

06.06.2024

The Bombay Stock Exchange Limited  
Listing /Corporate Listing Department  
Floor No. 25, P.J.Towers,  
Dalal Street,  
Mumbai-400001.

Dear Sir/Madam,

**Sub: Submission of 30<sup>th</sup> Annual Report – for the FY 2023-24 under Reg. 34(1) of SEBI (LODR Regulation 2015)**

**Scrip Code-530139**

With reference to the above captioned subject and pursuant to Regulation 34(1) of SEBI (LODR Regulation 2015), please find attached herewith the Annual Report of Kreon Financial Services Limited for the Financial Year 2023-24, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Registrar and Transfer Agent/Depositories.

The same is also available on the website of the Company at [www.kreon.in](http://www.kreon.in)

You are requested to take the above information for your records.

Thanking You  
For **Kreon Financial Services Limited**

**Vidyalakshmi R**  
**Company Secretary and Compliance Officer**



**Singular Focus  
Digital Inclusion**

# Navigating the inclusion journey

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[www.kreon.in](http://www.kreon.in)



Scan this QR code to navigate Reports and other investor information



We are incredibly honoured and deeply satisfied to have had the privilege of being associated with you and earning your trust over the past 30 years. Throughout this time, we have experienced periods of growth, abundance, and challenges, including the financial crisis in 2008, the oil crisis in 2014, demonetisation in 2016, and the Covid-19 pandemic in 2020. Each adversity felt particularly unsettling when it occurred, but it is our response to these challenges, rather than the challenges themselves, that shapes our journey to excellence. We, at Kreon Financial Services Limited, are the outcome of the choices that we make in our journey and we have always focused on growing the right way to build a resilient Fintech lending institution.

**Jaijash Tatia**

*Chairman and Whole Time Director*



# Corporate Information

## Board of Directors

Mr. Jaijash Tatia, Chairman & Whole Time Director  
Ms. Henna Jain, Non-Executive Director  
Mr. Subbarayan Ekambaram, Independent Director  
(till 31.03.2024)  
Ms. Hemamalini D, Independent Director  
(till 31.03.2024)  
Mrs. Rajashree Santhanam, Independent Director  
(w.e.f 01.04.2024)  
Mrs. M Menaka, Independent Director  
(w.e.f 01.04.2024)

## Committees & Members of Committees (till 31.03.2024)

### Audit Committee

Mr. Subbarayan Ekambaram, Chairman  
Mr. JaijashTatia, Member  
Ms. Hemamalini D, Member

### Nomination and Remuneration Committee

Mr. Subbarayan Ekambaram, Chairman  
Ms. Henna Jain, Member  
Ms. Hemamalini D, Member

### Stakeholder Relationship Committee

Mr. Subbarayan Ekambaram, Chairman  
Ms. Henna Jain, Member  
Ms. Hemamalini D, Member

### Chief Financial Officer

Mrs. Shoba Nahar

### Company Secretary & Compliance Officer

Mrs. Vidyalakshmi R

### Investor Relations

Mrs. Vidyalakshmi  
#26, 22nd Street, Rathinam Nagar, Thiruvanmiyur,  
Chennai – 600041.  
CIN #: L65921TN1994PLC029317  
Contact: 044-42696634  
Email id: investor.relations@kreon.in

## Statutory Auditor

M/s Darpan & Associates,  
Chartered Accountants  
No.11/12, Shyam Avenue, College Road,  
Nungambakkam, Chennai -600006

## Internal Auditor

M/s. R. Baskaran & Co,  
Chartered Accountants  
Flat No.4, Venkata Vijayam Apartments No.11  
South Road, West CIT Nagar  
Nandanam, Chennai 600035

## Secretarial Auditor

M/s. Lakshmmi Subramanian & Associates Practising  
Company Secretary  
Murugesu Naicker Office Complex, No.81,  
Greems Road, Chennai-600006

## Stock Exchange Listed

Bombay Stock Exchange

## Registrar & Share Transfer Agent

PurvaSharegistry (India) Pvt. Ltd  
Unit No-9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Near LodhaExcelus,  
Lower Parel (East), Mumbai – 400 011  
Contact: 022-23018261/ 022-23010771  
E-Mail id: support@purvashare.com

## List of Banking Relationships

HDFC Bank  
YES Bank  
ICICI Bank  
Axis Bank

## Registered Office Address

#26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai – 600041.  
CIN #: L65921TN1994PLC029317  
Contact: 044-42696634 • Email id: info@kreon.in  
Website: www.kreon.in  
UDYAM Aadhar (MSME)#: UDYAM-TN-02-0113242

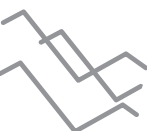
The fintech industry is critically important as it revolutionizes the financial services sector by leveraging technology to enhance accessibility, efficiency, and inclusivity. It enables unprecedented financial inclusion by providing every section of society with access to essential financial services.

India Inc's tryst with fintech is slightly over a decade old now. In these ten years, the fintech ecosystem has grown by leaps and bounds. Today, the country is going through a massive tidal wave of transformations driven by growing financial literacy as well as ever-increasing smartphone usage and internet penetration. If one were to go with the official figures, India is poised to become one of the largest digital fintech markets in the world.



At Kreon Financial Services Limited, we have always believed in the potential of digital lending catapulting into a plethora of opportunities. And so, over the years, we have consistently worked on making this transition smooth by adapting to the changes, way before they became vital. Our cutting-edge technological integration and focus on serving the student community who are currently unserved in the financial domain. As a pioneer in the NBFC industry, we are focused on providing affordable credit. This, in turn would play a crucial role in empowering individuals, promoting education, enhancing career prospects, driving economic growth, and fostering social equity. With the vision for India's future growth, expanding financial inclusion is crucial and we are motivated and prepared to contribute towards it.

We are all set for this through **our singular focus of digital inclusion.**







### Vision

Our vision is to empower students with the means to achieve their educational aspirations by offering innovative and flexible loan products that cater to their unique needs



### Mission

Our mission is to bring formal financial inclusion to all college students of India through the twin pillars of education and opportunity.





# A sneak-peak into Kreon Financial Services Limited

## Lineage

Kreon Financial Services Limited (KFSL) has a rich history and lineage that reflects its evolution and growth in the financial services sector in India. The company was incorporated on 23rd November, 1994 with the primary goal of providing a range of financial services, including loans, asset financing, hire purchase, and leasing. During its initial years, KFSL focused on traditional financial services aimed at both individual and corporate clients. This period was marked by establishing a firm foundation in the competitive financial market of India.

Recognizing the transformative potential of digital technology, KFSL began shifting its focus towards digital financial services. This strategic pivot was aimed at enhancing operational efficiency and customer service through the integration of advanced technology.

A significant milestone in KFSL's digital journey was the launch of the "StuCred" mobile application. StuCred provides instant short-term loans to college students, addressing a critical market need and exemplifying the company's commitment to digital inclusion and youth financial empowerment.

## Management bandwidth

In October 2018, the digital lending platform StuCred was launched in the digital platforms by Mr. Jaijash Tatia and Mrs. Henna Jain as Co-founders and headed by Mr. Jaijash Tatia as Whole Time Director and Mrs. Shoba Nahar as Chief financial officer backed by a team of seasoned professions. Over the years, they have taken the Company to newer heights and the Company has emerged as one of the most trusted fintech services providers in India.

## Presence

Headquartered at Chennai and shares of the Company listed at the Bombay Stock Exchange, the Company is expanding through its strategy and has successfully built a robust clientele across the nation.

## Assets

- Our people
- Experienced Management
- Intellectual Assets
- Strong Balance Sheet
- Brand Equity

### BSE Ticker

KREONFIN

### CIN

L65921TN1994PLC029317

### ISIN No.

INE302C01018

### Market Capitalisation

₹ 7813.7 Lakhs

Remember me





## 30 years of multi-dimensional growth

With immense gratitude and humbleness, we commemorate the completion of 30 remarkable years for Kreon Financial Services Limited. This milestone stands as a testament to our unending spirit, navigating challenges with grace and emerging stronger year on year.

Over the last 3 decades, we have demonstrated relentless pursuit of excellence and dedication, shaping a business model that complements India's reform story, long-term favourable policies which is accelerating consumption backed by its demographic dividend to create a noticeable momentum. At the cusp of a new era, we have utilized advanced technology and have developed the cutting-edge Mobile App "StuCred", which enables swift and convenient access to credit. Armed with a resolute commitment to be a one-stop solution for the financial services requirements of the student's community, we are poised to further expand our value-creation capabilities and explore new customers and markets.





# FY 2023-24 at a glance

Our organization’s culture, based on merit and fairness, coupled with the expertise, knowledge, and experience of our employees, enables the development of cutting-edge and competitive solutions for our clients. These efforts result in considerable value for the stakeholders involved.



### Customers

**6,68,182**

Total users at StuCred App since FY 2019



### Investors

**₹ 96.27 Lakhs**

Total Income

**₹ 28,700 Lakhs**

Digital Paperless Disbursals

**₹ 62.32 Lakhs**

Profit after Tax



### Footprint

**3,37,702**

New users added



### Human Resource

**53**

Total Employees under the Payroll of the Company

**~21,000**

Colleges covered

**~2-3 weeks**

Training Hours per employee



# Milestones achieved over the years

1994-95

Incorporation as Tatia Financial Services Limited with commercial lending business

1995-96

Listing of the Shares at BSE

1997-98

Registered with RBI as NBFC

2008-09

Name change to Kreon Financial Services Limited





2017-18

Commencement of StuCred (Digital lending business) Launched the app at various digital stores in October 2018

2018-19

Registered with Credit Information Companies

2022-23

- Launch of StuCred Alumni service
- Associate Member with FACE since December 2022
- Accredited with ISO 9001:2015 & ISO 27001:2013 in December 2022
- Reached the Marketcap of ₹100 Crores in January 2023



## The big picture of our business

1

India is one of the most exciting countries in the world.

2

The country is expected to emerge as the third-largest economy by the end of this decade.

3

The country's household consumption is projected to increase to ₹ 224 Lakhs crore by FY 26.

5

India's FinTech adoption rate stands at 87%

6

Digital lending in India expected to surpass ₹ 47.4 Lakhs crore by 2026.

7

The country is regarded as the third largest Fintech economy of the world.

9

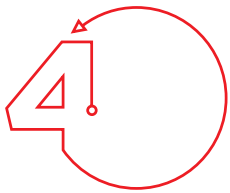
At Kreon Financial Services Limited, we are at the right place and at the right time.

10

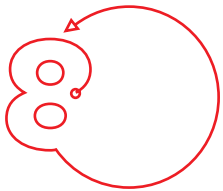
The company played a crucial role in promoting financial literacy and independence among young college going adults through its revolutionary StuCred App.

11

The company plans to diversify the lending facilities to various consumer groups and target newer geographies.



Demand for credit increased by 14.4% in last 5 years.

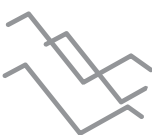


Lending Techs platform are expected to rise to 60% of the overall Fintech market by 2030.



### Technological Integration

The Company invested in cutting-edge technologies like artificial intelligence (AI) and machine learning (ML) to enhance its credit assessment processes, personalize loan offerings, and expedite loan approvals. This technological focus has been central to its growth and customer satisfaction strategies.





# How Kreon Financial Services Ltd is enhancing value for all its stakeholders

## Capitals Engaged



**Financial Capital:** Our robust financial foundation, along with a variety of funding streams, allows us to assist our clients with their credit requirements.



**Intellectual Capital:** Our intangible assets encompass our brand, reputation, technology infrastructure, strategic partnerships with third-party payment interfaces, collaborations with banks for Co-lending and assignments, risk management, and efficient customer service delivery.



**Physical Capital:** Our cutting-edge app enables us to cater to the underserved population.



**Human Capital:** At our organization, our commitment to a merit-based and equitable culture, combined with our employees' deep expertise, vast knowledge, and extensive experience, enables us to develop creative and competitive solutions for our clients. These efforts, in return, deliver substantial value for all of our stakeholders.



**Social and Relationship Capital:** This represents the relationships between our Company and stakeholders (community, governments, customers and investors). Accordingly, we are committed to contributing towards the creation of a thriving society and a robust financial ecosystem.

## Input KPIs

- Total Equity: ₹ 2,022 Lakhs
- Total Debt: ₹ 2,796 Lakhs
- Capital Employed: ₹ 3,288 Lakhs

- StuCred App for customer engagement and disbursals.
- WebEngage to analyse user behaviour.
- Tie-ups with organisations giving discounts, offers to the students community.

- Footprint across major town and cities.

- Male & Female employees ratio - 1 : 1
- Employees under the age of 35: 86%

- Total app users: 6.88 Lakhs
- Adherence to various regulatory compliances
- Strategic tie-ups with 3rd party Fintech partners



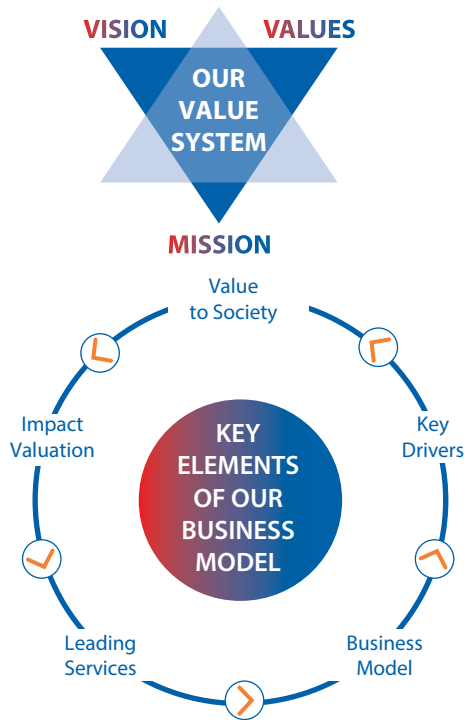
### Our Value Creation Model

Our business activities are designed to create value for and through our Five Stakeholders:

6

#### Stakeholders

- Shareholders
- Customers
- Banks
- Employees
- Government bodies
- Investors



#### Business Model

- Tech-enabled Approach and Analytics
- Business Strategies
- Strong Connect with the student community
- Dedicated workforce
- Risk Management
- Strong Corporate Governance Structure

### Outcome

#### Return to Shareholders and Investors

- ROE: 2.45%
- ROA: 2.97%
- PAT: ₹ 62.32 Lakhs
- EPS: ₹ 0.34



#### Digital delivery

- StuCred active users: 1.43 Lakhs
- 100% Cashless disbursal

#### Revenue earned

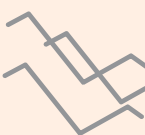
- ₹1,526.63 Lakhs fees and commission income

#### High employee engagement

- Employee benefit expenses: ₹278.37 Lakhs
- Average Training per employee: ~ 2 weeks per employee

#### Financial inclusion and various stakeholders benefited:

- Finance cost: ₹ 95.96 Lakhs



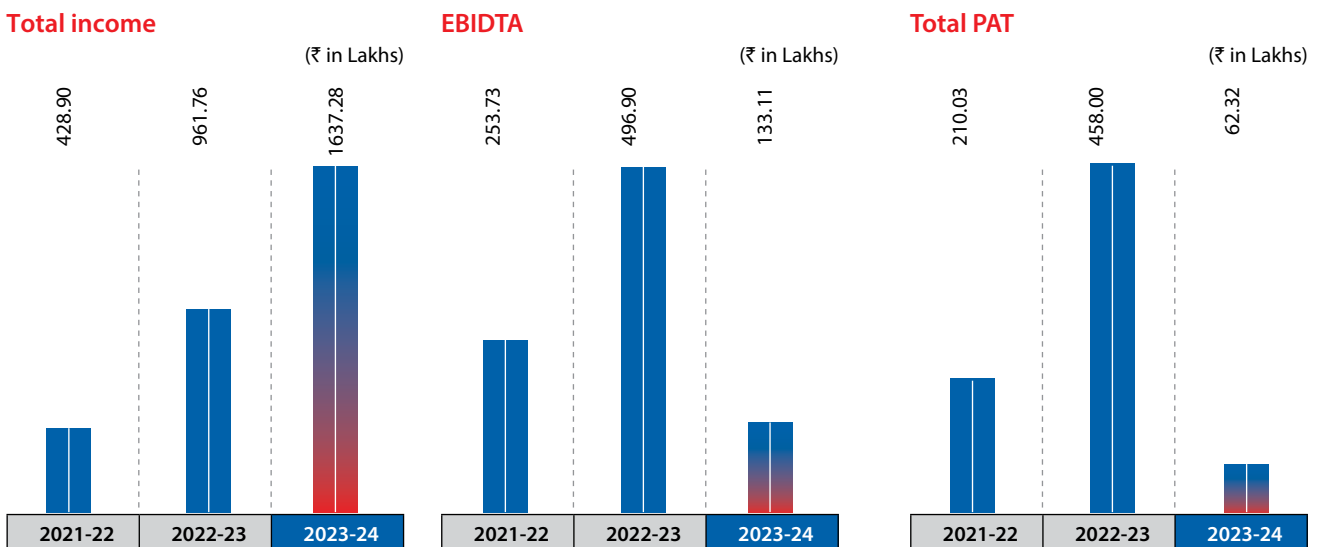
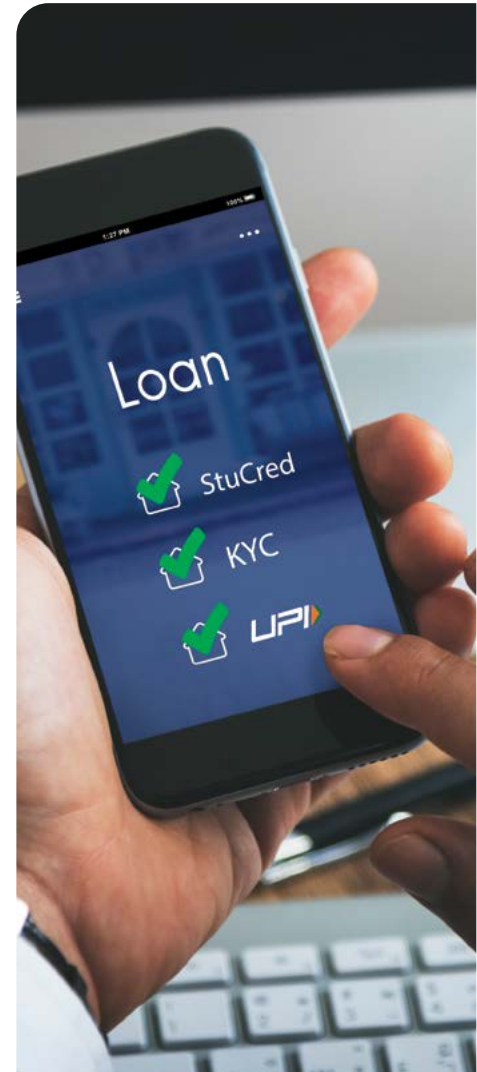
# Singular focus, digital inclusion through prudent strategies

India is marching ahead as one of the world’s fastest growing economies. India’s total population stands at 1.4 billion. The country has the world’s second largest higher education system with over 58,000 higher education institutions and with 43.3 million students enrolled for higher education. Nearly 79% of students are enrolled on undergraduate courses with 12% at the postgraduate (master’s degree) level and 0.5% approximately studying for a PhD and the rest studying for sub-degree diploma programmes.

Fintech forms a bedrock to channelize the economy. With the ability to cater the diverse needs of the students community and cater to their diverse financial requirements and for those unable to meet the credit requirement through traditional banks/other lending mechanism.

The Prime Minister’s Jan Dhan Yojana (PMJDY) and the Reserve Bank of India’s outreach efforts to introduce banking to the underserved have brought a huge number of individuals into the banking system. Data shows that more than 85% of bank accounts are still either dormant or have non-active users. Hence, we believe that the emphasis must now shift from creating bank accounts to promoting more meaningful financial products, with credit being a significant focus. This unlocks the potential for a Fintech NBFC to service the underserved low-ticket market in India.

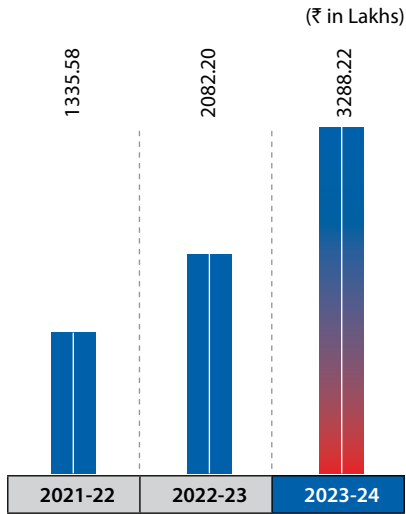
At Kreon Financial Services Limited, till date we have continued to focus on a singular portfolio backed by advanced technical integration across the value chain. We believe that approximately 10 million plus students are willing to take loans and out of which 1 million potential users are willing to avail credit through our StuCred platform. Ensuring healthy asset quality and surplus liquidity remain among our key priorities. Backed by a sturdy foundation, experienced leadership, and profound understanding of the market environment, we ensured consistent value and trust for our stakeholders. With a sound risk control framework, transparent business practices and healthy asset quality, we have emerged stronger. Our stable returns truly demonstrate the strong confidence of our institutional and retail investors in strategic roadmap and professional leadership.



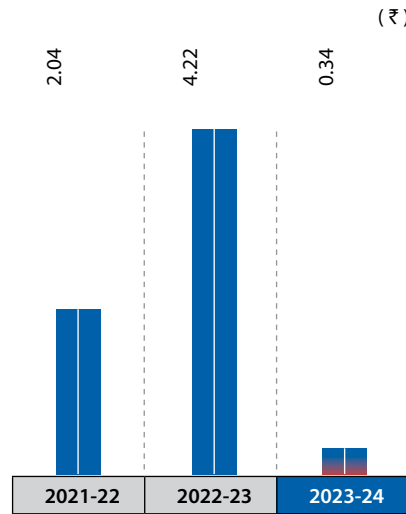




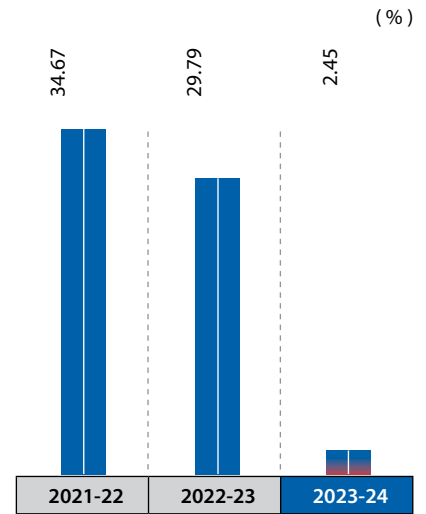
Networth



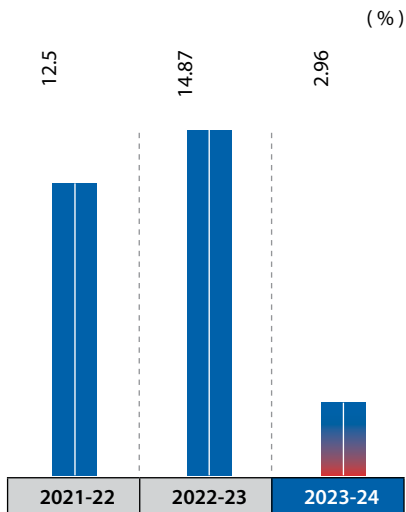
EPS



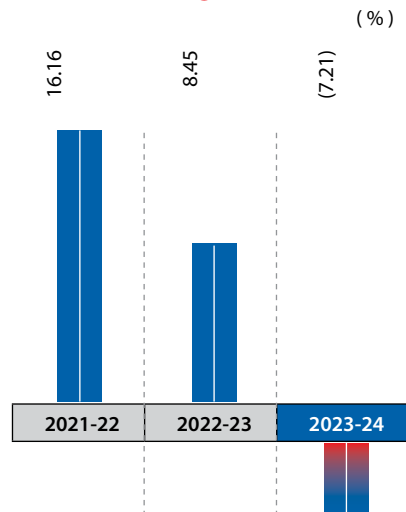
RoE



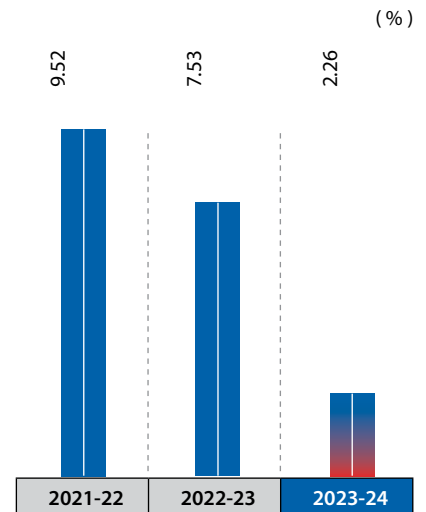
RoCE



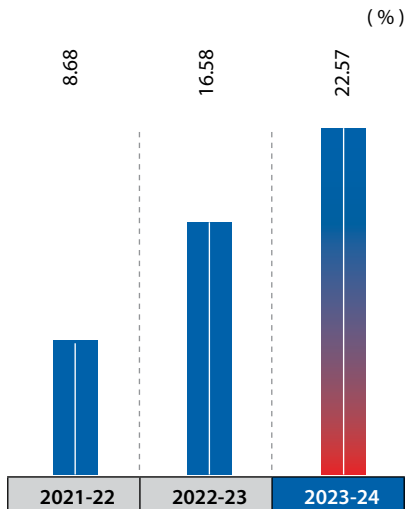
Net Interest Margin



Cost of Funds



Gross NPA



Our performance across business remained satisfactory during the year with top line growth of 70% and Networth growth of 58% during FY23-24. This performance although not a stellar one, but is an early sign of fructification of our vision and efforts towards the mission of financial inclusion of the under served community. Our strength lies in the disruption through unyielding innovation. This drives our ongoing growth. Our deeply ingrained focus on technology empowers us to progressively enhance our performance every year.

