extent of Deferred Tax Liability)	-	234,050
Provision for Doubtful receivable under financing activity (Restricted to the extent of Deferred Tax Liability)	-	-
	1,791,851	2,776,678
Deferred Tax Liability (net)	-	-

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31. Disclosure of details as required by Revised Para 18 of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (updated as on February 22, 2019), earlier Para 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1999.

Liabilities Side:

Particulars	Amount in ₹			
	Amount Outstanding		Amount Overdue	
	March, 2019	March, 2018	March, 2019	March, 2018
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
a) Debentures:				
Secured	-	-	-	-
Unsecured	-	-	-	-
(other than those falling within the meaning of public deposit)				
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other loans (specify nature)	-	-	-	-
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
a) In the form of Unsecured debentures	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c) Other public deposits	-	-	-	-

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Assets side:

Particulars	Amount in ₹	
	Amount Overdue	
	March, 2019	March, 2018
3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
a) Secured	-	-
b) Unsecured	1,139,915,645	239,574,811
4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	-	-
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors:		
(i) Assets on hire	-	-
(ii) Repossessed Assets	-	-
c) Other loans counting towards asset financing activities:		
(i) Loans where assets have been repossessed	-	-
(ii) Loans other than (i) above	-	-
5) Break-up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares:		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
b) Unquoted:		
(i) Shares:		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long-Term Investments		
a) Quoted:		
(i) Shares:		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-

Notes

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Particulars	Amount in ₹	
	Amount Overdue	
	March, 2019	March, 2018
(v) Others (please specify)	-	-
b) Unquoted:		
(i) Shares:		
- Equity	-	-
- Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

6) Borrower group-wise classification of assets financed as in (3) and (4) above

Particulars	Amount in ₹					
	Amount net of provisions					
	Secured		Unsecured		Total	
	March, 2019	March, 2018	March, 2019	March, 2018	March, 2019	March, 2018
a) Related Parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related Parties	-	-	-	-	-	-
b) Other than related parties	-	-	1,139,915,645	239,574,811	1,139,915,645	239,574,811
TOTAL	-	-	1,139,915,645	239,574,811	1,139,915,645	239,574,811

7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Amount in ₹			
	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	March, 2019	March, 2018	March, 2019	March, 2018
a) Related Parties	-	-	-	-
1. Subsidiaries	-	-	-	-
2. Companies in the same group	-	-	-	-
3. Other related Parties	-	-	-	-
b) Other than related parties	-	-	-	-
TOTAL	-	-	-	-

8) Other Information

Particulars	Amount in ₹	
	March, 2019	March, 2018
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	57,940,782	11,336,527
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

Financial Statement

Notes

Forming part of the Financial Statements

32. Asset Liability Management

Maturity pattern of certain items of assets and liabilities (based on RBI guidelines)

For the year 2019

Particulars	Amount in ₹	
	Liabilities	Assets
	Borrowings	Advances Investment
1 day to 30/31 days (One month)	-	94,235,090 -
Over 1 month to 2 months	-	146,573,933 -
Over 2 months up to 3 months	-	134,811,560 -
Over 3 months up to 6 months	-	312,362,887 -
Over 6 months to 1 year	-	269,557,669 -
Over 1 year to 3 years	-	159,248,268 -
Over 3 years to 5 years	-	23,126,238 -
Over 5 years	-	- -
TOTAL	-	1,139,915,645 -

For the year 2018

Particulars	Amount in ₹	
	Liabilities	Assets
	Borrowings	Advances Investment
1 day to 30/31 days (One month)	-	26,897,357 -
Over 1 month to 2 months	-	31,338,359 -
Over 2 months up to 3 months	-	29,415,970 -
Over 3 months up to 6 months	-	74,570,609 -
Over 6 months to 1 year	-	69,260,691 -
Over 1 year to 3 years	-	4,991,211 -
Over 3 years to 5 years	-	3,100,614 -
Over 5 years	-	- -
TOTAL	-	239,574,811 -

33. Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 9,698,493 (2018: ₹ 4,101,392) where purchase orders are issued.

34. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Deloitte Haskins & Sells

Chartered Accountants

Rupen K. Bhatt

Partner

PLACE: Mumbai

DATE: 31st May, 2019

For AEON Credit Service India Private Limited

Daisuke Maeda

Managing Director
(DIN: 07854743)

Sanjaya Kumar Dash

Company Secretary
(M.No.F7043)

PLACE: Mumbai

DATE: 31st May, 2019

Tomo Sato

Director
(DIN: 07854754)



एऑन क्रेडिट सर्विस इंडिया प्राइवेट लिमिटेड
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