**Ms. Shoba Nahar**, Chief Financial Officer



## Singular focus, digital inclusion by incorporating knowledge and integrating technology

Our digital transformation has significantly strengthened our asset quality. From customer on-boarding to loan disbursement and collection, we deliver a completely paperless experience through our digital platform. We have also made repayments easy and secure for our customers with our StuCred App. By leveraging digital platforms and technologies in our business, we have enhanced our efficiency, reduced our costs, and improved risk management, expanded market reach, ultimately improving our financial fundamentals thereby helping us to remain at the forefront of the student loan sector, distinguishing us from our competitors.

₹ 29,800 Lakhs  
Total disbursement  
in last 5 years  
through StuCred  
platform





## So how does StuCred works in 4 simple steps?

### GETTING REGISTERED

One can create StuCred profile by filling in basic personal details, college information and completing the KYC.



### LINKING VPA/UPI

To avail and to repay, StuCred uses the most feasible VPA method. One can register its existing VPA (Virtual Payment Address) that is linked to its bank to get access to funds.



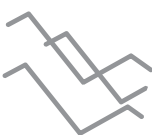
### AVAILING CREDIT DIRECTLY TO BORROWERS BANK ACCOUNT

Once the borrower completes the KYC and the VPA/UPI linking steps, it can avail credit in a minute's time without any interest.



### BUILDING THE CREDIT SCORE WHILE INCREASING THE CREDIT LIMIT

Once the borrower repays existing credit on time, it can simultaneously increase its credit limit upto Rs.15,000 at StuCred's platform. This also increases the borrower's credit score for availing better credit opportunities in future as well.





## Singular focus, digital inclusion by expanding our footprints

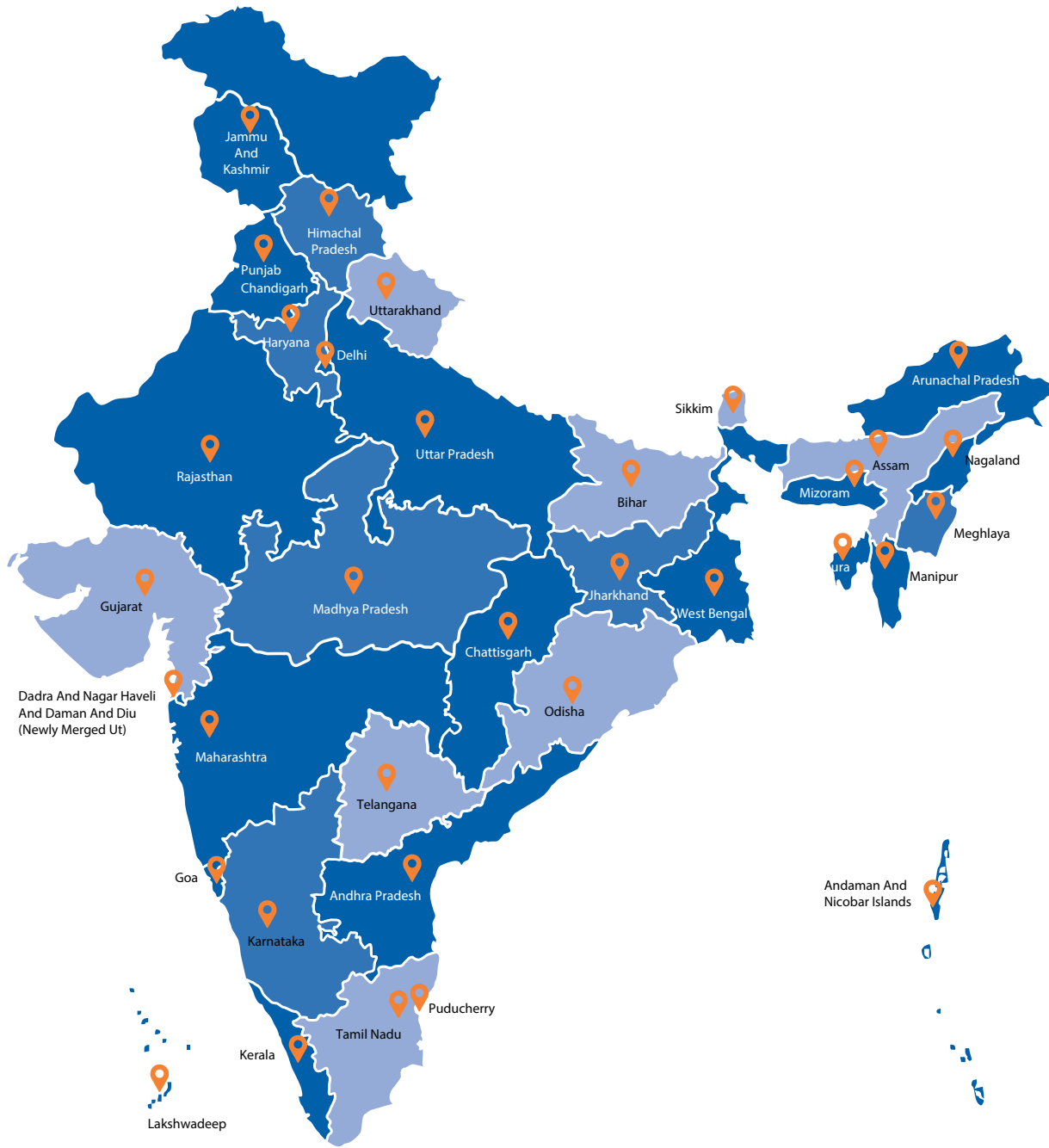
In today's hyper-connected world, new age fintech companies can rapidly expand their service coverage, leveraging the ubiquity of smartphones and the growing demand for digital financial services. By this, not only they offer traditional products offering but can also diversify their product portfolios to cater to a wider range of customer needs in a short span of time.

With a vast population and a majority of them being students, it is found that the cost of education has been steadily rising, outpacing inflation. This makes it increasingly difficult for students, especially from lower to middle-class families, to finance their education without external support. Traditional options like parental support, scholarships, and government grants might not always cover the entire cost, creating a credit gap.

Added, unforeseen expenses like accommodation issues, medical bills, or equipment needs during course of studies sometimes also necessitate a quick loan solution. During FY 2018-19, we at Kreon Financial Services Limited found a huge gap in credit offering to the student's community. We launched the revolutionary StuCred App at Android platform, which aimed at building the gap between traditional banks/NBFCs and the

student's community providing them with easy and hassle free access to credit. Within three years of its launch, it has become an instant hit and today enjoy a rating of 4.5. In last 5 years, we disbursed more than Rs. 29,800 Lakhs of credit covering almost 35 States/Union Territories. During the FY 23-24, we added more than 11,000 colleges to enhance the effectiveness and reach of our services, specifically targeting the student community.





Presence of StuCred customers

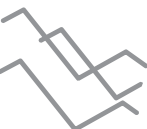
## Featured at

THE NEW  
**INDIAN EXPRESS**

**Business Standard**

**Outlook  
MONEY**

**YOURSTORY**



## A glimpse of our advertisement campaigns at META and Google platforms



## Testimonials

**Dhanushiya**, PSG College of Arts & Sciences, Coimbatore  
It's an easy way to increase the credit limit as a student.

**Bharath Reddy**, MIT, Madanapalle  
StuCred helped me during my medical emergency. I strongly recommend this app to all.

**Rushik Reddy**, NIIT University, Rajasthan  
Loved it!! StuCred helped me when I really needed money. Awesome app for college students.

**Rohit Srivastav**  
StuCred is a game-changer! This app has revolutionized the way I manage my academic life, since I have been using this app April 2022. With its intuitive interface and comprehensive features, I've been able to stay organized, track my progress, and even connect with peers seamlessly. The reminders and notifications keep me on track, and the ability to sync across devices ensures I never miss a beat. Thank you, StuCred team, for creating such an invaluable tool for students everywhere!

**Menneni Midhunidhar Rao**  
StuCred has been a lifesaver for managing my finances as a student. The quick and hassle-free loan approval process helped me out during unexpected expenses. The app's user-friendly interface makes it easy to navigate, and the repayment options are flexible, which is a huge relief. Overall, StuCred is a must-have for any student looking for financial support.

**Asur**  
StuCred has been an absolute game-changer for managing my student finances. As a student, I've often struggled to keep track of my expenses and balance my budget, but StuCred has made it incredibly easy. The app's intuitive interface allows me to monitor my spending, set budgets for different categories, and receive helpful reminders when bills are due.

**Suhash Tatapudi**  
Being a teen, the importance of money is understood quite differently, and in a take-it-for-granted way for most. But here's StuCred to change that perspective. An instant way to get money, on-the-go, and yet teaches and assists how to manage it pretty well. Also helps to acquire Credit Scores!! Amazing initiative. Pretty much more than just a rating 5.

**Likhit Singha**  
I've been using StuCred app for 1&half year and I never had any problem or issues regarding my repayment or my payment. This app works really well, easy to use, they increase limit based on their profile levels. You can also extend your loan amount due to any financial issue. This app is really amazing for students. I had a great experience. Thank You!!



# Singular focus, digital inclusion through our people-centric approach

Human capital is not only essential for organizational success but also plays a vital role in driving economic growth. At Kreon Financial Services Limited, our people-centric approach reflects our commitment to building meaningful relationships and fostering growth, both within our organisation and the customers we serve. We pay special attention towards infusing diversity and inspiring and cultivating skilled talent – the foundation that continues shaping our future.

### Diversity and Inclusion

We believe that diversity in our workforce drives innovation and connects us to stakeholders. Our diversity and inclusion strategy thus focuses on striving for continued progress. In this context, 50% of our permanent employees are women, who have continuously added value to our business. Besides, we focus on attracting the best talent to work for our organization.

### Hiring

Finding the right talent for the right job has always been our approach for hiring new talents. We have structured recruiting programs including summer internship, apprenticeship, and full-time roles. Our recruitment is impartial, and time bound. Our hiring process comprises of three well defined steps prior to the interview process as presented below:



Manpower planning and compensation discussion



Approval of higher management and development of job description



Upload details of job opportunity with third party job portals and our company website

### Performance Evaluation

To assess and improve our employees, we have established a comprehensive performance appraisal and promotion system. Under the performance appraisal system, we regularly conduct comprehensive evaluation on employee's work performance, training records and personal qualities based on the principles of fairness, consistency, and objectivity.

### Employee Training

Training is important for organizational success. Not only do these programs offer opportunities for staff to improve their skillsets, but also enhances employee productivity and company culture. We have structured training programs for which need assessments are done at three levels: organisational, operational and individual.





## Singular focus, digital inclusion begins with a question of where do we put Relationship on a Balance Sheet?

At Kreon Financial Services Limited, we recognise that growth does not come from how well we can grow our assets. But from how well we can grow our relationships. So the soul of our unwritten mission statement is not about the profits for the Company, but with value for the stakeholders associated with the Company. We work with developers, government agencies, bankers and other stakeholders associated with the Company on a long-term perspective. Innovative management policies ensure the development and trust of various stakeholders. Our above-industry average performance has come from the extension of this value beyond a one-off transaction into a sustainable relationship across the long-term.

### Comfort of lenders

Our strong financials are backed by impeccable credibility across our value chain as well as national and global financial institutions. In a significant assessment and recognition of our trustworthiness, the credit rating of the Company stood at BWR BB/Stable assigned by Brickwork Ratings India Pvt. Ltd. Such healthy credit lines enabled the Company to offer credit to the student's community at zero interest rates and help the company remain agile.

### Government agencies and industry associations

We also endeavour to be a responsible corporate citizen, contributing to the country's exchequer. This has prudently been reflected in our Balance Sheet, that in last 5 years whereby we contributed in form of various taxes. To protect the interests of the industry, and advocate its needs and requirements, we also actively participates in various forums. Apart from policy advocacy, this participation also helps us to remain abreast of industry developments and further our position as a thought leader in the industry.



The company is a member of Fintech Association for Consumer Empowerment (FACE). It is a self-regulatory industry body of fintech lenders in India.



## Corporate sustainability

Sustainability is the fundamental principle of corporate journey. We see it as a way to deepen our understanding of how to be better to our people and our surroundings. Although the guidelines of Corporate Social Responsibility are not applicable to us as per the regulations of the Companies Act, 2013, but we look forward to peruse the same from Current Year onwards.

## Governance

We are dedicated to upholding the governance policies that drive growth and profitability, while prioritising financial discipline, ethics, transparency, and trust. Our long-term corporate goals focus on enhancing shareholder value and safeguarding stakeholders' interests.

We experienced significant regulatory changes during the year while reimagining our business digitally to ensure compliance. RBI introduced guidelines on digital lending, which provided clarity on various aspects to be followed by NBFCs in digital lending. We proactively ensured compliance with these guidelines by engaging with various forms and co-lenders. We ensured adoption of all requirements in line with the scale-based regulatory framework; The retrieval of customer's KYC documents from the Central KYC Registry portal, subject to the prior written consent of the customer(s), also eased the customer journey and experience; Conducted periodic reviews and updated all policies and SOPs; Automated system-based triggers for identifying suspicious transactions; Conducted training sessions on the digital lending guidelines and KYC norms.

## Board framework

As at March 31, 2024, our Board comprised of 4 Directors, 2 Independent Directors, 2 Women Directors. All the Non-Executive Directors are eminent professionals and bring the wealth of their professional expertise and experience to the management of our Company. We have also set up various committees to look into the redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 8 Board meetings, 100% Attendance

Due to these stringent governance practices and timely regulatory compliance, we received appreciation for prompt filing of GST returns for FY 2022-23.



# Singular focus, digital inclusion through stakeholders engagement

In its thirty year journey of leaving a steady footprint in the finance industry, we recognise the underlying strength of many partnerships our Company formed over the years, with diverse stakeholders, which have been contributory to our success.

Stakeholders provide Kreon Financial Services Limited with critical resources that enable the company to generate competitive sustainable value in the short, medium and long term. Engaging with the key stakeholders allows us to understand their viewpoints and their expectations and needs. The feedback generated enables us to develop effective strategies for value creation through the refinement of our service offering. We engage with our stakeholders via multiple channels on a periodic basis

## Stakeholder engagement process

Stakeholder engagement entails five phases including identify and assess, plan, engage, review and report. Upon identifying our main stakeholders and based on the respective stakeholder group's importance and impact on our Company, we carry

out our assessment and planning to determine the scope and objectives as well as the resources to be allocated to address their needs. The mode of engagement is a vital factor which enables us to effectively evaluate their concerns and formulate our strategies.

Stakeholders	Stakeholder priorities	Engagement mode	Frequency
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Brand reputation and trust</li> <li>Strong and sustained financial performance</li> <li>Share price performance</li> <li>Strong risk management</li> <li>Mechanism</li> <li>Business strategy</li> <li>Governance, ethics and Transparency</li> <li>Stability and security of IT systems</li> </ul>	<ul style="list-style-type: none"> <li>Annual/quarterly results</li> <li>Quarterly business updates</li> <li>Annual General Meeting</li> <li>Annual Report</li> <li>Press releases</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Half-yearly</li> <li>Annually</li> <li>Event-based</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Fair and timely remuneration</li> <li>Reward, recognition, and appreciation for the performance</li> <li>Diverse, open, non-discriminatory, and safe working environment</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Review meets</li> <li>Employee surveys</li> <li>Learning and development initiatives</li> <li>Newsletters and portals</li> <li>Discussions with senior leaders</li> <li>Engagement initiatives / off-sites</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Monthly</li> <li>Annually</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Aggressive customer acquisition strategies and services</li> <li>Competitive interest rates Access to digital channels</li> <li>Seamless customer service</li> <li>Secure transactions</li> <li>Fair and responsive grievance redressal mechanism</li> <li>Financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Toll-free number</li> <li>Digital platforms</li> <li>Social media</li> <li>Customer relationship managers</li> <li>Customer satisfaction surveys</li> <li>Media campaigns and advertising</li> <li>Knowledge seminars and events</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Monthly</li> <li>Annually</li> </ul>



Stakeholders	Stakeholder priorities	Engagement mode	Frequency
<b>Government / Regulator Bodies</b>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Ethical business practices</li> <li>Active participation in industry and regulatory working groups</li> <li>Timely reporting through various compliance-based forms</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Corporate Presentations</li> <li>Written Communications</li> <li>One-to-one meetings</li> <li>Mandatory regulatory filings</li> </ul>	<ul style="list-style-type: none"> <li>Weekly</li> <li>Annually</li> <li>Event-based</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>Maintaining relationships</li> <li>Growth opportunities</li> <li>Quick and efficient payments</li> <li>Quick response to queries</li> </ul>	<ul style="list-style-type: none"> <li>Online one-to-one meeting with the top management</li> <li>Product/process trainings for new and old partners</li> <li>Industry Speak and Webinars for product updates</li> <li>Conferences and Forums</li> <li>Written communications</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Monthly</li> <li>Annually</li> </ul>
<b>Rating Agencies</b>	<ul style="list-style-type: none"> <li>Liquidity and risk management, and risk mitigation strategies</li> <li>Growth plans</li> </ul>	<ul style="list-style-type: none"> <li>Presentations and written communications</li> <li>Online meetings on strategy, financial plans, risk management, and other business-related updates</li> </ul>	<ul style="list-style-type: none"> <li>Event-based</li> </ul>

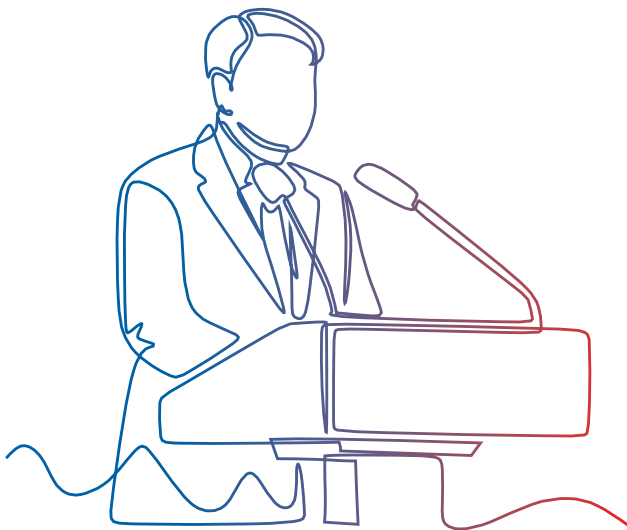
## Risk Management

Risk Management is a key element of our business strategy and is integrated seamlessly across all our business operations. We seek to foster a strong and disciplined risk management culture across all our business departments and all levels of employees. We take a holistic view of risk management and undertake an enterprise-wide risk management approach. This provides a sound foundation to ensure that the risk-taking activities across the Company are in line with the business and the risk appetite approved by the Board and regulatory requirements. The services offered at Kreon Financial Services Limited are exposed to various risks that are either inherent to the business or exposed to the changes in external environment. In order to maintain financial soundness of the Company, we seek to promote a strong risk culture throughout the organisation. For more details on Risk Management, please refer 'Management Discussion & Analysis', section of this report.





# Chairman's Perspective



*Dear Shareholders*

**Seeing a problem makes you human. But finding a solution? That's visionary! And if you actually go out and take action? That's when you become a Change Maker.**

Enshrining the above words both in spirit and in action, we, at Kreon Financial Services Limited, are endeavoring to be the change-makers pursuing a mission to re-imagine and simplify banking for all. And, in this journey, year 2023-24 was full of learnings. Amidst the global headwinds, we continued to experience the exponential power of the Fintech industry. This industry has given us a level playing field and we are amazed by it. The euphoria of the first five year with the introduction of digital lending through StuCred App has led us into the sixth year of stable operations. Like a sapling, we are growing steadily and continuously, and my team and I are focused on building a strong foundation of a new age Fintech platform coupled with simple and transparent policies make it easier for borrowers to deal with us. The essence of who we are and what we do for our customers is captured in the theme of this Annual Report - Singular Focus through Digital Inclusion.

Speaking of macros, I am thrilled to reach out to you to discuss our innovative vision for the future of digital lending and its significant impact on our Company's continued growth and success, as evidenced by our progress in recent years. There is an unprecedented optimism related to India's economic direction. There

is a growing consensus that the complement of India's reforms, long-term policies, accelerating consumption and demographic dividend is coming together to create a noticeable momentum. Fintech lending solutions are expanding financial inclusion. The Jan Dhan-Aadhaar-Mobile (JAM) trinity has been pivotal in this regard, enabling millions of Indians to access banking services. Digital initiatives like the Aadhaar-enabled Direct Benefit Transfer (DBT) scheme and various online government services aim to improve transparency and efficiency in governance.

Given the large student population, it has been observed that the cost of education is continuously increasing at a faster rate than inflation. This poses a challenge for students, particularly those from lower to middle-class backgrounds, to afford their education without assistance. While traditional sources like parental funding, scholarships, and government aid may not always suffice to cover all expenses, this results in a financial gap. Moreover, unexpected expenses such as housing problems, medical emergencies, or additional educational requirements may arise during the academic journey, often necessitating a prompt loan option. We are excited by the growth opportunities observed while serving the financial



needs of the under served communities – students community through a relentless focus on risk adjusted returns.

Coming as we did from a favorable 2022-23, a fair amount of expectations had been built into our prospects for 2023-24. On the contrary, the year under review was one of the most challenging encountered by us. Although our Total Income stood at ₹1,637.28 Lakhs and our Disbursements surged by 42%, but our Post Tax Profit declined by 86.39%. The sub-due performance was largely the result of a write-off of ₹ 670.80 Lakhs which will help us to present a credible picture of our balance sheet for the benefit of our shareholders in the years down the line.

Our commitment to building scale has been instrumental in our growth and success. As of March 2024, we expanded our footprints to approximately 21,000 colleges across India, thereby allowing us to reach more customers across locations. As a result, our total user base at Playstore platform increased by ~50%-70% on a year-on-year basis. We continue to expand our footprint that deepened our presence in existing cities/towns and sustain our journey into adjacent localities. At present, we cater to 35 States/ Union Territories domestically. In addition to our growing network, we continue to prioritize value-accretive partnerships that enhance our digital channels, enabling us to tap new customer segments, particularly those new to the Company. In doing so, we tied-up with more than 17 brands and offered discounts to students across categories including – Fashion, Travel, Entertainment, Education, Hospitality and Electronic Gadgets.

We believe that our success is built on the foundation of four pillars – prudent risk management, financial capital, human capital and technology.

**Risk:** Our entrepreneurial culture of finding solutions to hard problems, strong risk and governance culture enabled us to price risk sustainably. After serving sustainably to our customers through a single product domain, we now aim to de-risk ourselves from the cyclicity of the same and explore new areas of funding to the unserved in the financial domain.

**Financial Capital:** Our strong relationships with lenders and bankers has enabled access to diversified and cost-effective long-term financing thereby indicating long-term stability and liquidity of our balance sheet. The fundamentals translated into a stable credit rating of the Company.



**I am thrilled to reach out to you to discuss our innovative vision for the future of digital lending and its significant impact on our Company's continued growth and success**

**Human Capital:** Our focus continues to be on providing an exciting workplace to our employees that fosters open communication, transparency, and emotional well-being. Specifically for gender equality, our initiative encompasses promoting gender diversity, equality, and inclusion in the organization.

**Technology:** In our pursuit of a digital future, we have achieved remarkable results. Collaborations with renowned technology and consulting firms have fortified our technological capabilities, enabling us to create seamless customer journeys. Our unwavering commitment to delivering exceptional customer experiences and ensuring customer delight remains the cornerstone of our day-to-day operations.

We believe that the leadership of an organisation must have diverse experiences merging into a common goal. As a custodian of trust for all our stakeholders, our Board of Directors foster a culture of sound corporate governance. Time and again we have received guidance and support from our Board of Directors and I would express a sincere thanks to all my present and past Board members for their immense contributions in our journey.

I would like to extend my gratitude to our shareholders, employees, customers, partners and regulators for their continued support, encouragement and trust. I am confident that with a dedicated focus, we will continue to march ahead with our mission of digital inclusion and sustainable growth, profitability and value creation for all our stakeholders. Together with our entire StuCred Family, we look forward to executing our new growth strategy so that millions of new age students can fulfill their dreams.

Thanking you  
**Jaijash Tatia**





# Management Discussion & Analysis

## Indian Economic Review

Following a successful moon mission and hosting the G20 Summit, India is positioned to emerge from 2023 with increased stability and optimism for its growth and future prospects. The country's attractiveness as an investment destination remains robust, given the size and scale of operations it has to offer to global companies, abundant skilled talent pool, and prowess in technology and innovation.

India's Nifty 50 index, hit a new high, up 16% this year. It surpassed Hong Kong's Hang Seng index, which fell 18% stock market is now the seventh largest with a market capitalization of US\$3.989 trillion. High performing sectors predicted for 2024 include banking, healthcare, and energy. India's ease of doing business reforms centered on streamlining and digitising regulatory compliance processes throughout the entire business lifecycle, spanning from incorporation to the cessation of operations. Furthermore, the 2023 survey conducted by the United Nations Economic and Social Commission for Asia Pacific (UNESCAP) on digital and sustainable trade facilitation positioned India as a leader in global trade facilitation efforts, achieving an impressive score of 93.55% in 2023 compared to 90.32% in 2021. India's combined exports of merchandise and services for April-October 2023 was estimated at US\$437.54 billion.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### NBFC segment in India

NBFCs have become a trusted and dependable source of financing for a diverse array of individuals and businesses, including small and medium-scale enterprises, as well as those who have been traditionally left out of the financial system. With their extensive reach, tailored approach to assessing financial needs, and quick processing times, NBFCs have been able to cater to a wide range of borrowers' debt capital requirements in a highly efficient and seamless manner. In the FY 2023-24, NBFCs have prioritized technology-driven distribution and financial inclusion, setting the stage for continued technological advancement in FY 2024-25.

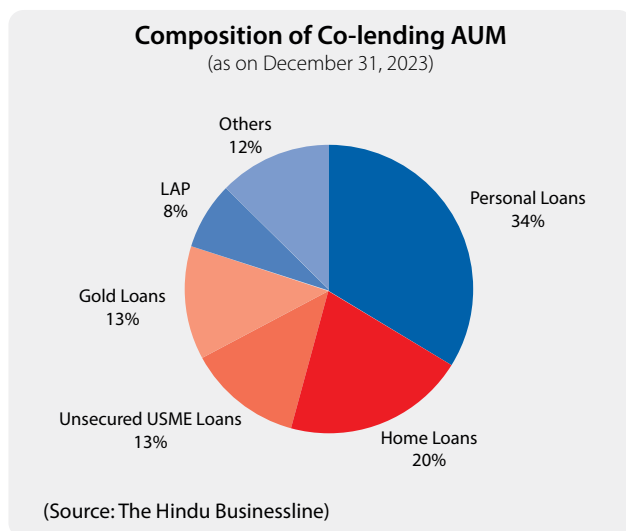
As of 2023, the NBFC sector has reached an impressive size of USD326 billion, underscoring its expanding influence in the financial domain. The sector has also shown resilience in terms of sound capital position, improved asset quality, adequate provisioning and higher profitability. Furthermore, the sector has leveraged digitisation to offer alternative financing options, especially to the MSMEs, which face challenges in obtaining loans from traditional banks. As of 30th September 2023, there were a total of 9,356 NBFCs registered with the Reserve Bank of India (RBI). Since the implementation of Scale Based



Regulation (SBR), NBFCs have been segregated into four layers, namely, a Base Layer (NBFC-BL), a Middle Layer (NBFC-ML), an Upper Layer (NBFC-UL) and a Top Layer (NBFC-TL), based on size, activity, and the perceived level of riskiness.

As of the end of March 2024, the aggregate credit extended by Non-Banking Financial Companies (NBFCs) in India showed significant growth. The total credit extended by NBFCs reached Rs.30.8 lakh crore, marking a robust expansion driven by strong performances across various sectors, particularly personal loans and loans to the industrial sector. NBFCs co-lending AUM which is nearing Rs.1-lakh crore is also expected to grow by 35-40% in medium term. Co-lending AUM of NBFCs' is estimated to be around Rs.75,000 crore as of September 2023, up from Rs.55,000 crore in March 2023. Personal loans account for a third of overall co-lending AUM across the industry, followed by housing loans at around 20% and unsecured MSME loans and gold loans at 13% each. Secured MSME (including loans against property) and vehicle loans comprise the remaining 20%.

The total GNPA ratio of NBFCs improved to 4.6% in September 2023, down from 5.9% in September 2022. Notably, the personal loans segment which experienced rapid growth in recent years, reported the lowest GNPA ratio at 3.6% as of September 2023. The GNPA ratio for industrial advances made by private NBFCs stood at 12.5%, representing 21.6% of the overall GNPA of the NBFC sector. The borrowing cost or cost of funds for NBFCs increased sharply by 25-50 bps (basis points) over the last quarter of fiscal 2024. It is expected that the increased cost of funds should result in some compression in net interest margins (NIMs).



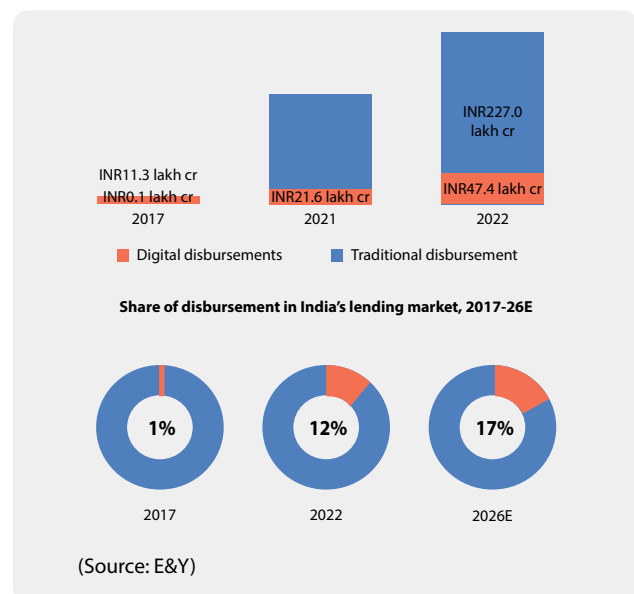
## Outlook

NBFC's are expected to witness their growth moderating

to 16%-18% in FY-24, on the back of the recent regulatory changes and slower expansion in certain asset classes. With the introduction of Digital lending Guidelines in 2022, RBI has emphasized the growth of Fintech market. In the FY 2023-24 more regulatory guidelines were introduced by RBI to streamline and regulate the Digital lending activities and to curtail frauds and safeguard the end users. It is expected that NBFCs would focus on diversifying their portfolio and recalibrate cost structures and funding profiles, funding avenues and strong asset liability management. It is also expected that credit demand in the sector will continue to grow as inflation subsides (already hovering around the tolerance band) and interest rates stabilize in the next 6 to 9-month cycle. The increased risk weight for NBFC loans under the new RBI regulations will raise borrowing costs for NBFCs, however, the impact could be short-term in nature as NBFCs will be able to adjust their lending rates accordingly and with the integration of technology, NBFCs with responsible lending practices, creating a positive impact, will lead the way. With the growth witnessed in the NBFC sector in the recent years and India reaching an estimate of USD7 trillion GDP by 2030, India's financial need will rise, creating ample opportunities for NBFCs.

## Fintech and digital lending segment in India

In an era defined by rapid technological advancements and unprecedented digital transformation, the financial sector finds itself at the intersection of innovation and disruption. Fintech, the convergence of finance and technology, has emerged as a catalyst for change, reshaping traditional banking, investment, and payment systems worldwide. In India, a nation renowned for its entrepreneurial zeal and technological prowess, the Fintech revolution is unfolding with remarkable vigour.





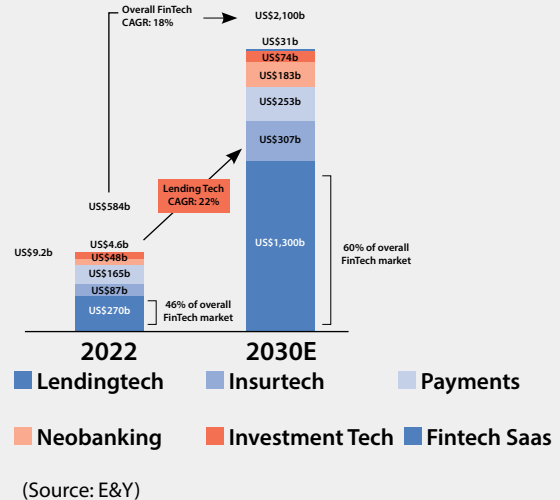
The country is experiencing rapid economic growth, with household consumption forecasted to reach Rs.224 lakh crore (US\$ 3 trillion) by FY26. This growth spans across all income levels, creating significant opportunities in the financial services sector, particularly in the realm of credit. Despite the increasing demand for credit, there remains a notable disparity between supply and demand. Scheduled commercial banks have traditionally been at the forefront of meeting credit needs, but there is now a surge in the emergence of technology-driven players in the market, driving the shift towards digital lending. While digital lending in India is still in its early stages compared to traditional lending, it is rapidly expanding. It is projected that total digital lending disbursements will exceed Rs.47.4 lakh crore by 2026 up from Rs.21.6 lakh crore in FY 22, representing a CAGR of 22%. At 87%, India has the highest Fintech adoption rate among the public compared to the global average of 64%. With this, India has gained the 3rd place in digital payments only after the US and China. These opportunities, along with the favourable ecosystem, create a large growth potential for Fintechs in India.

Factors such as socio-economic conditions, demographics, technological progress, infrastructure development, and increasing credit demand are distinct to India and are fueling the expansion of digital lending in the nation. The growth of digital lending players (LendTechs) is extending across borders, encompassing a substantial segment of the overall Indian FinTech market. It is anticipated that their market share will continue to increase Infrastructure development initiatives, such as eKYC, Open Network for Digital Commerce, Open Credit Enablement Network, etc., and policy-led initiatives such as First Loss Default Guarantee (FLDG) program approval are being targeted towards the promotion of digital lending and are helping solve persistent challenges of Indian lending market. There is also a concerted attempt on the part of the government and regulators to push financial institutions to scale up green/ sustainable digital lending and financial inclusion via collaboration among FinTechs, banks, and NBFCs.

**The growth of digital lending has been driven by various factors which includes:**

The global financial services industry has undergone significant transformation through the adoption of emerging technologies and innovative solutions, and India’s financial services industry is no exception. Furthermore, with India’s FinTech adoption rate at 87%, significantly surpassing the global average of 64%, the pace of change has accelerated even more.

**India’s FinTech market opportunity (market size), total vs. digital lending, 2022-30E**



LendingTechs, which provide digital lending solutions, constitute a significant portion of the overall Indian FinTech market, accounting for 46% of the total market in FY22 and expected to rise to 60% by FY30.

**OPPORTUNITIES AND THREATS**

**Opportunities**

**Socio-economic factors**

- Increase in employment: Worker Population Ratio (WPR) as per Period Labour Survey conducted between June 2022-June 2023, increased to 59.4% in 2023 against 48.1% in 2017-18 . WPR for male in India increased from 71.2% in 2017-18 to 76.0% in 2022-23 and corresponding increase in WPR for female was from 22.0% to 35.9%.
- Improving banking access: 50 crore plus people under the formal banking system with cumulative deposits surpassing Rs.2 lakh crore.
- Higher per capital income: India’s per capita income of the population for 2024 is 2.85%.

**Increasing smartphone and internet access**

India’s internet penetration stood at 52.4% at the start of 2024, with an estimated 1.12 billion cellular mobile connections, translating to a mobile phone penetration of around 78% and average internet consumption stood at 24.1 GB to 28 GB per user per month.



## Demographic trends

Increase in tech savvy millennial and Gen-Z customers: India had 116 million Generation Z consumers, with two out of every five urban Indian consumers aged between 15 and 55 falling into the Gen Z category.

## Enabling public infrastructure

Account Aggregator (AA) Framework, Open Credit Enablement Network (OCEN), TReDS, Open Network for Digital Commerce (ONDC).

## Digital trail of data and technological advancements

- Interconnected systems and platforms.
- Widespread use of Aadhar, PAN, GSTIN for audit trail.
- Cloud, Big data and analytics, AI, open APIs, automation, etc.

## Rise in credit demand

- Untapped MSME market: Credit gap of Rs.25 lakh crore.
- Rising demand for small ticket loans: 85% of personal loans originations in FY22 were with a value of less than Rs.1 lakh.
- Rising gig economy: India had 7.7 million workers in gig economy and is expected to expand to 23.5 million in 2030.

## Threats

While the fintech lending industry in India holds significant growth potential, it must navigate a range of threats and challenges. Addressing these threats requires robust risk management strategies, continuous

innovation, adherence to regulatory requirements, and a focus on building and maintaining customer trust. By proactively managing these risks, fintech lenders can sustain their growth trajectory and contribute to the broader financial ecosystem.

## BUSINESS AND FINANCIAL OVERVIEW

Kreon Financial Services Limited is an India-based non-banking finance company (NBFC). With 30 years of experience in the financial sector, the Company has emerged into a Fintech Company leveraging digital technology and expertise in the financial industry since FY 2018-19. The Company operates through two segments: Commercial Lending and Digital Lending. Through its in-house digital lending mobile application "Stucred" the Company provides instant short-term loans to college students in India. The app aims to offer financial support to students by providing quick and easy access to credit, helping them manage their educational and personal expenses without the hassle of traditional loan procedures.

The Company's financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, and amended by the Companies (Indian Accounting Standards) Rules, 2016, as notified under Section 133 of the Companies Act, 2013 (referred to as 'the Act'). The financial statements have been prepared following the historical cost convention, supplemented by fair value measurements as required or permitted by relevant accounting standards, along with other applicable provisions of the Companies Act 2013. Additionally, the financial statements adhere to guidelines issued by the RBI applicable to NBFCs and other accounting principles generally accepted in India.

## Its brief financial performance for 2023-24 is given below:

(Amount in Rs. Lakhs)

Particulars	Year ended on 31st March 2024	Year ended on 31st March 2023
Total Income	1637.28	961.76
PBDIT	262.73	496.90
Interest and Financial Charges	95.96	45.28
Depreciation	70.50	54.05
Profit before tax	96.27	397.57
Tax expenses	33.95	(60.44)
Net Profit	62.32	458.00



**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios, alongwith detailed explanations thereof including:**

Particulars	2023-24	2022-23	% Change	Reason (if more than 25% change)
Current Ratio	1.69	2.88	-41.37	Increase in short term debt and increase in write off of book debts (loans) during the year have impacted the ratio.
Debt-Equity Ratio	85.05	39.65	114.53	Increase in short term debt, increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Debt Service Coverage Ratio	8.71	56.54	-84.60	Increase in short term debt and increase in write off of book debts (loans) during the year have impacted the ratio.
Return on equity ratio	2.45	29.79	-91.78	Increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Net profit ratio	3.85	48.55	-92.06	Increase in write off of book debts (loans) during the year has impacted the ratio.
Return on capital employed ratio	2.96	14.87	-80.07	Increase in short term debt, increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Return on Investment - Equity Instruments	-	61.32	-	-

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our Company employs a comprehensive internal control system supplemented by concurrent and internal audits, special audits, and regular management reviews. These internal processes ensure the existence of appropriate checks and balances and regulatory compliance at all levels. The internal audit team conducts risk-based audits of these processes to ensure that internal controls for fraud prevention, detection, reporting, and remediation are sufficient and effective.

Our Company places significant emphasis on the inspection of process controls, risk monitoring, and fraud prevention methods. Therefore, we have made substantial investments to ensure that our internal audit and control systems are appropriate and sufficient to meet our regulatory requirements and operational scale.

In order to benefit from expert oversight, diverse verification approaches, and optimize the return on investment from the audit process, we have engaged top-tier firms to handle the internal audit of our major businesses. M/s Darpan & Associates, Chartered Accountants the statutory auditors of the Company have audited the financial statements included in this

annual report and have issued an attestation report on our internal control over financial reporting (as defined in Section 143 of Companies Act 2013). In line with company's business & presence, the Company has engaged M/s. R. Baskaran & Co., Chartered Accountants to manage and execute internal audits and towards the review of internal controls and risks in the company's operations.

Your Board is of the opinion that the Internal Financial Controls, affecting the Financial Statements of your Company are adequate and are operating effectively.

#### RISK AND CONCERN

A company in its normal course of working takes on many risks. For a Non-Banking Finance Company the risks that are most important are operational risk, credit risk, regulatory risk, liquidity risk, competition risk and employee risk. The identification, monitoring and mitigation of these risks are integral to the success of the company.

Risk Management broadly covers the above risk. The risk management framework is based on a meticulous assessment of risks through proper analysis and



understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism

is supported by regular review, control, self-assessments and monitoring of key risk indicators.

<b>Industry risk</b>	<p>The Company is exposed to various external risks which have a bearing on its sustainability and profitability. The volatile macroeconomic scenario and sector-specific imbalances result in loan asset impairment.</p> <p>Mitigation: Our dedicated team evaluates the trends in the economy and various other sectors. The Company possess an experience of more than 3 decades in the NBFC sector coupled with its customer reach enables it to sustain growth even in difficult financial conditions.</p>
<b>Operational Risk</b>	<p>Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors.</p> <p>Mitigation: We have adopted all contemporary and proficient operational methods and systems. Faster loan disbursement through quick credit appraisal has defined the Company's operational benchmarks. Additionally, regular internal audit provides a check on deviation arising from any contingent operational inefficiency.</p>
<b>Credit Risk</b>	<p>The risk associated with the failure of the borrower to meet financial obligations to the lender in accordance with the agreed terms is known as Credit Risk. If any of our borrowers fail to discharge their obligations to us, it would result in financial loss.</p> <p>Mitigation: Comprehensive review exercise is conducted for credit approvals, ensuring proper documentation, carrying out extensive credit appraisal, conducting periodic reviews etc., is done as a part of credit risk mitigation. Various norms for customer identification and evaluation procedure for prospective credit proposals have been stipulated as a part of risk mitigation.</p>
<b>Regulatory Risk</b>	<p>The risk arises out of a change in laws and regulation governing our businesses. It could also arise on account of inadequate addressal of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators.</p> <p>Mitigation: All the periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. We also follow stringent review systems to ensure compliance with the statutory guidelines and norms of the NBFC and Fintech lending industry. We have a team of experienced professionals reporting to Group Head – Compliance, Legal &amp; Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses.</p>
<b>Liquidity Risk</b>	<p>Liquidity risk is the risk of not honouring liabilities to different financial and non-financial institutions. This risk can result in shortfall and cash flow and can permanently damage the credibility of a Company.</p> <p>Mitigation: Board of Directors meets regularly to review the liquidity position, based on future cash flows. As and when required the Company get its funding requirements from diverse sources, including Banks, Institutions, etc.</p>
<b>Competition Risk</b>	<p>Competition from new entrants or unorganised sector or diversification by existing financial Institutions may hamper the future growth of the Company.</p> <p>Mitigation: Fair and transparent practices help the Company gain competitive advantage over other entities. Our human resource policies and a healthy positive work environment help us attract and retain best talent on a continuous basis.</p>





**Employee Risk**

The Company's success depends largely upon the quality and competence of its management team and key personnel.

Mitigation: Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention. Any failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an impact on the Company's business, its future financial performance and the results of its operations.

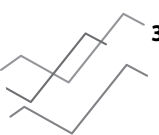
**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Employees of the Company are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company always endeavours to provide an environment that encourages talented professionals to perform to their fullest potential. The Company owes its success to its loyal and efficient human asset. The Company believes that, by effectively managing and developing human resources, it can achieve its vision. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business.

As on 31st March, 2024, there are 53 employees on the rolls of Company.

**CAUTIONARY STATEMENT**

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.





**KREON™**  
**FINNANCIAL**



## Director's Report

### Dear Members,

Your directors have pleasure in presenting the 30th ANNUAL REPORT on the business and operations of our Company and the Audited Financial Statements together with the Auditors Report for the year ended 31st March 2024.

#### FINANCIAL RESULTS

(Rs in Lakhs)

Particulars	Year ended on 31st March 2024	Year ended on 31st March 2023
Income from operations	1637.28	961.76
Profit/(Loss) before depreciation, Interest	262.73	496.90
Interest	95.96	45.28
Depreciation	70.50	54.05
Profit/(Loss) before tax	96.27	397.57
Prior period tax	0.00	0.19
Provision for tax	8.82	1.75
Deferred tax	25.12	(62.38)
Profit/(Loss) after tax	62.32	458.00
Other Comprehensive Income ('OCI')	210.33	(270.48)
Total Comprehensive Income	272.65	187.52



## Director's Report

### BUSINESS PERFORMANCE

The revenue of our company in the Financial Year 2023-24 is Rs. 1637.28 Lakhs, compared to Rs 961.76 Lakhs in the Financial Year 2022-23. During the year under review, our Company made a profit of Rs. 62.32 Lakhs for the Financial Year 2023-24 as compared to Rs.458.00 Lakhs for the Financial Year 2022-23. The change in profits is due to increases in operational expenses and bad debts written off.

### CHANGE IN NATURE OF BUSINESS

The Company operates as a Non-Banking Financial Company (Non- Deposit Taking Company). There are no changes in the nature of business.

### SHARE CAPITAL

The Authorized share capital of the Company as on 31st March 2024, is Rs.3,000/- (Rupees Three Lakhs only) divided into 2,500 (Two Thousand Five Hundred Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 50 (Fifty Lakhs) Compulsory Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each. There is no increase in the Authorized capital during the Financial Year 2023-24.

The paid-up share capital as on 31st March, 2024 was Rs.2022.20/- (Rupees Two thousand twenty two Lakhs and twenty thousand only) divided into 202.22 (Two hundred two lakh and twenty two thousand only) Equity shares of Rs.10/- each. The paid-up share capital as on 31st March, 2023 is Rs.1362.30/- (Rupees One Thousand Three hundred sixty-two lakh and thirty thousand only) divided into 132.63 (One hundred Thirty two lakhs and sixty three thousand only) Equity shares of Rs.10/- each.

### ISSUE OF SHARES/WARRANTS ON PREFERENTIAL BASIS

The Board of Directors at their meeting held on 20th July 2023, allotted 65.99 (Sixty five lakh and ninety nine thousand only) Equity Shares of Rs. 10/- each at a premium of Rs.11/- each against conversion of 65,99,000 (Sixty five lakh ninety nine thousand only) warrants issued at a price of Rs.21/- each against request for conversion by the Warrant holders on payment of full amount towards the warrants.

### UTILISATION OF PROCEEDS OF PREFERENTIAL BASIS

The money received on subscription of the warrants has been used for the purpose stated in the object of issue and no deviation has resulted in utilization of the money.

### DIVIDEND

The available resources are being conserved for future operations; hence no dividend is being proposed for the Financial Year 2023-24.

### TRANSFER TO RESERVES

Company is a non-banking finance company (NBFC) and as per Sec 45IC(i) of RBI Act, 1934, our Company has transferred 20% of the net profits to general reserves amounting to Rs.12.46 Lakhs (Rupees Twelve Lakh Fourty Six Thousand only) for the financial year ended 31st March 2024.

### EXTRACT OF ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013

The Submission of Extract of Annual Return in MGT-9 is dispensed with in terms of Companies (Management and Administration) Amendment rules, 2021 dated 5th March, 2021. Hence, the MGT-9 has not been attached with this report. A copy of the Annual Return to the extent it can be filled up can be viewed in the website of the company at [www.kreon.in](http://www.kreon.in).

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Since the Company is a non-banking financial company registered with the RBI, the disclosures pertaining to loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable.

### PUBLIC DEPOSITS

Our Company, being a non-deposit taking NBFC, has complied with all applicable Regulations of the Reserve Bank of India (RBI). As per Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company has always responded in a prudent manner in protecting the environment in which it operates. During the year, for our Company, provisions as to Corporate Social Responsibility are not applicable.

### CREDIT RATING

M/s Brickwork Ratings India Pvt. Ltd. (BWR) assigned following ratings to the Company:

S. No.	Name of the Bank/ Lender	Amount	Present rating
1	Fund based - Bank Loan - Term loans (Proposed)	Rs.10 Crores Only	BWR BB/ Stable Assignment



## Director's Report

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED UNDER SECTION 188 (1)

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. Particulars of such related party transactions are described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as "ANNEXURE - I". The board has approved a Policy for Related Party Transactions which has been hosted on the website of the Company <http://www.kreon.in/wp-content/uploads/2020/07/Policy-on-Related-Party-Transaction.pdf>. There were no materially significant related party transactions entered into by the company during the year under review, which may have potential conflict with the interest of the company at large. There were no pecuniary relationships or transactions entered into by any independent directors with the company during the year under review.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

Our Company does not have any Subsidiary or Joint Venture or Associate Company.

### DIRECTORS/KEY MANAGERIAL PERSONNEL

Directors of the Company as on date as follows:

S. NO	NAME AND DIN	DESIGNATION
1	Mr. JaijashTatia (DIN: 08085029)	Whole-Time Director
2	Mrs. Henna Jain (DIN: 08383395)	Non- Executive Director
3	Ms. Hemamalini D (DIN: 02914395)	Non- Executive Independent Director (till 31.03.2024)
4	Mr. Subbarayan Ekambaram (DIN: 01186153)	Non- Executive Independent Director (till 31.03.2024)
5	Mrs. Menaka M (DIN: 10550690)	Non- Executive Independent Director/ Additional Director (w.e.f 1.4.2024)
6	Mrs. Rajashree Santhanam (DIN: 07162071)	Non- Executive Independent Director/ Additional Director (w.e.f 1.4.2024)
5	Mrs. Shoba Nahar	Chief Financial Officer
6	Mrs. Vidyalakshmi R	Company Secretary

During the year under review, there has been no change in the constitution of the Board except as mentioned here below:

Mr. Subbarayan Ekambaram and Ms. Hemamalini ceased to be the Independent Directors of the Company upon completion of 2 consecutive terms of 5 years each at the closure of business hours on 31st March, 2024.

Mrs. Menaka M and Mrs. Rajashree Santhanam appointed as the Additional director of the Company designated as non-executive Independent Director of the Company at the Board meeting held on 29th March 2024, for a period of one year with effect from 1st April 2024, subject to the approval of the shareholders, within three months of such appointment, which is proposed for approval at this Annual General Meeting.

In terms of Section 152 of the Companies Act 2013, Mr. Jaijash Tatia, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment.

The shareholders at the Annual General Meeting held on 30th August 2022, approved the appointment of Mr. Jaijash Tatia, as the whole-time director of the Company for a further period of three years w.e.f. 01.04.2023 to 31.03.2026. Accordingly, he will hold the office till 31st March 2026.

### COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

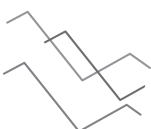
The company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report "ANNEXURE - II".

### PARTICULARS OF EMPLOYEES AND RATIO OF REMUNERATION OF EACH DIRECTOR TO THE CALCULATION OF MEDIAN EMPLOYEE'S REMUNERATION AND OTHER PRESCRIBED DETAILS

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and information required under Section 197 of the Act read with rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per "ANNEXURE - III".

### FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 the Board has carried out the annual





## Director's Report

performance evaluation of its own performance, and that of its committee, chairperson and individual directors. Inputs were received from the directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance.

Pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of independent directors was done by the entire board of directors which includes –

- a. Performance of the directors; and
- b. Fulfilment of the independence criteria as specified in the regulations and their independence from the management.

### CRITERIA ADOPTED FOR EVALUATION

The Board evaluated the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID was evaluated by all other directors other than the director being evaluated.

The Board has also reviewed the manner in which ID's follow guidelines of professional conduct. Following has also been reviewed:

- (i) Performance review of all the non-independent directors of the company on the basis of the activities undertaken by them, expectation of Board and level of participation;
- (ii) Performance review of the Chairman of the Company in terms of level of competence of Chairman in driving the Company;
- (iii) The review and assessment of the flow of information by the Company to the Board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
- (iv) The review of performance of the directors individually, the performance of the Board as a whole as well as evaluation of working of Committees of the Board shall be carried out by the members of the Board;
- (v) Based on performance evaluation, Nomination and Remuneration Committee and the Board shall determine whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

### A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

All Independent Directors have submitted the declaration

of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

### STATUTORY AUDITORS

M/s Darpan & Associates, Chartered Accountants (Firm Registration No. 016156S) were appointed as the Statutory Auditors of the Company for a term of five financial years 2023-28, at the Annual general meeting held on 28th July 2023 till the conclusion of the 34th AGM of the Company to be held in the year 2028.

### COMMENT ON AUDITOR REPORT

There are no qualifications, reservations, remarks or disclaimers made by the Statutory Auditors, in their audit report.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, to undertake the secretarial audit of the company. The Secretarial Audit Report issued for the FY 2023-24 by the secretarial auditor, **M/s. Lakshmmi Subramanian & Associates**, Practising Company Secretaries bearing **(FCS No. 3534; CP No. 1087)** is annexed herewith as "ANNEXURE - IV".

### COMMENT ON SECRETARIAL AUDITOR REPORT

The observations and remarks made by the Secretarial Auditors in their audit report are self explanatory.

### COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.

### FRAUDS REPORTED BY THE AUDITOR

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments that would affect the financial position of the Company from the end of the Financial Year of the Company to



## Director's Report

which the Financial Statements relate and the date of the Directors Report.

### RISK MANAGEMENT

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations.

Our Company continues to focus on the above two maxims and is always eager to improve upon the same.

Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the regulations of Risk Management Committee are applicable to top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year. Our Company does not have the statutory requirement to have risk management committee. However, the Company ensures to take steps to identify, assess and control risks which in the opinion of the Board may threaten the business activities of KFSL.

### ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 re-emphasizes the need for an effective internal financial control system in the Company which should be adequate and shall operate effectively. The Company has devised a proper system of internal financial control which is commensurate with size and nature of Business. The Board has also re-appointed M/s. R. Baskaran & Co., Chartered Accountants as an Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013. The internal financial control mechanism adopted and exercised are adequate to the size of the Company.

### QUALITY POLICIES

The Company has obtained ISO 9001:2015 & ISO 27001:2013 Certification from an independent, internationally accredited certification company, an internationally recognized standard that ensures our products and services meet the needs of our customers through an effective quality management system.

### CERTIFICATE ON CORPORATE GOVERNANCE

As per Regulation 34 (3) read with Schedule V of the SEBI (LODR) Regulations, 2015, Corporate Governance Report is annexed as "ANNEXURE - V" to this Report.

As required by Schedule V of the SEBI (LODR) Regulations, 2015, Auditor's Certificate on Corporate Governance as certified by M/s Darpan & Associates are annexed as "ANNEXURE - VI" to this Report confirming compliances with the conditions of Corporate Governance.

### BOARD MEETINGS HELD DURING THE YEAR

The Board met eight (8) times during the financial year under review, the details of which are given in the Corporate Governance Report "ANNEXURE - V". The intervening gap between the Meetings was within the period prescribed under the Companies act, 2013.

### CERTIFICATE OF CHIEF FINANCIAL OFFICER

The Chief Financial Officer of the Company has certified to the Board on Financial Statements and other matters pertaining to Financial Year ended 31st March 2024, in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015, which is annexed as "ANNEXURE - VII" to this Report.

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Certificate of Non-Disqualification of Directors (Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the year ending 31st March 2024, has been obtained from M/s. AXN Prabhu & Associates, Mr. AXN Prabhu, Practising Company Secretary, C.P #11440; Membership No. 3902 which is annexed as "ANNEXURE - VIII" to this report.

### STATUTORY COMPLIANCE

The Company has been adopting the policies and requirements as mandated under various statutes to the extent and as far as possible and shall always strive to abide by the laws and by-laws as applicable.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India.

### RBI GUIDELINES

The Company continues to comply with all the applicable regulations prescribed by the Reserve Bank of India ("RBI"), from time to time.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.



## Director's Report

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the FY 2023-24, Company has incurred an expenditure in foreign currency on purchase / subscription to software of Rs.17.27 Lakhs. During the period 2022-23, the amount of outflow was Rs.28.53 Lakhs.

### MATERIAL ORDER PASSED REGULATORS / COURTS / TRIBUNALS

There was no material order passed by Regulators / Courts / Tribunals during the year under review.

### SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Our Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Our Company has a Policy for prevention of Sexual Harassment at workplace and copy of the same has been disclosed on the Company's website [www.kreon.in](http://www.kreon.in), which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour

The Company had instituted an Internal Complaints Committee for redressal of sexual harassment complaint (made by the victim) and for ensuring time bound treatment of such complaints comprising of the following members:

- I. Whole Time Director – Mr. Jaijash Tatia
- II. Director – Ms. Henna Jain
- III. Chief Financial Officer – Mrs. Shoba Nahar

During the Financial year under review there were no cases reported under the said policy.

### POLICY ON VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of its Board and its Powers) Rules, 2014 and in accordance with Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has an established Policy on Vigil Mechanism for Directors / Employees and other stakeholders of the Company to report concerns about unethical behaviour, actual or suspected fraud,

or violation of the Company's Code of conduct or ethics policy. The policy also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the Management about the grievances or violation of the Company's Code of Conduct. The policy is disclosed on the Company's website <http://www.kreon.in/wp-content/uploads/2020/07/Vigil-Mechanism-or-Whistle-Blower-Policy.pdf>.

### POLICIES

The Board of Directors of the Company has from time to time framed and approved various Policies in pursuance of the Companies Act, 2013 and the Listing Agreement/ SEBI (LODR) Regulations, 2015. These policies and codes are reviewed by the Board and are updated, if required. The following policies have been framed and has been disclosed on the Company's website [www.kreon.in](http://www.kreon.in):

1. Code of conduct for Directors, Senior Management and Independent Directors
2. Policy for prevention of sexual harassment (POSH)
3. Policy on determination of Materiality of Events or Information
4. Board diversity policy
5. Performance evaluation policy
6. Succession plan for the Board and Senior Management
7. Risk management Policy
8. Vigil Mechanism or Whistle Blower Mechanism
9. Policy on preservation of documents
10. Policy on Related Party Transaction
11. Criteria for making payment to Non-Executive Directors
12. Terms and conditions for appointment of independent Directors
13. Familiarization Program for Independent Directors
14. Code for prevention of Insider Trading in securities

### OTHER DISCLOSURES

During the year under review, the Company has not obtained any registration/ license / authorisation, by whatever name called from any other financial sector regulators.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:



## Director's Report

- a) that in the preparation of the Annual Financial Statements for the year ended 31st March, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) that such Accounting Policies as mentioned in Notes to the Financial Statements have been selected and applied consistently judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and;

- f) that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### ACKNOWLEDGEMENT

The Directors place on record their appreciation to all those people, who have so willingly placed their trust in the Company & the Management and to all the customers across all areas of our operations, who have given the Company an opportunity to serve them.

The Company looks forward to further strengthening the synergies. The entire KFSL Team deserves the appreciation for their sincere efforts and determination to excel. The core team of KFSL plays a pivotal role in articulating and implementing the strategic decisions and thus contributing to the development of the company. We take this opportunity to express my heartfelt appreciation for their continuous support, hard work and dedication.

We trust this journey will continue to be a pleasant one with their support, aware of the fact that we have "Miles to go.... with the confidence that "Together We Can, and We Will."

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-

**JaijashTatia**

Whole time Director  
(DIN: 08085029)

Sd/-

**Henna Jain**

Director  
(DIN: 08383395)

Place: Chennai  
Date : 29.05.2024





## Annexure to the Director's 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)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

#### 1. Name of the Related Parties and description of the relationship

S. No.	Particulars	Relationship
1	Mr. JaijashTatia	KMP  Enterprises over which KMPs and their relatives can exercise significant influence
2	M/s Ashram Online.Com Limited	
3	M/s Tatia Global Venntures Limited	
4	M/s Opti Products Private Limited.	

#### 2. Details of contracts or arrangements or transactions not at arm's length basis.- NIL

#### 3. Details of transactions at arm's length basis with Related Parties during the FY 2023-24

S. No	Name	Nature of contracts/ arrange- ments/ transactions	Relationship	Duration, if any	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Transactions during the year 2023-24 (Amount in Lakhs)
1	M/s Ashram Online.Com Limited	Enterprises over which KMPs and their relatives can exercise significant influence	Interest Paid/ Payable	1 year	-	19/05/2023	-	12.93
3			Loan Re- payment	1 year	-	19/05/2023	-	30.00
4	M/s Tatia Global Vennture Limited	Enterprises over which KMPs and their relatives can exercise significant influence	Interest Paid/ Payable	1 year	-	19/05/2023	-	22.46
5			Loans Taken	1 year	-	19/05/2023	-	47.50
6			Loan Re- payment	1 year	-	19/05/2023	-	50.00
7	Mr.Jaijash Tatia	Promoter/Director/ KMP	Loan Borrowing	1 year	-	19/05/2023	-	10.00
8			Loan Re- payment	1 year	-	19/05/2023	-	51.60

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-  
**JaijashTatia**  
Whole time Director  
(DIN: 08085029)

Sd/-  
**Henna Jain**  
Director  
(DIN: 08383395)

Place: Chennai  
Date : 29.05.2024



## Annexure to the Director's Report

### ANNEXURE - II

#### REMUNERATION POLICY

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

#### REMUNERATION TO EXECUTIVE DIRECTORS; KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT & OTHER EMPLOYEES:

The payment of managerial remuneration to Executive Directors will be recommended by Nomination and Remuneration Committee which will be confirmed by Board of Directors and/or Shareholders as per applicable provisions of Companies Act, 2013. Further remuneration of Key Managerial Personnel and Senior Management & Other Employees (one level below executive directors) shall be decided / recommended by the management / Executive Directors based on company's HR Policy.

Further following point's needs to be considered while making payment of remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- The Remuneration and terms of employments shall be fixed / recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
- The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
- The remuneration will be in correlation of companies HR Policy.
- No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.

#### REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Apart from sitting fees or Commission (if any), Company is not paying any amount to Non-Executive Directors.

#### CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR

#### MANAGEMENT:

Pursuant to provisions of section 178(3) of the Act Read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

#### Qualification:

- He / she should be qualified and eligible as per the provisions prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and should possess appropriate skills, experience and knowledge.

Criteria for appointing a Director:

- He/She should be knowledgeable and diligent in updating his knowledge and should have qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.
- Independent Director, in addition to above should fulfil the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

Criteria for appointing a Senior Management Employee / Key Managerial Personnel:

- He/she should possess required educational qualification from recognized institution.
- He/she should have integrity, hardworking, positive thinking and other skills as required for suitable position.
- Detailed background information will be cross checked from reliable sources.
- Criteria under Companies' HR Policy will be followed.



## Annexure to the Director's Report

### ANNEXURE - III

#### **Particulars of employees (pursuant to section 197(12) of the Companies act, 2013 read with Rule 5 of the companies (appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)**

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rules made there under:

- A. The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- B. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
1. The ratio of remuneration / Sitting Fees of each director to the median remuneration of employees of the company for the Financial Year 2023-24:

Sl. No	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Jaijash Tatia	Whole-Time Director	Remuneration	3.12:1

2. The Percentage increase in remuneration / sitting fees of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2023-24:

Sl. No	Name	Designation	Nature of Payment	% Increase in remuneration/ Sitting fee
1.	Mr. Jaijash Tatia	Whole-Time Director	Remuneration	60%
2.	Ms. Henna Jain	Non-Executive Director	Sitting Fees	NIL
3.	Ms. Hemamalini	Independent Director #	Sitting Fees	NIL
4.	Mr. Subbarayan Ekambaram	Independent Director #	Sitting Fees	NIL
5.	Mrs. Shoba Nahar	Chief Financial Officer	Remuneration	88%
6.	Mrs. Vidyalakshmi R	Company Secretary & Compliance Officer	Remuneration	25%

# The Independent Directors of the Company are entitled to sitting fees as per the statutory provisions and within the limits approved by the Board of Directors. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

3. The percentage increase in the median remuneration of employees in the financial year: **72%**
4. The number of permanent employees on the rolls of the company: **49 employees**
5. Percentage increase in remuneration of managerial personnel has been determined based on independent benchmarking, performance of the Company and trends of remuneration in the industry as per the Remuneration Policy of the Company. Annual increments to employees, are decided by the management based on the salary scale approved by the Company's HR policy.
6. There are no employees falling within the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company is as per the Remuneration Policy of the Company.

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-  
**Jaijash Tatia**  
Whole time Director  
(DIN: 08085029)

Sd/-  
**Henna Jain**  
Director  
(DIN: 08383395)

Place: Chennai  
Date : 29.05.2024



## Annexure to the Director's Report

### ANNEXURE - IV

#### SECRETARIAL AUDIT REPORT

#### Secretarial Audit Report for the financial year ended 31.03.2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members

**Kreon Financial Services Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kreon Financial Services Limited** (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019 and Exchange Circular no. 20230316-14 dated March 16, 2023 (Regulation 24A of SEBI (LODR)**

- (a) all the documents and records made available to us and explanation provided by Kreon Financial Services Limited ("the Listed Entity"),
- (b) the filings/submissions made by the Listed Entity to the Stock Exchange,
- (c) website of the listed entity,
- (d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Kreon Financial Services Limited("the Company") for the financial year ended on 31st March, 2024.
- (e) according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
  - i. The Companies Act, 2013 (the Act) and the

Rules made there under;

- ii. The Securities Contracts (Regulation) Act, 2018 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
  - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the review period)
  - (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the review period)





## Annexure to the Director's Report

- (h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the review period)
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable during the review period)
- (j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the review period)
- (k) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009
- (l) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- (m) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time.

### We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except to the extent given under Annual Secretarial Compliance Report (24A) available in the BSE websites.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the Listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

### We have also examined the compliance with the applicable clauses of the following:

- 1. The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 2. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

### In our opinion and as identified and informed by the Management, the following Acts, Laws and Regulations are specifically applicable to the Company:

1. Reserve Bank of India Act, 1934
2. Guidelines, directions, and instructions issued by the RBI through notifications and circulars relating NBFC.
3. Non-banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 and circulars relating to Non-Banking Financial Institutions as of 31st March 2023

**It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.**

### However, the following was observed:

- 1. There was delay in filing the following form MGT-14, however the same as filed with additional fee with the Registrar of companies

### We further report that there were no actions/events in the pursuance of

- 1. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- 2. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- 3. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- 4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 5. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable during the review period)
- 6. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records and based on the information



## Annexure to the Director's Report

provided by the Company, the Company has an adequate monitoring system to monitor specific laws applicable to company wherever applicable.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by Statutory financial auditor and other designated professionals

### We further report that

The Company is well constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. Changes took place in the composition of the Board of Directors during the period under review as detailed under events which is in compliance with the Law.

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

### We further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs, except the following:

1. Appointment of M/s. Darpan Associates, Chartered Accountants (Firm Registration No. 016156S) as the Statutory Auditors of the Company for the term of five financial years 2023-28 at its Annual General Meeting held on 28th July 2023.
2. Approval of Related Party Transactions to enter into contract(s)/ arrangement(s)/ transaction(s) with the related parties on omnibus basis at its Annual General Meeting held on 28th July 2023.
3. Approval for issuance of Non-Convertible

Debentures on private placement basis for an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores only) at its Annual General Meeting held on 28th July 2023.

4. Allotment of 65,99,000 Equity shares at the face value of Rs. 10/- each and a premium of Rs. 11/- each on preferential basis against conversion of 65,99,000 warrants issued at a price of Rs.21/- per warrant, aggregating to the amount of Rs. 13,85,79,000/- (Rupees Thirteen crore Eighty-five lakh Seventy-nine thousand only)
5. The Company entered into a Memorandum of inter-corporate Deposits towards receipt of money from M/s. Seder Housing Private Limited for an amount not exceeding Rs.30 Crores.
6. The company has invested the surplus funds of the company in the shares of M/s. Sheetal Diamonds Limited for an amount not exceeding Rs. 30 Lakhs (50000 shares issued at a price of Rs.60/- each including premium of Rs.55/-each)
7. Appointment of Mrs. M Menaka (DIN:10550690) as an additional Director (Non-executive & Independent) of the company w.e.f 01st April 2024
8. Appointment of Mrs. Rajashree Santhanam (DIN:07162071) as an additional Director (Non-Executive & Independent) of the Company w.e.f 01st April 2024
9. Cessation of Mr. Subbarayan Ekambaram (DIN:01186153) from the post of Independent Director of the company upon completion of 2 consecutive terms of 5 years each w.e.f 31st March 2024.
10. Cessation of Ms. Hemamalini (DIN:02914395) from the post of Independent Director of the company upon completion of 2 consecutive terms of 5 years each w.e.f 31st March 2024.
11. The Company Reconstituted its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-  
**Lakshmmi Subramanian**

Senior Partner  
FCS No. 3534  
C.P. No. 1087

Peer Review Certificate No:1670/2022  
UDIN: F003534F000485994

Place: Chennai  
Date: 29.05.2024



## Annexure to the Director's Report

### ANNEXURE – A

To,

**The Members**

**Kreon Financial Services Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-

**Lakshmmi Subramanian**

Senior Partner

FCS No. 3534

C.P. No. 1087

Peer Review Certificate No:1670/2022

UDIN: F003534F000485994

Place: Chennai  
Date: 29.05.2024



## ANNEXURE - V




# Corporate Governance Report

## REPORT ON CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Kreon Financial Services Limited (the 'Company' or KFSL) for FY 2023 -24.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of RBI for Non-Banking Financial Companies (the 'NBFC Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

KFSL believes that effective Corporate Governance is not just the framework enforced by the regulation, but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the

stakeholders, shareholders, employees and customers.

KFSL's philosophy on Corporate Governance is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also dwells deeper into the ethical leadership and stability. The Company's Code of Conduct for Directors and Senior Management, robust Board governance processes and strong audit mechanisms reflects our commitment to good Corporate Governance framework in all facets of procedures and reporting systems with strong emphasis on transparency, accountability and integrity.

Good Corporate Governance practices enhances long term shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company.

### GOVERNANCE STRUCTURE BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that





## Annexure to the Director's Report

the Management adheres to ethics, transparency and disclosures.

### COMMITTEES OF THE BOARD

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

### COMPOSITION AND CATEGORY OF DIRECTORS

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Financial and Marketing background with considerable expertise and experience to guide the management in the operations of the company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Company has a diversified Board with judicious combination of Executive and Non- Executive Directors. As at 31<sup>st</sup> March, 2024, the Board comprised of one Executive Director (whole time Director), three Non-Executive Directors, two out of three Non-Executive Directors are Independent Directors. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015).

The names and categories of the Directors on the Board, and the number of directorships, committee chairmanship(s) / membership(s) held by them in other public companies and number of shares held by them as on 31<sup>st</sup> March, 2024 are given herein below:

Sl No	Name of the Directors	Category	Date of appointment / Re-appointment	No. of Directorship in other Public Companies *	No. of Committee Positions held in other Public Companies**		No. of Shares held in the Company
					Chairman	Member	
1.	Mr. JaijashTatia (DIN #08085029)	Whole-Time Director	01.04.2023	-	-	-	39,74,300
2.	Ms. Henna Jain (DIN #08383395)	Non-Executive Director	22.03.2019	-	-	-	30,00,000
3.	Ms. Hemamalini (DIN #02914395)	Non-Executive Independent Director	31.03.2010	1	-	-	100
4.	Mr. Subbarayan Ekambaram (DIN #01186153)	Non-Executive Independent Director	02.07.2003	-	-	-	100

\* Excluding Directorship in Kreon Financial Services Limited. Directorship held in Private Limited Companies, Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013 alternate Directorship are also excluded.

\*\* Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee across all Public Companies.

### NOTES:

- The Independence of a Director is determined by the criteria stipulated under Regulation 16 (1)(b) of SEBI LODR Regulations, 2015 and Section 149 (6) of the Companies Act, 2013.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

- None of the Directors on the Board hold directorship in more than 20 Companies or more than 10 public Companies whether listed or not. Necessary disclosures regarding Directorship positions in other Companies as on 31<sup>st</sup> March, 2024 have been made by the Directors.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees pursuant to Regulation 26 of the SEBI LODR Regulations, 2015 across all public companies, whether listed or not, in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2024 have been made by the Directors.
- None of the Directors of the Company holds the position of Independent Director in more than seven listed companies.



## Annexure to the Director's Report

- Mr. Jaijash Tatia and Ms. Henna Jain are related to each other.
- Details of Directors re-tiring or being re-appointed at the ensuing Annual General Meeting have been furnished in the Notice convening the Annual General Meeting of the shareholders along with their brief profiles.

### BOARD MEETINGS

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board Meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are held at registered office of the

Company.

During the year under review, Board of Directors of the Company met eight times, viz 19<sup>th</sup> May 2023, 3<sup>rd</sup> July 2023, 20<sup>th</sup> July 2023, 9<sup>th</sup> August 2023, 8<sup>th</sup> November 2023, 8<sup>th</sup> December 2023, 7<sup>th</sup> February 2023 and 29<sup>th</sup> March 2024 and the Meetings were convened as per the provisions of the Act. The necessary quorum was present for all the meetings. The gap between any two Board Meetings did not exceed 120 days as mandated under Section 173 of the Companies Act, 2013 and Regulation 17 (2) of the Listing Regulations. The conduct of Board Meetings is in compliance with the applicable provisions of the Companies Act, 2013 and Secretarial Standards on Meetings of the Board of Directors issued by the Institute of the Company Secretaries of India.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Directors	No. of Board Meetings held during the year 2022-2023	No. of Board Meetings attended during the year 2022-2023	Attended the previous AGM (YES or NO)
Mr. JaijashTatia	8	8	YES
Mr. Subbarayan Ekambaram	8	8	YES
Ms. Hemamalini	8	8	YES
Ms. Henna Jain	8	8	YES

### KEY SKILLS, EXPERTISE AND COMPETENCIES

Sl No	Name of the Directors	Skills/Expertise Identified by the Board	Specialization
1.	Mr. JaijashTatia	<ul style="list-style-type: none"> <li>Integrity,</li> <li>Ability to function as Team,</li> <li>Leadership Quality,</li> <li>Commitment</li> <li>Future Vision &amp; Innovation</li> </ul>	Mr. Jaijash Tatia is a business graduate from Regents University, London, specializing in Financial Economics and Business Management consisting of various courses including Asset Management and Risk Management. He has undergone various additional modules such as, Managerial and Financial Accounting and Statistics at City University, London, United Kingdom. The Company is benefited from the knowledge and expertise of Mr. Jaijash Tatia.
2.	Mr. Subbarayan Ekambaram	<ul style="list-style-type: none"> <li>Integrity,</li> <li>Ability to function as Team,</li> <li>Commitment</li> <li>Financial Expertise</li> </ul>	Mr. Subbarayan Ekambaram has more than four decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is having rich experience in Finance sector. He has substantial exposure to financial services. He possesses all skills & expertise as required for the growth of the Company in future. The Company is benefited from the valuable experience, knowledge and Expertise of Mr. Subbarayan Ekambaram



## Annexure to the Director's Report

Sl No	Name of the Directors	Skills/Expertise Identified by the Board	Specialization
3.	Ms. Hemamalini	<ul style="list-style-type: none"> <li>Integrity,</li> <li>Ability to function as Team</li> <li>Commitment</li> <li>Financial expertise</li> </ul>	Ms.Hemamalini is having vast experience in Finance sector for more than 10 years. She is very dedicated towards her role & responsibilities. She is having good exposure in the Finance sector. During a career span of so many years, she has successfully established and led many innovative services which have led the organization growth. (i.e. created value in the organization)
4.	Ms. Henna Jain	<ul style="list-style-type: none"> <li>Integrity</li> <li>Leadership Skills</li> <li>Ability to function as Team</li> <li>Commitment</li> <li>Future Vision &amp; Innovation</li> </ul>	Ms. Henna Jain, a flourishing young entrepreneur, she has been one of the team members at the helm of StuCred since August 2017 and has been positively contributing to the areas of marketing and business operations. She holds an MA (Hons) International Relations and Economics from University of St Andrews, Scotland. In an effort to constantly expand her knowledge and expertise, she has completed 3 advanced level online courses in Marketing, specialising in Social Media Marketing from Northwestern University, USA.

### INDEPENDENT DIRECTORS AND EVALUATION OF DIRECTORS AND THE BOARD:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has two Non-Promoter Independent Directors in line with the Companies Act, 2013 and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of appointment of Independent Directors and Code for Independent Directors are incorporated on the website of the Company at <http://www.kreon.in/wp-content/uploads/2020/07/Terms-and-conditions-for-appointment-of-Independent-Directors.pdf>. The Company has received necessary declaration from each Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the Board and of each Director. The evaluation of the performance of the Board is based on the approved criteria such as the Board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

A separate meeting of Independent Directors was held on 05<sup>th</sup> February 2024 to review the performance of Non-Independent Directors and Board as whole.

### FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

The Company has adopted the Familiarization Programme to familiarize the Independent Directors of the Company. The regular meeting of the Independent Directors is being held to discuss the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at <http://www.kreon.in/wp-content/uploads/2020/07/Familiarization-Programme-for-Independent-Directors.pdf>.

### COMMITTEES OF BOARD

The Board has constituted sub-committees to deal with specific areas and activities which concern the Company and requires a closer view. The Board Committees are formed with the approval of the Board and function under their respective Charters which defines the scope, powers and composition of the Committee. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. As at 31<sup>st</sup> March, 2024, we have three sub-committees of the Board as under:



## Annexure to the Director's Report

- Audit Committee
- Stake Holders Relationship Committee
- Nomination and Remuneration Committee

### AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") its composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the Listing Regulations. The primary objective of the Audit Committee is to exercise effective control and supervision over financial reporting in order to ensure accurate, timely and proper disclosure of the financials of the company. The terms of reference of the Audit Committee are as under:

1. To monitor and provide an effective supervision of the Management's financial reporting processes to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,

- b. compliance with listing and other legal requirements relating to financial statements,
  - c. disclosure of related party transactions, if any
  - d. qualifications in the draft audit report,
  - e. Reviewing with the management, the unaudited / audited quarterly, half yearly and annual financial statements along with Limited Review Reports and Auditor's report before submission to the Board for approval,
4. Review of internal audit function, adequacy of internal control systems, vigil mechanism, whistle blower mechanism and enterprise risk management.

The Audit Committee, apart from looking into matters as are specifically referred to it by the Board of Directors, also looks into the mandatory requirements of the Regulation 18 read with Part C of Schedule

II of SEBI Listing requirements. The Audit Committee comprises of 3 Directors of which 2 are Independent Directors. The Chairperson of the Audit Committee is an Independent Director. All members of the Audit Committee are financially literate, and one half of the members have expertise in accounting and financial management.

During the year under review, the Committee met seven times, viz. 19<sup>th</sup> May 2023, 3<sup>rd</sup> July 2023, 20<sup>th</sup> July 2023, 9<sup>th</sup> August 2023, 8<sup>th</sup> November 2023, 8<sup>th</sup> December 2023, 7<sup>th</sup> February 2024 with necessary quorum and the gap between any two meetings did not exceed 120 days. The constitution of the Committee and the attendance of each member of the Committee as on 31<sup>st</sup> March, 2024 are given below:

Composition of the Audit Committee and the attendance of each member of the committee

Name	Position	Category	Meetings Held	Meetings Attended
Mr. Subbarayan Ekambaram	Independent Director	Chairman	7	7
Mr. Jaijash Tatia	Whole-time Director	Member	7	7
Ms. Hemamalini	Independent Director	Member	7	7

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever required. The Chief Financial Officer of the Company is a regular invitee at the Meeting.

The Company Secretary & Compliance Officer acts as the Secretary to the Committee. The minutes of the Audit Committee meetings had been circulated periodically to the Board for its discussion and further noting thereof. The Chairman of the Audit Committee was present at the 29<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> July 2024.

### STAKE HOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been

constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### Terms of Reference

The Committee considers and resolves the grievances of the security holders. The Committee also reviews the manner and timelines of dealing with complaint letters received from Stock Exchanges / SEBI / Ministry of Corporate Affairs etc. and the responses thereto. The Committee also has the mandate to review and address shareholder grievances pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.





## Annexure to the Director's Report

The Stakeholder Relationship Committee consists of three Directors of which two are Independent Directors. During the year under review, the Committee met two

times, viz. 12<sup>th</sup> May 2023 and 28<sup>th</sup> February 2024 with necessary quorum. The constitution of the Committee and the attendance of each member of the Committee as on 31<sup>st</sup> March, 2024 are given below:

### Composition of Stakeholders Relationship Committee and the attendance of each member of the committee:

Name	Position	Category	Meetings Held	Meetings Attended
Mr. Subbarayan Ekambaram	Independent Director	Chairman	2	2
Mr. Henna Jain	Promoter- Non-Executive Director	Member	2	2
Ms. Hemamalini	Independent Director	Member	2	2

The Company Secretary & Compliance Officer acts as the Secretary to the Committee. The share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time.

### Disclosure on the delegated authority constituted for attending to share transfers and connected work:

Name of the delegated authority	Description of the delegated Authority	Address	Contact No	Email id
Mrs. Vidyalakshmi R	Company Secretary and Compliance officer	No 26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai-600041	044-42696634	investor.relations@kreon.in
PurvaSharegistry (India) Pvt. Ltd	Registrar and Share Transfer Agents	Unit No-9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near LodhaExcelus, Lower Parel (East), Mumbai – 400 011	022-23018261	support@purvashare.com

### Complaints received and redressed:

During the year under review, the company had not received any complaint from the investors except for dematerialization or issue of duplicate share certificate which was responded within the time specifies.

During the year under review, the company had not received any investors' complaints through SEBI Complaint Redressal System (SCORES).

### NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of

Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the year, under review the Nomination and Remuneration Committee met three times on 12<sup>th</sup> May 2023, 7<sup>th</sup> February 2024, 29<sup>th</sup> March 2024 for review of performance of the Board members.

The Nomination and Remuneration Committee consists of three Directors of which two are Independent Directors. The constitution of the Committee and the attendance of each member of the Committee as on 31<sup>st</sup> March, 2024 are given below:

### Composition of Nomination and Remuneration Committee and the attendance of each member of the committee:

Name	Position	Category	Meetings Held	Meetings Attended
Mr. Subbarayan Ekambaram	Independent Director	Chairman	3	3
Mr. Henna Jain	Promoter- Non-Executive Director	Member	3	3
Ms. Hemamalini	Independent Director	Member	3	3



## Annexure to the Director's Report

### The terms of reference specified by the Board of Directors to the Nomination and Remuneration Committee are broadly indicated hereunder:

a. To formulate criteria to determine qualifications, positive attributes and independence of Directors, Key Managerial Personnel (KMP), Senior Management etc., and recommend to the Board a Policy relating to their appointment and remuneration, so as to ensure that the Company's policies in respect of the Directors, KMP are competitive to recruit and retain the best talent in the Company and to ensure appropriate disclosure of remuneration paid to the said persons.

Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors. Criteria for making payment, if any, to Non- Executive

Directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the company's website <http://www.kreon.in/wp-content/uploads/2020/07/Criteria-for-making-payment-to-Non-Executive-Directors.pdf>.

#### NOTES:

1. Non-Executive Independent Directors are paid sitting fees for attending the Board and Committee Meetings, plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Apart from the above, no other remuneration is paid to the Non-Executive Independent Directors. The amount paid in the financial year ended 31<sup>st</sup> March 2024 is summarised below:

Sr. No.	Name	Amount in Rs.
1.	Mr. Subbarayan Ekambaram	8,000/-
2.	Ms. Hemamalini	8,000/-

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non-Executive Directors

1. The remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on the performance of the

Company in accordance with the Nomination and Remuneration Policy within the limits approved by the Board or Members. Executive Director also paid Sitting Fee towards attending Board Meeting during the Financial year 2023-24.

2. Remuneration paid to the executive directors during the year is as below:

(i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;	Fixed Income: Rs.5,00,000/- per month including adjustments towards Provident Fund, Sitting Fees: Rs. 8,000/-
(ii) details of fixed component and performance linked incentives, along with the performance criteria;	As above
(iii) service contracts, notice period, severance fees;	Nil
(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	Nil

3. No other performance linked incentives or any other fees are paid to any of the Directors.
4. The Company has not entered into any Service Contract with the Directors, except agreement with Mr. Jaijash Tatia who is the Whole-time Director of the Company.
5. The Notice Period of the Executive Directors of the

Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.

6. The Company does not pay any severance fees to any of the Directors.
7. The Independent Director shall not be entitled to participate in the Stock option scheme, if any introduced by the Company.



## Annexure to the Director's Report

### GENERAL BODY MEETINGS AND POSTAL BALLOT:

**Date and time of the General Meetings held during the last three years till 31st March, 2024.**

Details of General Meeting	Date	Time	Venue
27th AGM FY 2020-21	30.09.2021	11.00 AM	AGM conducted through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.
Extra Ordinary General Meeting	27.11.2021	11.00 AM	EoGM conducted through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.
28th AGM FY 2021-22	30.08.2022	11.00 AM	AGM conducted through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.
29th AGM FY 2022-23	28.07.2023	11.00 AM	AGM conducted through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.

**Special Resolutions passed at the previous General Body Meetings (for last three years) are as under:**

**At the 27<sup>th</sup> Annual General Meeting held on 30.09.2021:**

- To approve the revised terms of existing Loan borrowed by the Company from M/s. Opti Products Private Limited in accordance with the provisions of Companies Act, 2013.
- To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013.

**At the Extra Ordinary General Meeting held on 27.11.2021**

- Ratification of issue of equity shares on conversion of existing debts
- Ratification of issue of Compulsorily Convertible Preference Shares on preferential basis by converting the loan (partially) borrowed by the company
- Issuance of warrants on a preferential basis to promoter / promoter group and non - promoter group category

**At the 28<sup>th</sup> Annual General Meeting held on 30.08.2022**

- Alteration of object clause of Memorandum of Association
- Increase in Borrowing powers

**At the 29<sup>th</sup> Annual General Meeting held on 28.07.2023**

- To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013

### RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the financial year 2022-23, company had conducted postal ballot process for filling of casual vacancy of Statutory Auditor. A resolutions was passed by Postal Ballot by remote evoting process by members of the company on 15<sup>th</sup> April 2023 for following purpose:

- Appointment of M/s Darpan & Associates, Chartered Accountants, as Statutory Auditors to fill up the casual vacancy, caused due to resignation of M/s J V Ramanujam & Co.

M/s Lakshmmi Subramaniam & Associates was appointed as Scrutinizer for Postal ballot E-voting process.

**Resolutions passed by Postal Ballot by remote evoting process by members of the company on 11<sup>th</sup> April 2021**

- Reclassification of Authorized Share Capital
- To convert existing debt into Equity Shares and Issue of Equity Shares on Preferential basis
- Issue of Compulsorily Convertible preference shares on preferential basis by converting the loan (partially) borrowed by the Company.

M/s Lakshmmi Subramaniam & Associates was appointed as Scrutinizer for Postal ballot E-voting process.

**Resolutions passed by Postal Ballot by remote evoting process by members of the company on 7<sup>th</sup> June 2021**

- To convert existing debt into Equity Shares and Issue of Equity Shares on Preferential basis
- Issue of Compulsorily Convertible preference shares on preferential basis by converting the loan (partially) borrowed by the Company.
- Reclassification of authorized share capital.



## Annexure to the Director's Report

M/s Lakshmmi Subramaniam & Associates was appointed as Scrutinizer for postal ballot E-voting process.

### PROCEDURE FOR CONDUCTING VOTING THROUGH POSTAL BALLOT

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The results are displayed on the website of the Company [www.kreon.in](http://www.kreon.in). and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agent. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting

### MEANS OF COMMUNICATION

The Annual Report containing the Financial Statements are posted/e-mailed to the shareholders of the Company in compliance with the provisions of the Companies Act, 2013.

### GENERAL SHAREHOLDER INFORMATION

<b>Day &amp; Date of Shareholders Meeting</b>	<b>30<sup>th</sup> Annual General Meeting: Friday, 28<sup>th</sup> June 2024</b>
<b>Time</b>	<b>12.15 P.M</b>
<b>Venue</b>	<b>Through Video Conferencing or Other Audio Video Means</b> and will be deemed to held at Registered Office of the Company at No 26, 22 <sup>nd</sup> Street, Rathinam Nagar, Thiruvanmiyur, Chennai-600041
Financial year	2023-24
Date of Book Closure	<b>22.06.2024 to 28.06.2024 (Both days inclusive)</b>
Listed on Stock Exchange	BSE Limited (BSE); Scrip Code: 530139
International Securities Identification Number (ISIN)	INE302C01018
Address for Correspondence	No 26, 22 <sup>nd</sup> Street, Rathinam Nagar, Thiruvanmiyur, Chennai-600041
Phone	044-42696636
Email ID	investors.relations@kreon.in

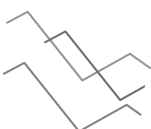
The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, our Company encourages its shareholders to register/ update the email-ids for communication purpose thereby contributing to the environment.

The unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the Financial Year as per the requirement of the Listing Regulations. The approved financial results are forthwith sent to the Stock Exchanges and are published in one national (English) newspaper "TRINITY MIRROR" and in one vernacular (Tamil) newspaper "MAKKAL KURAL". The results are also displayed on the Company's Website [www.kreon.in](http://www.kreon.in).

The Company does not host official news release in its website. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz, BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's Listing Centre. As required by the Listing Agreement, Company's website [www.kreon.in](http://www.kreon.in) is updated with the Quarterly information conveyed to the Stock Exchange.

The Company's website contains a separate dedicated section 'Investor Centre' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Prevention of Insider Trading in the Securities and hosted in its website [www.kreon.in](http://www.kreon.in).





## Annexure to the Director's Report

### LISTING OF EQUITY SHARES

The Company's shares are listed in the Bombay Stock Exchange. The Company has established connectivity with both depositories, NSDL and CDSL. The company has paid the Annual Listing Fees for the Financial Year 2023-24, to BSE Ltd within the stipulated time. The Company has also paid the custodian fees for the Financial Year 2023-24 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

BSE Stock Code: 530139

ISIN No. INE302C01018

### DEMATERIALIZATION OF SHARES AND LIQUIDITY

Trading in company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through its RTA, whereby the investors have the option to dematerialize their shares with either of the depositories. 94.32% of the Company's paid up Equity Share Capital has been dematerialized up to 31<sup>st</sup> March 2024.

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2024:

Slab of Shareholding	No. of Shareholders	% of Holders	Amount of Shares (in Rs)	% of Shares
Up to 5000	2814	79.42	4552090.00	2.25
5001 – 10000	354	9.99	2939960.00	1.45
10001 – 20000	197	5.56	2970440.00	1.47
20001 – 30000	52	1.47	1330430.00	0.66
30001 – 40000	20	0.56	691050.00	0.34
40001 – 50000	26	0.73	1209610.00	0.60
50001 – 100000	33	0.93	2388230.00	1.18
1,00,001 & ABOVE	47	1.32	186138190.00	92.05
<b>TOTAL</b>	<b>3543</b>	<b>100.00</b>	<b>202220000.00</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH 2023:

Category	Total Shares	% to Equity
Promoters	1,12,42,169	55.59
Financial Institutions/ Banks	-	-
Central/State Governments	-	-
Non- Institutional Individuals	-	-
Non-Resident Indians	5,18,868	2.57
Bodies Corporates	18,44,535	9.12
Resident Individuals	59,64,104	29.49
HUF	6,48,224	3.21
Trust	-	-
LLP	-	-
Others	4,100	0.02
<b>TOTAL</b>	<b>2,02,22,000</b>	<b>100.00</b>

### RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit

is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and paid-up capital is in agreement with the aggregate of the number of shares in dematerialized form held with NSDL and CDSL and the number of shares in physical form.



## Annexure to the Director's Report

### REGISTRAR AND TRANSFER AGENT

M/s. PurvaSharegistry (India) Pvt. Ltd is the Registrar and Share Transfer Agent (RTA) of the Company. Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialized form to the RTA at the following address:

PurvaSharegistry (India) Pvt. Ltd  
Unit No-9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Near LodhaExcelus,  
Lower Parel (East), Mumbai – 400 011  
Contact : 022-23018261  
E-Mail id : [support@purvashare.com](mailto:support@purvashare.com)

### SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition or re-lodgement of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. .

The Company obtains annually certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc.,and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on yearly basis.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission, transposition or re-lodgment of securities) is not being processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

### INFORMATION FOR PHYSICAL SHAREHOLDERS

With reference to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021

and 25th January, 2022, 16th March and 17th November 2023 on Common and Simplified Norms for processing Investor's Service, shareholders holding shares in physical form, to furnish the following documents mandatorily to Company/ our Registrar & Share Transfer Agent (RTA) to lodge grievance or avail service request from the RTA and further shall not be eligible for receipt of dividend in physical mode w.e.f. 1st April, 2024.

- 1) Valid PAN including of all Joint Shareholders duly linked with Aadhaar and KYC details (Form ISR-1)
- 2) Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) (Form ISR-1)
- 3) Address with Pin code, Email id and Mobile Number (Form ISR-1)
- 4) Specimen Signature (Form ISR-2)
- 5) Registration of Nominee (Form No. SH-13) or Declaration for opting-out of Nomination (Form ISR-3) Details of the above forms are available on the website of the Company as well as website of the Registrar and Share transfer agent of the Company. Necessary communication through letters were been sent to all the physical shareholders in this regard in the month of February, 2023.

### MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd during the financial year 2023-24 are given below:

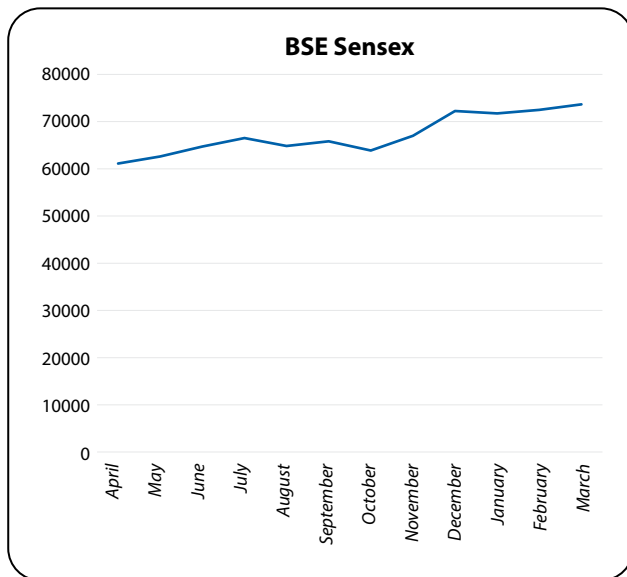
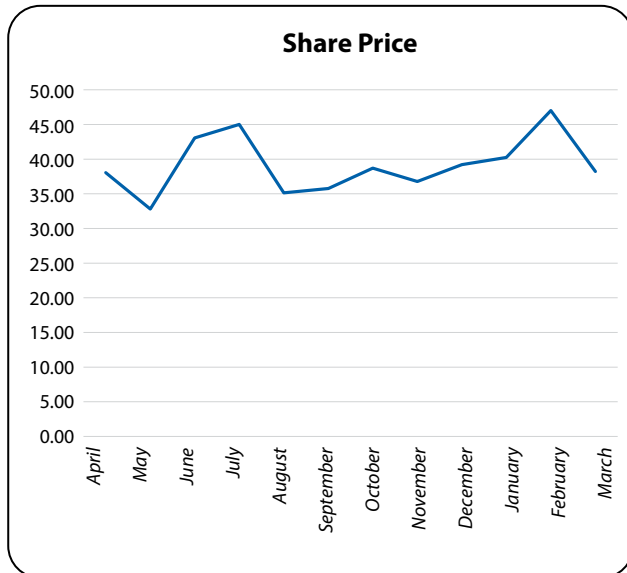
Month	High Price	Low Price
April	41.09	35.05
May	49.25	32.80
June	68.98	43.05
July	57.65	45.00
August	49.82	35.15
September	41.78	35.77
October	48.59	38.71
November	46.30	36.77
December	46.23	39.20
January	68.49	40.25
February	65.68	47.00
March	56.00	38.22



## Annexure to the Director's Report

### COMPARITIVE PRICE INDEX

The performance of your Company's shares relative to the S&P BSE Sensitive Index during the FY 2023-24 is given in the chart below:



### OUTSTANDING EMPLOYEE STOCK OPTIONS, GLOBAL DEPOSITORY RECEIPTS ("GDRS"), AMERICAN DEPOSITORY RECEIPTS ("ADRS") ETC.

The Company has not issued any ADR/GDR/ Employee Stock Options in till date.

### COMMODITY RISK OR FOREIGN EXCHANGE RISK:

The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.

### WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

There are no other convertible instruments issued by the Company during the FY 2023-24

### COMPLIANCE WITH THE ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

### COMPLIANCE WITH LISTING REGULATIONS

The Company has complied with all applicable listing requirements of the Listing regulations relating to obligations of the listed entity which has listed its specified securities.

### CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the mandatory corporate governance requirements specified in Regulations 17 to 27 of the Listing Regulations and has also adopted the non-mandatory requirements as prescribed in Part E of Schedule II of Regulation 27 of the Listing Regulations.

### SECRETARIAL STANDARDS:

The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries.

### CEO/CFO CERTIFICATION:

A Certificate from the CFO of the Company inter alia, confirming the correctness of the Financial Statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on Corporate Governance as certified by M/s. Darpan & Associates. Chartered Accountant, which is annexed to the Board's report.

In addition to the aforesaid certificate, M/s. Lakshmi Subramanian & Associates, the Practicing Company Secretary has also issued a Secretarial Audit Report pursuant to Section 204(1) of the Companies Act, 2013.

### PREVENTION OF INSIDER TRADING

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015.



## Annexure to the Director's Report

This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on a need basis. The policy is available on our website <http://www.kreon.in/wp-content/uploads/2020/07/Code-for-prevention-of-insider-trading-in-the-securities.pdf>.

### CREDIT RATING

The Company has availed Credit rating of BWR/BB Stable for Non fund-based Term Loans from M/s Brickwork Ratings India Pvt. Ltd. (BWR).

### DISCLOSURE OF MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All transactions entered into with the related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations were in the course of business and at an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under Regulation 23(1) of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website at [www.kreon.in](http://www.kreon.in).

### DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years in terms of Schedule V to the Listing Regulations.

### WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated whistle blower policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of the company's code of conduct. The

mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Management / Audit Committee. The whistle blower policy is displayed on the Company's web-site <http://www.kreon.in/wp-content/uploads/2020/07/Vigil-Mechanism-or-Whistle-Blower-Policy.pdf>.

### DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

The Company had received Rs.1991.2 Lakhs till 20<sup>th</sup> July 2023 on preferential allotment of warrants and utilized Rs. 1990.00 Lakhs during FY 2023-24, for the specified purpose of working capital requirements of the Company as mentioned at the time of issue of warrants. In the FY 2023-24, the Company has converted 65,99,000 warrants into equity shares against exercise of right of conversion of warrants by the warrant holders and the amount of Rs.659.90 Lakhs and Rs.725.89 Lakhs of warrant money transferred to Equity share capital and Share premium account respectively. An amount of Rs.1.26 Lakhs was forfeited on lapse of warrants being remained unexercised.

### OTHER DISCLOSURE

#### ACCEPTANCE OF RECOMMENDATION OF ALL COMMITTEES:

There was no instance during the financial year 2023-24 when the Board had not accepted any recommendation of the Committee of the Board.

#### FEES PAID TO STATUTORY AUDITOR

Details of fees paid by the Company, to the Statutory Auditor is disclosed in Note No. 27 of the Notes to the Financial Statements for the year ended March 31, 2024 forming part of this Annual Report.

#### DISCLOSURE ON PREVENTION OF SEXUAL HARASSMENT

The Company has adopted a policy for prevention, prohibition & redressal of sexual harassment and the disclosures in relation to the policy are provided as part of the Board's report. During the year under review, the Company had no complaints reported under the said policy.

#### DISCLOSURE OF MATERIAL SUBSIDIARIES OF LISTED ENTITY

The Company does have any material subsidiaries.



## Annexure to the Director's Report

### DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT/ TRANSFER TO IEPF ACCOUNT:

During the year under review, the Company had no such requirements.

### APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:

There were no applications made nor any proceedings pending under the insolvency and bankruptcy code, 2016 during the year under review.

### MAJOR THINGS HAPPENED DURING THE YEAR WHICH MADE THE IMPACT ON THE OVERALL WORKINGS OF THE COMPANY & THE MAJOR ACTIONS TAKEN BY THE COMPANY IN THAT RESPECT, SUCH AS COVID- 19 PANDEMIC:

During the year under review, the Company had no such instances.

### THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

### COMPLIANCE TO DISCRETIONARY REQUIREMENT OF CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements in relation to the Corporate Governance and wherever required has also taken steps for compliance/ implementation of discretionary items.

The details of implementation of discretionary items are provided below:

- a) Since the Chairman is executive, the Company has not provided for Chairperson office of non- executive chairperson.
- b) Company ensures proper disclosure and dissemination of information. Along with quarterly financial result, Company also provides details of its performance in terms of project and other details, which is provided to stock exchanges for dissemination to shareholders. However, Company does not circulate any half-yearly declaration of financial performance or summary of the significant events of six-months to shareholders.
- c) The Companies audit report is without any qualification. It had only disclaimer, which has been duly explained at the appropriate place.
- d) Company has duly adopted discretionary requirement and internal auditor reports are directly placed to the Audit Committee.

### COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

S. No	Particulars	Regulation Number	Compliance status (Yes/No)
1	Independent directors have been appointed in terms of specified criteria of independence and or eligibility	16(1)(b) & 25(6)	Yes
2	Board composition	17(1)	Yes
3	Meeting of board of directors	17(2)	Yes
4	Review of compliance reports	17(3)	Yes
5	Plans for orderly succession for appointments	17(4)	Yes
6	Code of conduct	17(5)	Yes
7	Fees or compensation	17(6)	Yes
8	Minimum information	17(7)	Yes
9	Compliance certificate	17(8)	Yes
10	Risk assessment and management	17(9)	Yes
11	Performance evaluation of independent directors	17(10)	Yes
12	Composition of audit committee	18(1)	Yes
13	Meeting of audit committee	18(2)	Yes
14	Composition of nomination and remuneration committee	19(1) & (2)	Yes





## Annexure to the Director's Report

S. No	Particulars	Regulation Number	Compliance status (Yes/No)
15	Composition of stakeholder relationship committee	20(1) & (2)	Yes
16	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
17	Vigil mechanism	22	Yes
18	Disclosure of shareholding by non-executive directors	-	Yes
19	Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	Yes
21	Approval for material related party transactions	23(4)	Yes
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
24	Maximum directorship and tenure	25(1) & (2)	Yes
25	Meeting of independent directors	25(3) & (4)	Yes
26	Familiarization of independent directors	25(7)	Yes
27	Memberships in committees	26(1)	Yes
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes
29	Disclosure of shareholding by non-executive directors	26(4)	Yes
30	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-  
**JaijashTatia**  
Whole time Director  
(DIN: 08085029)

Sd/-  
**Henna Jain**  
Director  
(DIN: 08383395)

Place: Chennai  
Date : 29.05.2024



## Annexure to the Director's Report

### DECLARATION UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended 31st March 2024.

For and on behalf of  
**Kreon Financial Services Limited**

Sd/-  
**Jaijash Tatia**  
Whole-Time Director  
(DIN: 08085029)

Place: Chennai  
Date: 29.05.2024

### ANNEXURE - VI

#### CERTIFICATE OF CORPORATE GOVERNANCE

To,  
**The Members of  
Kreon Financial Services Limited**

We have examined the compliance conditions of Corporate Governance by Kreon Financial Services Limited for the year ended on 31st March, 2024 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period 1st April, 2023 to 31st March 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanation given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s Darpan & Associates**  
ICAI Firm Registration No.016156S  
Chartered Accountants

Sd/-  
**CA Darpan Kumar**  
Partner Membership No. 235817  
UDIN: 24235817BKFAYv3220

Place: Chennai  
Date: 29.05.2024



## Annexure to the Director's Report

### ANNEXURE - VII

#### CERTIFICATION FROM CHIEF FINANCIAL OFFICER

To,  
The Board of Directors  
**Kreon Financial Services Ltd**

I, **Shoba Nahar, Chief Financial Officer** of the Company do hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2024 and to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and Regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 31<sup>st</sup> March 2024 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls system and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have indicated to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken to rectify those deficiencies.

#### DECLARATION

I further certify that I have indicated to the Audit Committee that:

- (i) That there was no significant changes in internal control over financial reporting during the year;
- (ii) That there was no significant changes in accounting policies during the year except for the changes that have been disclosed in the notes to the financial statements; and
- (iii) There were no instances of significant fraud of which I have become aware of and the involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Kreon Financial Services Limited**

Place: Chennai  
Date: 29.05.2024

Sd/-  
**Shoba Nahar**  
Chief Financial Officer



## Annexure to the Director's Report

### ANNEXURE -VIII

#### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**Kreon Financial Services Limited**

#26, 22nd Street, Rathinam Nagar,  
Thiruvanmiyur, Chennai – 600041.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kreon Financial Services Limited, CIN # L65921TN1994PLC029317 and having Registered Office at #26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai – 600041, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	DIN	Date of Original Appointment in Company
1	Mr.Jaijash Tatia	08085029	01.04.2018
2	Mr.Subbarayan Ekambaram	01186153	02.07.2003
3	Ms.Hemamalini	02914395	31.03.2010
4	Ms. Henna Jain	08383395	22.03.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AXN Prabhu & Associates**

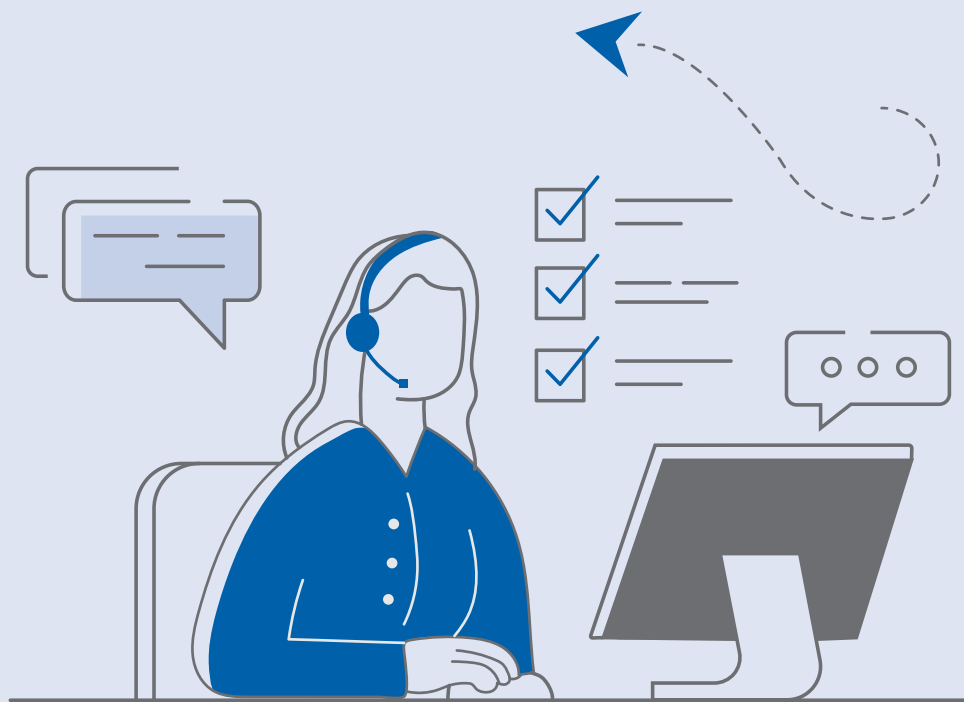
Sd/-

**CS AXN Prabhu**

Practicing Company Secretary  
M No. 3902; C.P No. 11440  
UDIN: F003902F000470995

Place: Chennai  
Date: 29.05.2024

# FINANCIAL SECTION





## Independent Auditors' Report

**To the Members of  
KREON FINANCIAL SERVICES LIMITED**

### Opinion

We have audited the accompanying standalone financial statements of **Kreon Financial Services Limited, Chennai**, which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2024; and its Profit, Total Comprehensive Income, the changes in Equity, and Cash Flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No	Key Audit Matter	Auditors' Response
1	Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	<p>We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.</p> <p>We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.</p> <p>We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time.</p> <p>We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;</p>
2	Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework.	<p>We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.</p>



## Independent Auditors' Report

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report, Management discussion and analysis and Report on corporate governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 no 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Responsibilities 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.



## Independent Auditors' Report

- 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) A. As required by Section 143 (3) of the Act, 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;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



## Independent Auditors' Report

- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law and Accounting standards, for material foreseeable losses, if any, on long-term contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year, hence compliance with provision of section 123 is not applicable for the year.
  - vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for records retention is not applicable for the financial year ended March 31, 2024.

for **M/s Darpan and Associates**  
Chartered Accountants  
ICAI Firm Registration No. 016156S

Sd/-  
**Darpan Kumar**  
Partner

Membership. No: 235817  
UDIN: 24235817BKFAZB6393

Place: Chennai  
Date: May 29, 2024



**“Annexure A”** to the Independent Auditors’ Report

**(Referred to in Paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the accounts of Kreon Financial Services Limited, (“the Company”), for the year ended March 31, 2024)**

- i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (PPE).
  - (b) According to the information and explanations given to us, physical verification of PPE is being conducted in a phased manner by the management under a programme designed to cover all the PPE over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the PPE has been physically verified by the management during the year and no material discrepancies between the books records and the physical PPE have been noticed.
  - (c) There are no immovable properties in the name of the company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) Based on the information and explanations furnished to us, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii)
  - (a) There are no inventories in the company during the year.
  - (b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii)
  - (a) The Company is registered with Reserve Bank of India (RBI) under section 45-IA as a non- banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
  - (b) Based on our examination and the information and explanations given to us, in respect of investments/ guarantees/ securities/ loans/ advances in nature of loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company’s interest.
  - (c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans majorly to retail customers, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company’s business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. The Company has recognised provisions against the above loans, in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India (“RBI”) for Income Recognition and Asset Classification.
  - (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2024 is Rs.684.26 Lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.





## **“Annexure A”** to the Independent Auditors' Report

- (e) This Company is registered with the Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
  - (f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.
- v) The Company has not accepted any deposits from public during the year hence the directives issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2015, are not applicable.
- vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of Cost Records under sub-section (1) of section 148 of the Act.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues of Goods and Services Tax, Sales Tax, Excise Duty, Customs Duty, Value Added Tax etc., which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix) (a) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or dues to debenture holders.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and on overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.



## “Annexure A” to the Independent Auditors’ Report

- (e) The Company does not have any subsidiary, associates or joint venture, hence sub-clauses (e) and (f) of para 3(ix) of the order are not applicable.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has made preferential allotment of equity shares, and warrants during the year. Based on the information and explanations given to us, requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii) In our Opinion, the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore clause 3 (xii) of the Companies (Auditor’s Report) Order is not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures specified under Section 133 of the Act.
- xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Deposit Taking Non-Systemically Important NBFC. The company is NBFC - Others - Loan Company (LC).
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.



## “Annexure A” to the Independent Auditors’ Report

- xvii) The Company has not incurred cash losses in the financial year. The company has not incurred cash losses in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx) Reporting on CSR: Provisions of Section 135 Corporate Social Responsibility (CSR) are not applicable to the company. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

for **M/s Darpan and Associates**  
Chartered Accountants  
ICAI Firm Registration No. 016156S

Sd/-  
**Darpan Kumar**  
Partner

Membership. No: 235817  
UDIN: 24235817BKFAZB6393

Place: Chennai  
Date: May 29, 2024



## “Annexure B” to the Independent Auditors’ Report

### “ANNEXURE B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Kreon Financial Services Limited

#### Report on the Internal Financial Controls 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 M/s Kreon Financial Services Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone 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. 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.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



## “Annexure B” to the Independent Auditors’ Report

### 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, 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 March 31, 2024, 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 and jointly controlled companies, which are companies incorporated in India, as of that date.

for **M/s Darpan and Associates**  
Chartered Accountants  
ICAI Firm Registration No. 016156S

Sd/-  
**Darpan Kumar**  
Partner

Membership. No: 235817  
UDIN: 24235817BKFAZB6393

Place: Chennai  
Date: May 29, 2024





## Balance Sheet as at 31st March, 2024

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	3	299.26	138.00
Bank Balance Other than Cash and Cash equivalents			
- Bank deposit with original maturity for more than three months		1,820.13	10.52
Loans	4	2,707.29	2,391.57
Investments	5	1,034.16	124.43
Other Financial assets	6	2.86	4.15
		<b>5,863.71</b>	<b>2,668.67</b>
<b>Non-financial Assets</b>			
Current Tax Assets (Net)	7	12.23	2.00
Deferred Tax Assets (Net)	8	9.14	60.97
Property, Plant and Equipment	9A	105.42	55.73
Other Intangible assets	9A	134.64	168.3
ROU Asset	10	107.66	122.68
Other non-financial assets	11	100.96	10.33
Non-Current Assets held for sale	12	4.60	4.60
		474.65	424.63
<b>TOTAL ASSETS</b>		<b>6,338.36</b>	<b>3,093.30</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
Payables			
(I) Other Payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	2.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		27.50	4.95
Borrowings (Other than Debt Securities)	14	2,796.75	825.54
Lease Liabilities		121.33	129.20
Other financial liabilities	15	45.60	26.06
		<b>2,991.18</b>	<b>987.98</b>
<b>Non-Financial Liabilities</b>			
Provisions	16	13.41	2.59
Other non-financial liabilities	17	45.54	20.50
		<b>58.95</b>	<b>23.09</b>
<b>Equity</b>			
Equity Share capital	18	2,022.20	1,362.30
Other Equity	19	1,266.02	719.92
		3,288.22	2,082.22
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,338.36</b>	<b>3,093.30</b>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **Darpan and Associates**

Chartered Accountants

ICAI Firm registration number: 016156S

Sd/-

**CA Darpan Kumar**

Partner

Membership No.: 235817

UDIN: 24235817BKFAZB6393

Place: Chennai

Date: 29.05.2024

For and on behalf of the Board of Directors of

**Kreon Financial Services Limited**

Sd/-

**Jaijash Tatia**

Wholetime Director

(DIN: 08085029)

Sd/-

**Shoba Nahar**

Chief Financial Officer

Sd/-

**Henna Jain**

Director

(DIN: 08383395)

Sd/-

**Vidyalakshmi R**

Company Secretary

(M.No - A28058)

**Profit and Loss Statement** for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Revenue from operations</b>			
Interest Income	20	90.11	66.19
Dividend Income		0.08	0.08
Fees and commission Income	21	1,526.63	877.02
<b>I.Total Revenue from operations</b>		<b>1,616.82</b>	<b>943.30</b>
II.Other Income	22	20.47	18.46
<b>III.Total Income (I+II)</b>		<b>1,637.28</b>	<b>961.76</b>
<b>Expenses</b>			
Finance Costs	23	95.96	45.28
Impairment on financial instruments	24	19.39	31.30
Employee Benefits Expenses	25	278.37	156.10
Depreciation, amortization and impairment	26	70.50	54.05
Others expenses	27	1,076.79	277.46
<b>IV. Total Expenses</b>		<b>1,541.02</b>	<b>564.20</b>
V.Profits / (Loss) before exceptional item and tax [III - IV]		96.27	397.57
VI. Exceptional Items		-	-
<b>VII. Profit/(loss) before tax (V -VI)</b>		<b>96.27</b>	<b>397.57</b>
<b>VIII. Tax expenses</b>	8		
Current tax		8.82	1.75
Earlier period tax adjustment		-	0.19
Deferred tax		25.12	(62.38)
<b>IX. Profit / (loss) for the period from continuing operations (VII-VIII)</b>		<b>62.32</b>	<b>458.00</b>
X. Profit / (Loss) for the period (IX)		<b>62.32</b>	<b>458.00</b>
XI. Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or enterprises loss			
- Investment in Equity Instruments		243.92	-307.95
- Defined Benefit Obligation - Actuarial Gains		-6.88	0.86
(ii) Income tax relating to items that will not be reclassified to profit or loss		-26.70	36.61
<b>Subtotal (A)</b>		<b>210.33</b>	<b>-270.48</b>
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>210.33</b>	<b>-270.48</b>
XII. Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)		272.65	187.52
<b>XIII. Earnings per equity share (for continuing operations)</b>	28		
Basic (Rs.)		0.34	4.22
Diluted (Rs.)		0.34	2.62

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **Darpan and Associates**

Chartered Accountants

ICAI Firm registration number: 016156S

Sd/-

**CA Darpan Kumar**

Partner

Membership No.: 235817

UDIN: 24235817BKFAZB6393

Place: Chennai

Date: 29.05.2024

For and on behalf of the Board of Directors of

**Kreon Financial Services Limited**

Sd/-

**Jaijash Tatia**

Wholetime Director

(DIN: 08085029)

Sd/-

**Shoba Nahar**

Chief Financial Officer

Sd/-

**Henna Jain**

Director

(DIN: 08383395)

Sd/-

**Vidyalakshmi R**

Company Secretary

(M.No - A28058)

## Cash Flow Statement for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Cash flow from operating activities</b>		
<b>Net profit / (loss) before taxation</b>	<b>96.27</b>	<b>397.57</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	70.50	54.05
Acturial Gains	-6.88	0.86
Impairment on Financial Instruments	19.39	31.30
Loan Write Offs - Bad Debts	670.80	22.76
Gain from Sale of Investment	-	-8.91
Interest received on Bank Deposits	-34.89	-0.72
Interest paid on Borrowings	95.96	45.21
<b>Operating profit before working capital changes</b>	<b>911.15</b>	<b>542.12</b>
<b>Change in Operating Assets and Liabilities</b>		
(Increase) / Decrease in loan Assets	-1,005.90	-1,142.17
(Increase) / Decrease in non-Financial Assets	-90.62	0.11
(Increase) / Decrease in other Financial Assets	1.29	-2.48
Increase / (Decrease) in trade payables and other payables	20.32	0.45
Increase / (Decrease) in other non-Financial liabilities	25.03	11.77
Increase / (Decrease) in other Financial liabilities	19.54	8.83
Increase / (Decrease) in other Provisions	10.82	0.75
<b>Cash generated from operations</b>	<b>-108.38</b>	<b>-580.62</b>
Direct taxes paid (Net of refunds)	19.05	-4.77
<b>Net cash flow from / (used) in operating activities (A)</b>	<b>-127.43</b>	<b>-575.86</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property plant and equipment	-71.50	-63.65
Payment towards intangible assets under development	-	-40.10
Net Investments in bank deposits (having original maturity of more than three months)	-1,809.61	-5.34
Purchase of Investment - Equity Instruments	-665.81	-14.53
Sale of Investment - Equity Instruments	-	23.44
Interest received on bank deposits	34.89	0.72
<b>Net cash flow from / (used) in investing activities (B)</b>	<b>-2,512.04</b>	<b>-99.46</b>

**Cash Flow Statement** for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from share warrants	933.35	559.13
Proceeds/(Repayment) from Borrowings (Net)	1,971.21	168.33
Payment of Lease Liabilities	-19.80	-16.50
Interest paid	-84.03	-36.52
<b>Net cash flow from / (used) in financing activities (C)</b>	<b>2,800.73</b>	<b>674.44</b>
<b>D. Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	161.26	-0.86
<b>E. Cash and cash equivalents as at beginning of the year</b>	138.00	138.87
<b>F. Cash and cash equivalents as at the end of the year (D + E)</b>	299.26	138.00
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>161.26</b>	<b>-0.86</b>
<b>Components of cash and cash equivalents as at March 31, 2023</b>		
Balances with scheduled banks		
- in current accounts	296.25	136.55
Wallets	2.95	1.35
Cash in Hand	0.07	0.10
<b>Total cash and cash equivalents (refer note no. 3)</b>	<b>299.26</b>	<b>138.0</b>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **Darpan and Associates**

Chartered Accountants

ICAI Firm registration number: 016156S

Sd/-

**CA Darpan Kumar**

Partner

Membership No.: 235817

UDIN: 24235817BKFAZB6393

Place: Chennai

Date: 29.05.2024

For and on behalf of the Board of Directors of

**Kreon Financial Services Limited**

Sd/-

**Jaijash Tatia**

Wholtime Director

(DIN: 08085029)

Sd/-

**Shoba Nahar**

Chief Financial Officer

Sd/-

**Henna Jain**

Director

(DIN: 08383395)

Sd/-

**Vidyalakshmi R**

Company Secretary

(M.No - A28058)



## Statement of Changes in Equity for the year ended 31st March, 2024

(₹ in Lakhs)

### Equity Share Capital:

#### (i) Current reporting period

Balance at the beginning of the current reporting period (As at 31st March 2023)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period (As at 31st March 2024)
1,362.30	-	1,362.30	659.90	2,022.20

#### (ii) Previous reporting period

Balance at the beginning of the current reporting period (As at 31st March 2022)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period (As at 31st March 2023)
1,090.60	-	1,090.60	271.70	1,362.30

### 4. Other Equity

#### (i) Current reporting period

	Share application money pending allotment	Reserves and Surplus						Other Comprehensive Income		Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Money received against share warrants	Total
		Capital Reserve	Securities Premium	Other Reserves				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income & Remeasurement gain/(loss) on defined benefit plan				
				Equity component of compound financial instruments	Revaluation Surplus	Retained Earnings	Statutory Reserves						
Balance at the beginning of the current reporting period	-	-	655.95	-	-	-580.80	154.62	-	36.45	-	-	453.71	719.93
Additions during the year	-	1.26	725.89	-	-	62.32	-	-	210.33	-	-	933.35	1,933.15
Transfer to Statutory Reserves	-	-	-	-	-	-12.46	12.46	-	-	-	-	-	-
Equity Issued during the year	-	-	-	-	-	-	-	-	-	-	-	-1,385.79	-1,385.79
Transfer to capital reserves	-	-	-	-	-	-	-	-	-	-	-	-1.26	-1.26
<b>Balance at the end of the current reporting period</b>	-	<b>1.26</b>	<b>1,381.84</b>	-	-	<b>-530.94</b>	<b>167.08</b>	-	<b>246.78</b>	-	-	<b>0.00</b>	<b>1,266.02</b>



**Statement of Changes in Equity** for the year ended 31st March, 2024

(₹ in Lakhs)

## (ii) Previous reporting period

	Share application money pending allotment	Reserves and Surplus						Other Comprehensive Income		Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of a foreign operation	Money received against share warrants	Total
		Capital Reserve	Securities Premium	Other Reserves				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income & Remeasurement gain/(loss) on defined benefit plan				
				Equity component of compound financial instruments	Revaluation Surplus	Retained Earnings	Statutory Reserves						
Balance at the beginning of the current reporting period	-	-	323.48	-	-	-947.20	63.02	-	306.93	-	-	498.75	244.97
Additions during the year	-	-	332.47	-	-	458.00	-	-	-270.48	-	-	559.13	1,079.12
Transfer to retained earnings	-	-	-	-	-	-91.60	91.60	-	-	-	-	-	-
Equity Issued during the year	-	-	-	-	-	-	-	-	-	-	-	-604.17	-604.17
Balance at the end of the current reporting period	-	-	655.95	-	-	-580.80	154.62	-	36.45	-	-	453.71	719.93

As per our report of even date

For **Darpan and Associates**

Chartered Accountants

ICAI Firm registration number: 016156S

Sd/-

**CA Darpan Kumar**

Partner

Membership No.: 235817

UDIN: 24235817BKFAZB6393

Place: Chennai

Date: 29.05.2024

For and on behalf of the Board of Directors of

**Kreon Financial Services Limited**

Sd/-

**Jaijash Tatia**

Wholetime Director

(DIN: 08085029)

Sd/-

**Shoba Nahar**

Chief Financial Officer

Sd/-

**Henna Jain**

Director

(DIN: 08383395)

Sd/-

**Vidyalakshmi R**

Company Secretary

(M.No - A28058)



## Notes to the Financial Statement for the year ended 31st March, 2024

### Note No:

#### 1 Corporate information

Kreon Financial Services Limited (the company) is a public company domiciled in India and incorporated under the provision of Companies Act, 1956 on 23rd November 1994. Its shares are listed on Bombay Stock Exchange ("BSE") in India. The Company is primarily engaged in the business of retail loan lending through its digital platform "StuCred". It also lends the money for other business purposes.

The Company is registered with the Reserve Bank of India (RBI) as Non-Deposit Taking NBFC and Classified as NBFC - Investment and Credit Company (NBFC- ICC) and Ministry of Corporate Affairs. The registration details are as follows:

RBI	B-07-00023
Corporate Identity Number (CIN)	L65921TN1994PLC029317

The financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on May 29, 2024."

#### 2 Basis of preparation and Presentation of financial statements

##### Preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ("the Act"). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting standards and other relevant provisions of the Companies Act 2013, guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except provided otherwise.

The financial statements are presented in Indian Rupees in Lakhs which is also the functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise indicated."

##### Presentation:

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where permitted by Ind AS.

##### Use of Estimates and Judgements:

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



## Notes to the Financial Statement for the year ended 31st March, 2024

### 2.1 Summary of Significant accounting policies

#### a) Financial Instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

#### 1) Financial Assets:

**Initial Measurement:** All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

**Subsequent measurement:** For the purpose of subsequent measurement, financial assets are classified into the following categories as per the Company's Board approved policy:

- a. Debt instruments at amortised cost
- b. Equity instruments designated under FVOCI

#### Debt instruments at amortised cost:

The Company measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company. After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR).

#### Equity instruments designated under FVOCI:

All equity investments in scope of Ind AS 109 'Financial instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.



## Notes to the Financial Statement for the year ended 31st March, 2024

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition:** The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. "

Once the asset is derecognised, the Company does not have any continuing involvement in the same.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which doesn't affect the business model of the Company.

### **Impairment of Financial Assets:**

#### **General Approach**

Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Lifetime ECLs is calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Non-Digital i.e loans repayable on demand and Digital Loans i.e Term loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

#### **Stage 1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. Though there is a rebuttable presumption that the credit risk on financial assets has increased significantly since initial recognition when contractual payments more than 30 days past due. However, the Company is confident as per historical performance that these dues are goods and fully receivable and accordingly classifies all standard advances and advances upto 150 days default under this category.

#### **Stage 2**

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. More than 150 Days Past Due but less than 360 days is considered as significant increase in credit risk.

#### **Stage 3**

All exposures assessed as credit impaired once it becomes 360 days past due are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. As a matter of prudence, at this stage, the company writes off the whole exposure instead of providing for the same.



## Notes to the Financial Statement for the year ended 31st March, 2024

The above is then compared with the provisions requirement as per Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated 01st September 2016 (amended till date). Any short in provisions requirement as per RBI is adjusted accordingly in line with the master circular requirements. (Refer note no.33)

### Measurement of ECL

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The company has determined the POD for all stages as follows:

Stage 1 - 0.25%

Stage 2 - 10%

Stage 3 - 100%”

Exposure at Default (EAD) - The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Loss Given Default (LGD) - LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security, if any. It is usually expressed as a percentage of the EAD. Company considers 100% of the Exposure at default as Loss Given Default.

Simplified Approach in case of Trade Receivables and other financial assets:

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated for changes in the forward looking estimates.

### II) Financial Liabilities:

Initial Measurement: All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade payables, other payables, and other borrowings.

Subsequent measurement: After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition: The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired

### III) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.





## Notes to the Financial Statement for the year ended 31st March, 2024

### III) Fair Value Determination of financial instruments:

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures investment in equity instruments designated at OCI alone at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability."

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments** - No Such Instruments.

**Level 3 financial instruments** - No Such Instruments.

### I) Revenue Recognition

Interest Income:

The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal Charges or like on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly

### Fees and Commission Income:

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a five step model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and



## Notes to the Financial Statement for the year ended 31st March, 2024

recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

### Dividend Income:

Dividend income is recognised when the right to receive the payment is established.

### a) Property, Plant and Equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'. Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

### c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a WDV basis using the rates arrived at, based on the useful lives estimated by the management/Useful life as per schedule II. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its property, plant and equipment.

	<b>Useful lives estimated by the management/Useful life as per schedule II</b>
Plant and Machineries	15 Years
Furniture and Fittings	10 Years
Vehicles	8 Years
Computer and Peripherals	3 Years
Leasehold improvements	The life based on lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### d) Intangible assets

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment, if any. The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the Statement of Profit and Loss when the asset is derecognised.



## Notes to the Financial Statement for the year ended 31st March, 2024

### e) Leases

The Company follows Ind AS 116 'Leases' for all long term and material lease contracts.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The Company's lease asset class consist of leases for office premises.

### g) Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

### f) Finance Cost:

Borrowing costs on financial liabilities are recognised using the EIR.

### m) Foreign currency translation

#### (i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### (ii) Transactional and Balances

##### a) Initial Recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

##### b) Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss or Other Comprehensive Income as permitted under the relevant Ind AS.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.



## Notes to the Financial Statement for the year ended 31st March, 2024

### n) Retirement and other employee benefits

#### Short term employee benefit:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

#### Post-employment benefit:

##### a) Defined contribution schemes:

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### b) Defined Benefit schemes:

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit ("PUC") Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

### o) Taxes

#### Current Income Taxes:

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities



## Notes to the Financial Statement for the year ended 31st March, 2024

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred Income taxes:**

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

### **Goods and Service Taxes:**

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **q) Segment Reporting**

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating Segments.

### **r) Earning per share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.





## Notes to the Financial Statement for the year ended 31st March, 2024

### s) Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

### t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

### u) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### v) Cash Flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### Note No. 3 : Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash on Hand	0.07	0.10
Balances with banks (of the nature of cash and cash equivalents)		
- on current accounts	296.25	136.55
Wallets	2.95	1.35
<b>Total (Net)</b>	<b>299.26</b>	<b>138.00</b>

### Note No. 4 : Loans

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loans repayable on Demand	402.57	363.83
Term Loans	2,363.61	2,067.24
<b>Gross</b>	<b>2,766.18</b>	<b>2,431.07</b>
Less: Impairment loss allowance	58.89	39.50
<b>Net</b>	<b>2,707.29</b>	<b>2,391.57</b>
Unsecured	2,766.18	2,431.07
<b>Gross</b>	<b>2,766.18</b>	<b>2,431.07</b>
Less: Impairment loss allowance	58.89	39.50
<b>Net</b>	<b>2,707.29</b>	<b>2,391.57</b>
Loans in India		
- Individuals, Private and Public Companies	2,766.18	2,431.07
<b>Gross</b>	<b>2,766.18</b>	<b>2,431.07</b>
Less: Impairment loss allowance	58.89	39.50
<b>Net</b>	<b>2,707.29</b>	<b>2,391.57</b>

### Note No. 5 : Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity Instruments	1034.16	124.43
<b>Total</b>	<b>1034.16</b>	<b>124.43</b>
Investment in India	1034.16	124.43
Investment outside India	-	0.00
<b>Total</b>	<b>1034.16</b>	<b>124.43</b>
Less: Impairment loss allowance	-	0.00
<b>Net</b>	<b>1034.16</b>	<b>124.43</b>

### Note No. 6 : Other Financial Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Rental Security Deposit	2.85	4.13
Telephone Deposit	0.02	0.02
<b>Total</b>	<b>2.86</b>	<b>4.15</b>

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 7 : Current Tax Assets (Net)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Income Tax net of provision of taxation	6.18	-1.75
Tax Deducted at Source	6.05	3.75
	<b>12.23</b>	<b>2.00</b>

**Note No. 8 : Income Tax**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Tax	8.82	1.75
Adjustment in respect of current income tax of prior years	-	0.19
Deferred tax relating to origination and reversal of temporary differences	25.12	-62.38
<b>Total tax charge</b>	<b>33.95</b>	<b>-60.44</b>

**Reconciliation of the total tax charge:**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial years ended March 31, 2024 and March 31, 2023 is, as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before tax	96.27	397.57
At India's statutory income tax rate of 25.168% (2023: 25.168%)	24.23	100.06
Adjustment in respect of current income tax of prior years	-	-0.19
Income Subject to Tax at special rate (15%)	-	-1.34
Non-deductible expenses		
Adjustment in respect of prior years*	-	0.19
Others	37.98	-64.78
Tax Losses	-28.26	-94.38
	<b>33.95</b>	<b>-60.44</b>

**Deferred Tax****As at 31st March 2024**

Particulars	DTA	DTL	Statement of Profit and Loss	OCI
Provision for post retirement benefits	3.40	-	-0.99	1.73
Fair Valuation of Equity Instruments	-	33.03	-	-28.44
Property, plant and equipment and intangible assets- carrying amount other than on account of fair valuation	-	1.81	-0.35	-
Unused Tax losses	37.14	-	28.26	-
Right-of-use assets	3.44	-	-1.80	-
<b>Total</b>	<b>43.97</b>	<b>34.83</b>	<b>25.12</b>	<b>-26.70</b>



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### As at 31st March 2023

Particulars	DTA	DTL	Statement of Profit and Loss	OCI
Provision for post retirement benefits	0.67	-	-0.41	0.22
Fair Valuation of Equity Instruments	-	4.59	-	-36.83
Property, plant and equipment and intangible assets- carrying amount other than on account of fair valuation	-	2.15	5.07	-
Unused Tax losses	65.40	-	-65.40	-
Right-of-use assets	1.64	-	-1.64	-
<b>Total</b>	<b>67.71</b>	<b>6.74</b>	<b>-62.38</b>	<b>-36.61</b>

### Note No. 9 : Property, Plant and Equipment and Intangible Assets

	Lease hold improvements	Computer and Peripherals	Vehicles	Furniture & Fittings	Plant and Machineries	Intangible Assets [StuCred Application]	Total
Gross block							
At April 1, 2022	-	23.39	30.19	1.76	5.06	-	60.40
Additions	8.46	8.13	-	37.66	9.39	190.42	254.07
<b>At March 31, 2023</b>	<b>8.46</b>	<b>31.52</b>	<b>30.19</b>	<b>39.42</b>	<b>14.45</b>	<b>190.42</b>	<b>314.47</b>
Additions	-	12.48	56.00	1.10	1.93	-	71.50
<b>At March 31, 2024</b>	<b>8.46</b>	<b>43.99</b>	<b>86.19</b>	<b>40.52</b>	<b>16.38</b>	<b>190.42</b>	<b>385.97</b>
Depreciation / amortisation							
At April 1, 2022	-	20.21	25.87	1.09	1.73	-	48.90
Charge for the year	2.17	5.67	1.35	8.15	2.08	22.12	41.54
<b>At March 31, 2023</b>	<b>2.17</b>	<b>25.88</b>	<b>27.22</b>	<b>9.24</b>	<b>3.80</b>	<b>22.12</b>	<b>90.43</b>
Charge for the year	1.78	6.85	3.13	7.91	2.14	33.66	55.48
<b>At March 31, 2024</b>	<b>3.95</b>	<b>32.73</b>	<b>30.36</b>	<b>17.15</b>	<b>5.95</b>	<b>55.78</b>	<b>145.91</b>
Net Block	4.51	11.27	55.83	23.37	10.44	134.64	240.06
<b>At March 31, 2023</b>	<b>6.30</b>	<b>5.64</b>	<b>2.97</b>	<b>30.18</b>	<b>10.65</b>	<b>168.30</b>	<b>224.03</b>
<b>At March 31, 2024</b>	<b>4.51</b>	<b>11.27</b>	<b>55.83</b>	<b>23.37</b>	<b>10.44</b>	<b>134.64</b>	<b>240.06</b>
Impairment Loss							
At April 1, 2022	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Block	4.51	11.27	55.83	23.37	10.44	134.64	240.06
<b>At March 31, 2023</b>	<b>6.30</b>	<b>5.64</b>	<b>2.97</b>	<b>30.18</b>	<b>10.65</b>	<b>168.30</b>	<b>224.03</b>
<b>At March 31, 2024</b>	<b>4.51</b>	<b>11.27</b>	<b>55.83</b>	<b>23.37</b>	<b>10.44</b>	<b>134.64</b>	<b>240.06</b>

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 10 : Leases**

A) Where the Company is a lessee.

(i) Amount recognized in balance sheet

Right-of-use Assets:

**OFFICE PREMISES:**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	122.68	-
- Additions	-	135.20
- Depreciation charged during the year	15.02	12.52
- Disposals	-	-
<b>Net Carrying Amount</b>	<b>107.66</b>	<b>122.68</b>

The Company has not revalued any of its Right-of-use assets during the years ended March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(ii) Amount recognized in statement of profit and loss</b>		
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	15.02	12.52
Interest expense (included in finance costs)	11.94	10.49
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	-	2.32
<b>(iii) Gains or losses arising from sale and leaseback transactions</b>	-	-
<b>(iv) Total Cash outflow for leases during the year</b>	<b>26.96</b>	<b>25.33</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Note No. 11 : Other Non-Financial Assets**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Goods and services tax credit (input) receivable	13.04	0.45
Advances to Vendors	3.56	2.28
Advance to Employees	10.22	-
Rental Pre-Payments	7.14	7.61
Others	67.01	-
	<b>100.96</b>	<b>10.33</b>

**Note No. 12 : Non-Current Assets held for sale**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Bullion - Held for Sale*	4.60	4.60
	<b>4.60</b>	<b>4.60</b>

\* Measured at lower of cost or fair value.





## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### Note No. 13 : Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Other Payables		
Dues to Micro and Small Enterprises (also refer note no: 51)	-	2.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.50	4.95
	<b>27.50</b>	<b>7.18</b>

### Ageing Schedule

Outstanding for following periods from due date of payment	as at March 31, 2024			
	Undisputed		Disputed	
	MSME	Others	MSME	Others
Unbilled Dues	-	-	-	-
Less than 1 Year	-	-	-	-
1-2 Years	-	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Not yet due	-	27.50	-	-
<b>Total</b>	-	<b>27.50</b>	-	-

Outstanding for following periods from due date of payment	As at March 31, 2023			
	Undisputed		Disputed	
	MSME	Others	MSME	Others
Unbilled Dues	-	-	-	-
Less than 1 Year	-	-	-	-
1-2 Years	-	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
Not yet due	2.24	4.95	-	-
<b>Total</b>	<b>2.24</b>	<b>4.95</b>	-	-

### Note No. 14 : Borrowings (Other than Debt Securities)

Particulars	As at March 31, 2024			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
Loans from related parties (Unsecured)	752.98	-	-	752.98
Inter Corporate Deposit - (Unsecured)	2,043.77	-	-	2,043.77
<b>Total (A)</b>	<b>2,796.75</b>	-	-	<b>2,796.75</b>
Borrowings in India	2,796.75	-	-	2,796.75
Borrowings outside India	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>2,796.75</b>	-	-	<b>2,796.75</b>

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2023			Total
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	
Loans from related parties (Unsecured)	825.54	-	-	825.54
<b>Total (A)</b>	<b>825.54</b>	<b>-</b>	<b>-</b>	<b>825.54</b>
Borrowings in India	825.54	-	-	825.54
Borrowings outside India	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>825.54</b>	<b>-</b>	<b>-</b>	<b>825.54</b>

**Note:**

Loan from related parties are for a tenor of one year and are renewable.

**Note No. 15 : Other financial liabilities**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Salary Payable	20.07	14.64
Audit Fee Payable	0.75	0.35
Other Payables*	24.78	11.07
	<b>45.60</b>	<b>26.06</b>

\*Other payables includes liability for other expenses and Credit Card Dues.

**Note No. 16 : Provisions**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits - Gratuity (Refer note no: 31)	13.41	2.59
	<b>13.41</b>	<b>2.59</b>

**Note No. 17 : Other non-financial liabilities**

Particulars	As at 31st March, 2024	As at 31st March, 2023
TDS Payable	13.32	5.44
GST Payable	29.63	13.68
EPF Payable	1.76	0.92
ESI Payable	-	0.02
Professional Tax Payable	0.59	0.40
Other Payables	0.23	0.04
	<b>45.54</b>	<b>20.50</b>



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### Note No. 18 : Equity Share capital

Particulars	As at	
	31st March, 2024	31st March, 2023
<b>(a) Authorized</b>		
2,50,00,000(31 March 2023) equity shares of ₹10/- each	2,500	2,500
50,00,000 (31 March 2023) Compulsory convertible preference shares (CCPS) of ₹10/- each	500	500
<b>(b) Issued, Subscribed and fully paid up</b>		
2,02,22,000 (31st March 2023: 1,36,23,000) Equity Shares of 10/- Each	2,022.20	1,362.30
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>2,022.20</b>	<b>1,362.30</b>

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity shares

Particulars	31-Mar-24		31-Mar-23	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	1,36,23,000	1,362.30	1,05,86,000	1,058.60
Loan converted to Equity	-	-	-	-
Preference shares converted to Equity*	-	-	1,60,000	16.00
Warrants converted to Equity**	65,99,000	659.90	28,77,000	287.70
<b>Outstanding at the end of the year</b>	<b>2,02,22,000</b>	<b>2,022.20</b>	<b>1,36,23,000</b>	<b>1,362.30</b>

#### Preference Shares

Particulars	31-Mar-24		31-Mar-23	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	-	-	3,20,000	32.00
Issued during the period	-	-	-	-
Converted to equity during the year*	-	-	3,20,000	32.00
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* On February 07, 2023, the company allotted 1,60,000 equity shares of face value of ₹10 each fully paid issued at a premium of ₹10/- per equity share to M/s. Jinpaad Developers Private Limited upon conversion of 3,20,000 Preference Shares. The entire proceeds have been utilised for the objects of the preferential issue.

\*\* On March 28, 2023, the company allotted 28,77,000 equity shares of face value of ₹ 10 each fully paid issued at a premium of ₹ 11/- per equity share to the following warrant holders upon exercise of option of conversion of 28,77,000 warrants. The entire proceeds have been utilised for the objects of the preferential issue.

On July 20, 2023, the company allotted 65,99,000 equity shares of face value of ₹10 each fully paid issued at a premium of ₹11/- per equity share to the following warrant holders upon exercise of option of conversion of 65,99,000 warrants. The entire proceeds have been utilised for the objects of the preferential issue.

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

Name of Warrant Holders	Category	As at	As at
		31st March, 2024	31st March, 2023
		No of warrants converted	No of warrants converted
Jaijash Tatia	Promoter	20,29,000	9,47,000
Henna Jain	Promoter	23,20,000	6,80,000
Ramesh Nahar	Non-Promoter	-	1,50,000
B Rameshchand Nahar and Sons HUF	Non-Promoter	-	4,00,000
Kulin Shantibhai Vora	Non-Promoter	3,50,000	-
Rocky Rasiklal Vora	Non-Promoter	3,50,000	-
Bhogilal Mavji Vora	Non-Promoter	3,00,000	-
Bhawarlal Rameshchand Sons HUF	Non-Promoter	-	2,00,000
Nirmala Nahar	Non-Promoter	-	2,50,000
Salil Bansal	Non-Promoter	10,00,000	-
Sapna Parekh	Non-Promoter	2,50,000	2,50,000
<b>Total</b>		<b>65,99,000</b>	<b>28,77,000</b>

**(ii) Term / right attached to equity shares**

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

The company has not declared any dividend during the year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Capital management for the Company's objectives, policies and processes for managing capital:**

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits.

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Debt	2,796.75	825.54
Less: Cash and Cash Equivalents	299.26	138.00
<b>Net Debt</b>	<b>2,497.49</b>	<b>687.54</b>
Total Equity	3,288.22	2,082.22
<b>Net Debt to Total Equity Ratio</b>	<b>0.76</b>	<b>0.33</b>



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### (iv) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	31-Mar-24		31-Mar-23	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Tatia Global Vennture Limited	19,50,000	9.64%	19,50,000	14.31%
Subh Labh Infrastructure Private Limited	17,59,500	8.70%	17,59,500	12.92%
Ashram Online.Com Ltd	9,52,700	4.71%	9,52,700	6.99%
Jaijash Tatia	39,74,300	19.65%	19,45,300	14.28%
Henna Jain	30,00,000	14.84%	6,80,000	4.99%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### (v) Details of Promoters holding in the company

Promoter Name	as at March 31, 2024		
	Number of shares	% holding in the class	% Change during the year
Equity shares of ₹10 each fully paid			
1. Mr. Jaijash Tatia	39,74,300	19.65%	5.37%
2. Ms. Henna Jain	30,00,000	14.84%	9.84%
3. Tatia Global Vennture Limited	19,50,000	9.64%	-4.67%
4. Ashram online.com Ltd	9,52,700	4.71%	-2.28%
5. Bharat Jain Tatia	5,50,219	2.72%	-1.32%
6. Chandrakantha Tatia	5,04,850	2.50%	-1.21%
7. Jinpaad Developers Private Limited	3,10,000	1.53%	-0.74%
8. Pannalal Tatia	100	0.00%	0.00%
<b>Total</b>	<b>1,12,42,169</b>	<b>55.59%</b>	<b>4.99%</b>

Promoter Name	As at March 31, 2023		
	At Amortised Cost	Designated at fair value through profit or loss	Total
Equity shares of ₹10 each fully paid			
1. Mr. Jaijash Tatia	19,45,300	14.28%	4.85%
2. Ms. Henna Jain	6,80,000	4.99%	4.99%
3. Tatia Global Vennture Limited	19,50,000	14.31%	-4.11%
4. Ashram online.com Ltd	9,52,700	6.99%	-2.01%
5. Bharat Jain Tatia	5,50,219	4.04%	-1.16%
6. Chandrakantha Tatia	5,04,850	3.71%	-1.06%
7. Jinpaad Developers Private Limited	3,10,000	2.28%	-0.86%
8. Pannalal Tatia	100	0.00%	-
<b>Total</b>	<b>68,93,169</b>	<b>50.60%</b>	<b>0.64%</b>



**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 19 : Other Equity**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)</b>		
Opening Balance	154.62	63.02
Add: Transferred from Retained Earnings	12.46	91.60
<b>Closing Balance</b>	<b>167.09</b>	<b>154.62</b>
<b>Capital Reserve</b>		
Opening Balance	-	-
Add: Added during the year	1.26	-
<b>Closing Balance</b>	<b>1.26</b>	-
<b>Securities Premium</b>		
Opening Balance	655.95	323.48
Add: Premium on shares issued during the year	725.89	332.47
<b>Closing Balance</b>	<b>1,381.84</b>	<b>655.95</b>
<b>Convertible Warrants</b>		
Opening Balance	453.71	498.75
Add: Money Received during the year	933.35	559.13
Less: Shares allotted during the year	-1,385.79	-604.17
Less: Forfeited Amount transferred to capital reserve	-1.26	-
<b>Closing Balance</b>	<b>0.00</b>	<b>453.71</b>
<b>Other Comprehensive Income</b>		
Opening Balance	36.45	306.93
Add: Additions during the year	210.33	-270.48
<b>Closing Balance</b>	<b>246.79</b>	<b>36.45</b>
<b>Retained Earnings</b>		
Opening Balance	-580.80	-947.20
Add: Profits for the current year	62.32	458.00
<b>Add/Less: Appropriations</b>		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-12.46	-91.60
	<b>-530.94</b>	<b>-580.80</b>
<b>Total</b>	<b>1,266.03</b>	<b>719.93</b>

Nature and Purpose of Reserves:

**A) Statutory Reserves:**

Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyone days by such further period as it thinks fit or condone any delay in making such report.



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

- c) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

### B) Securities Premium:

The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### C) Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

### D) Other Comprehensive Income:

Other comprehensive income comprises of Changes in actuarial gains on account of Defined Benefit obligations and Investment in Equity Instruments designated at FVOCI not reclassifiable to Profit and Loss Statement. On derecognition of Equity Instruments, company transfers the amount to Retained Earnings.

### E) Capital Reserve:

Capital reserve is unexercised warrant amount forfeited. (refer note: 19)

#### Note No. 20 : Interest Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Loans	55.22	65.47
Interest on deposits with bank	34.89	0.72
	<b>90.11</b>	<b>66.19</b>

#### Note No. 21 : Fees and Commission Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income from Application Usage Fee	1,218.26	741.22
Income from Loan Related Fees	308.36	135.81
	<b>1,526.63</b>	<b>877.02</b>
<b>Revenue from contract with customers</b>		
Fees and Commission Income	1,526.63	877.02
<b>Timing of Revenue Recognition:</b>		
Services transferred at point in time	1,526.63	877.02
Services transferred over time	-	-

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 22 : Other income**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on Income Tax Refunds	0.09	0.83
Net gain/loss on sale of investments	-	8.91
Bad Debts Recovery	20.25	8.62
Other Income	0.12	0.11
	<b>20.47</b>	<b>18.46</b>

**Note No. 23 : Finance Cost**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>On Financial liabilities measured at amortized cost</b>		
Interest on Borrowings	84.03	34.72
Interest on Lease Liabilities	11.94	10.49
Other Finance Charges	-	0.07
	<b>95.96</b>	<b>45.28</b>

**Note No. 24 : Impairment on Financial Instruments**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>On Financial instruments measured at amortized cost</b>		
Loans (NPA Provisioning)	19.39	31.30
Investments	-	-
	<b>19.39</b>	<b>31.30</b>

**Note No. 25 : Employee benefits expense**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus (Including Director Remuneration)	261.68	147.46
Contribution to provident and other funds	10.71	5.24
Gratuity Expenses	3.94	1.61
Staff-Welfare expenses	2.04	1.79
	<b>278.37</b>	<b>156.10</b>



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### Note No. 26 : Depreciation and Amortization Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation of Property, Plant and Equipments	21.82	19.42
Amortization of Intangible Assets	33.66	22.12
Depreciation of Right-Of-Use Assets (Refer note no: 10)	15.02	12.52
	<b>70.50</b>	<b>54.05</b>

### Note No. 27 : Other expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent, Taxes and Energy Cost	3.54	4.56
Loan Bad Debts (Write Offs)	670.80	22.76
Repairs and Maintenance	4.54	3.00
Communication Cost	2.01	0.97
Printing and Stationery	0.87	3.00
Business Promotion	94.93	69.45
Director's fees, allowances and expenses	0.32	0.28
Payment to Auditors (Refer note A)	1.15	0.63
Legal and Professional Fee	48.81	43.68
Insurance	0.57	0.53
Customer Care and Compliance Cost	25.36	39.59
Listing and Other Filing Fee	7.05	7.61
Postage and Courier	0.05	0.06
Technology Expenses	94.37	56.18
Travelling & Conveyance Expenses	7.00	1.66
Association Fees	3.28	1.60
Administrative Expenses	5.94	9.88
Bank Charges	15.13	9.61
Loan Collection Fee	83.85	2.00
Rates and Taxes	-	0.00
Other Expenditure	7.22	0.41
	<b>1,076.79</b>	<b>277.46</b>
<b>A. Payment to auditor:</b>		
<b>As Auditor:</b>		
Statutory audit	0.75	0.35
Previous year Adjustment	0.40	-
<b>In other capacity:</b>		
Other Services (Certifications)	-	0.28
Reimbursement of expenses	-	-
	<b>1.15</b>	<b>0.63</b>

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 28 : Earnings per share (EPS)**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profits/(Loss) after Tax (A)	62.32	458.00
Weighted average number of equity shares in calculating basic EPS (B) - In Lakhs	185.72	108.52
Weighted average number of equity shares in calculating diluted EPS (C) - In Lakhs	185.72	174.75
Basic earnings per equity share (in Rupees) (face value of ₹ 10/- per share (A/B) - In Lakhs	0.34	4.22
Diluted earnings per equity share (in Rupees) (face value of ₹ 10/- per share) (A/C) - In Lakhs	0.34	2.62

**Note No. 29 : Expenditure in foreign currency (accrual basis)**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Technology Cost including software subscriptions and Infrastructure Usage	28.53	17.27
	<b>28.53</b>	<b>17.27</b>

**Note No. 30 : Capitalization of expenditure**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
During the year, the company has not capitalized any expenses of revenue nature to the cost of Intangible Assets.		
Salary, Wages and Bonus	-	28.98
Technology Cost including software subscriptions, Consultancy etc.,	-	11.13
	-	<b>40.10</b>



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### Note No. 31 : Gratuity and other post-employment benefit plans

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:		
<b>i. Funded status of the plan</b>		
Present value of unfunded obligations	13.41	2.59
Present value of funded obligations	-	-
Fair value of plan assets	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>13.41</b>	<b>2.59</b>
<b>ii. Profit and loss account for the period</b>		
Service cost:		
Current service cost	3.75	1.50
Past service cost	-	-
loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.19	0.11
Total included in 'Employee Benefit	-	-
<b>Total included in 'Employee Benefit Expenses/(Income)</b>	<b>3.94</b>	<b>1.61</b>
<b>iii. Other Comprehensive Income for the period</b>		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	0.32	(0.10)
Due to change in demographic assumption	-	-
Due to experience adjustments	6.56	(0.77)
Return on plan assets excluding amounts included in interest income	-	-
<b>Amounts recognized in Other Comprehensive (Income) / Expense</b>	<b>6.88</b>	<b>(0.86)</b>
<b>iv. Reconciliation of defined benefit obligation</b>		
Opening Defined Benefit Obligation	2.59	1.84
Transfer in/(out) obligation	-	-
Current service cost	3.75	1.50
Interest cost	0.19	0.11
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	0.32	(0.10)
Due to change in demographic assumption	-	-
Due to experience adjustments	6.56	(0.77)
Past service cost		
<b>Closing Defined Benefit Obligation</b>	<b>13.41</b>	<b>2.59</b>
<b>v. Reconciliation of Net Defined Benefit Liability/(Assets)</b>		
Net opening provision in books of accounts	2.59	1.84
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	3.94	1.61
Amounts recognized in Other Comprehensive (Income) / Expense	6.88	(0.86)
	13.41	2.59
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
<b>Closing provision in books of accounts</b>	<b>13.41</b>	<b>2.59</b>



**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 32 : Related party disclosures**

Relationship	Name of the Party
Key Management Personnel	Jaijash Tatia, WTD
	Shoba Nahar, CFO
	Vidyalakshmi, Compliance Officer & CS
Relative of Key Management Personnel*	Henna Jain, Relative of Jaijash Tatia
	Bharat Jain Tatia, Relative of Jaijash Tatia
Enterprises over which KMPs and their relatives can exercise significant Influence	Jinpaad Developers Private Limited
	Ashram Online.com Limited
	Tatia Global Venntures Limited
	Opti Products Private Limited

\*Names of relatives of Key Management Personnel with whom the Company has transactions.

**B) Balance at the year end:**

Particulars	Enterprises over which KMPs and their relatives can exercise significant Influence		Relative of Key Managerial Personnel		Key Managerial Personnel		Total	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Remuneration</b>								
- Jaijash Tatia	-	-	-	-	5.00	2.00	5.00	2.00
- Shoba Nahar	-	-	-	-	1.25	0.15	1.25	0.15
- Vidya Lakshmi R	-	-	-	-	0.58	0.44	0.58	0.44
<b>Loan Balance</b>								
- Jaijash Tatia	-	-	-	-	-	41.60	-	41.60
- Ashram Online.com Ltd	129.14	157.32	-	-	-	-	129.14	157.32
- Opti Products P Ltd. (Outstanding to be converted to CCPS)	364.34	364.34	-	-	-	-	364.34	364.34
- Tatia Global Venture Ltd.	259.50	262.27	-	-	-	-	259.50	262.27
<b>Salary advance</b>								
- Shoba Nahar					10.00	-	10.00	-



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### C) Transactions with Related parties during the year:

Particulars	Enterprises over which KMPs and their relatives can exercise significant Influence		Relative of Key Managerial Personnel		Key Managerial Personnel		Total	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Remuneration</b>								
- Jaijash Tatia		-		-	60.00	24.00	60.00	24.00
- Shoba Nahar		-		-	15.00	1.80	15.00	1.80
- Vidya Lakshmi R		-		-	7.03	5.30	7.03	5.30
<b>Salary advance</b>								
- Shoba Nahar					10.00	-	10.00	-
<b>Rent</b>								
- Bharat Jain Tatia	-	-	-	1.75	-	-	-	1.75
<b>Loan Borrowings</b>								
- Jaijash Tatia	-	-		-	10.00	36.10	10.00	36.10
- Ashram Online.com Ltd	-	67.00		-	-	-	-	67.00
- Opti Products P Ltd.	-	76.50		-	-	-	-	76.50
- Tatia Global Venture Ltd.	47.50	150.60		-	-	-	47.50	150.60
<b>Loan Repayments</b>								
- Jaijash Tatia	-	-			51.60	-	51.60	-
- Ashram Online.com Ltd	30.00	58.10			-	-	30.00	58.10
- Opti Products P Ltd.	-	88.25			-	-	-	88.25
- Tatia Global Venture Ltd.	50.00	42.00			-	-	50.00	42.00
- Jinpaad Developers P Ltd.	-	-			-	-	-	-
<b>Share Warrants Receipts</b>								
- Jaijash Tatia					426.09	181.12	426.09	181.12
- Henna Jain				181.12	487.20	-	487.20	181.12
<b>Warrants conversion to Equity Shares</b>								
- Jaijash Tatia		-		-	426.09	198.87	426.09	198.87
- Henna Jain		-		142.80	487.20	-	487.20	142.80
<b>CCPS conversion to Equity Shares</b>								
- Jinpaad Developers P Ltd.		32.00		-	-	-	-	32.00
<b>Interest Expenses</b>								
- Ashram Online.com Ltd	12.93	10.93		-	-	-	12.93	10.93
- Opti Products P Ltd.	-	1.04		-	-	-	-	1.04
- Tatia Global Venture Ltd.	22.46	22.76		-	-	-	22.46	22.76

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

**Note No. 33 : Asset Classification as per RBI Norms:**

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	For the Year Ended March 31, 2024					For the Year Ended March 31, 2023				
		Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing Assets</b>											
Standard Assets	Stage 1	2,231.45	5.58	2,225.87	5.58	-	2,087.95	5.22	2,082.73	5.22	-
<b>Non-Performing Assets (NPA)</b>											
a) Sub-Standard	Stage 2	533.11	53.31	479.80	53.31	-	342.71	34.27	308.44	34.27	-
b) Doubtful - upto 1 year (Unsecured)	Stage 3*	675.81	675.81	-	675.81	-	25.27	25.27	-	25.27	-
1 to 3 Years	Stage 3	-	-	-	-	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-	-	-	-	-
Sub-Total for Doubtful		675.81	675.81	-	675.81	-	25.27	25.27	-	25.27	-
c) Loss Assets	Stage 3	-	-	-	-	-	-	-	-	-	-
Sub-Total for NPA		1,208.92	729.12	479.80	729.12	-	367.98	59.54	308.44	59.54	-
<b>Total</b>	<b>Stage 1</b>	<b>2,231.45</b>	<b>5.58</b>	<b>2,225.87</b>	<b>5.58</b>	<b>-</b>	<b>2,087.95</b>	<b>5.22</b>	<b>2,082.73</b>	<b>5.22</b>	<b>-</b>
	<b>Stage 2</b>	<b>533.11</b>	<b>53.31</b>	<b>479.80</b>	<b>53.31</b>	<b>-</b>	<b>342.71</b>	<b>34.27</b>	<b>308.44</b>	<b>34.27</b>	<b>-</b>
	<b>Stage 3</b>	<b>675.81</b>	<b>675.81</b>	<b>-</b>	<b>675.81</b>	<b>-</b>	<b>25.27</b>	<b>25.27</b>	<b>-</b>	<b>25.27</b>	<b>-</b>

\* Recorded as Loan Bad Debts (Write offs) in Profit and Loss Statement. Hence, Gross Amount as per Ind AS in Balance Sheet will have a difference to that extent.

**Note:** As required by the RBI Notification, the Company has complied with the requirements of Ind AS and the Guidelines and Policies approved by the Board in recognition of impairment of financial instruments. The overall impairment provision made under Ind AS equals the prudential norms prescribed by the RBI.

**Note No. 34 : Contingent Liabilities and Commitments**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Forfeited Amounts *	16.25	16.25
	<b>16.25</b>	<b>16.25</b>

\* During the year 2022, the company had forfeited outstanding amounts of Rs. 16.25 lakhs pertaining to advances received from certain parties more than 5 years back, owing to failure in fulfillment of further commitment by such parties. Such forfeited advance amounts are appropriately considered as income now. No amount would be due to such parties and no claim could be held good against the company in this regard.

However, in line with Ind AS 37, the company recognizes the said amount of Rs. 16.25 lakhs as a Contingent Liability. There are no other unexecuted capital contracts which are outstanding or remaining to be performed.

There is no pending commitments for the financial years ended March 31, 2024 and March 31, 2023.

**35. Utilization of borrowings from Banks and Financial Institutions**

The company doesn't have any borrowings from banks or financial institutions in the financial years ended March 31, 2024 and March 31, 2023.

**36. Details of title deeds of Immovable Property not held in name of the Company: (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee)**

The Company does not possess any immovable property whose title deeds are not held in the name of the Company during the financial year ended March 31, 2024 and March 31, 2023.



## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### 37. Details of loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under companies act, 2013) either severally or jointly with any other person:

The Company hasn't granted any loans or advances to promoters, directors, KMPs and their related parties during the financial year ended March 31, 2024 and March 31, 2023.

### 38. Details of Benami Property Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder:

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

### 39. Borrowings from Banks and Financial Institutions on the basis of Current Assets (Working Capital Funds)

The company doesn't have any any borrowings from banks or financial institutions in the financial years ended March 31, 2024 and March 31, 2023.

### 40. Details of Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

### 41. Details of transactions with Stuck-Off Companies

The company doesn't have any transactions with struck off companies in the financial years ended March 31, 2024 and March 31, 2023.

### 42. Details of Over due of Charger Registration with Registrar of Companies

All charges or satisfaction, if required, are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

### 43. Compliance with number of layers of companies:

The Company has no subsidiaries for the financial years ended March 31, 2024 and March 31, 2023.

### 44. Details of undisclosed income under Income Tax Act, 1961 not recorded in books of accounts:

There are no transactions not recorded in the books of accounts.

### 45. Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

### 46. Disclosure required under Sec 186(4) of the Companies Act 2013

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.

### 47. Scheme of Arrangements

The company doesn't have any scheme of arrangements to disclose during the financial years ended March 31, 2024 and March 31, 2023.

### 48. Utilisation of Borrowed funds and share premium:

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in

**Notes to the Financial Assets** for the year ended 31st March, 2024

(₹ in Lakhs)

writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**49. FINANCIAL RATIOS:**

Ratios	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance (%)	Reason*
Current Ratio	4,917.64	2,915.39	1.69	2.88	-41.37	Increase in short term debt and increase in write off of book debts (loans) during the year have impacted the ratio.
Debt-Equity Ratio	2,796.75	3,288.22	85.05	39.65	114.53	Increase in short term debt, increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Debt Service Coverage Ratio	250.79	2,880.78	8.71	56.54	-84.60	Increase in short term debt and increase in write off of book debts (loans) during the year have impacted the ratio.
Return on equity ratio	62.32	2,543.61	2.45	29.79	-91.78	Increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Net profit ratio	62.32	1,616.82	3.85	48.55	-92.06	Increase in write off of book debts (loans) during the year has impacted the ratio.
Return on capital employed ratio	180.29	6,084.98	2.96	14.87	-80.07	Increase in short term debt, increase in write off of book debts (loans), and conversion of warrants to equity during the year have impacted the ratio.
Return on Investment - Equity Instruments	-	-	-	61.32	-	-

\*Reasons are provided for variance more than 25%.



**50. Financial Risk Management:**

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

Borrowings, trade payables and other financial liabilities constitute the Company's primary financial liabilities and investment in shares, trade receivables, loans, cash and cash equivalents and other financial assets are the financial assets.

**Credit Risk:**

Credit risk refers to the risk of default on the loan receivables to the Company that may result in financial loss. The maximum exposure from unsecured loan receivables amounts to Rs.2766.18 Lakhs and Rs.2431.07 Lakhs as of March 31, 2024 and March 31, 2023 respectively.

Loans are advances to Corporates and to individual business entities and to the student community. Credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business. Generally, the loan tenure is for a period of one year and renewable based on the request of the borrower. In the case of loans offered to students through its "StuCred" App, the credit period is up to 150 days.

**Liquidity Risk:**

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.

**Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include borrowings, trade payables in foreign currency and investment in unquoted equity shares. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

**Currency Risk:**

The Company is not exposed to any significant currency risk. During the year under review, the company has bought/subscribed to software in foreign currency at the time of purchase/subscription.

**Sensitivity analysis:**

Since the company is not exposed to any currency risk, sensitivity analysis of foreign currency transactions is not applicable.

**Interest Rate Risk:**

The Company is not exposed to any interest rate risk. The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Equity Price Risk:**

Company has investments in listed companies which are measured at FVTOCI. The valuation is dependent on market conditions.





## Notes to the Financial Assets for the year ended 31st March, 2024

(₹ in Lakhs)

### 51. Dues to MSME:

Management has determined that there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Small and Medium Enterprises Development Act, 2006 based on information available with the Company as at March 31, 2024 and March 31, 2023. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current year.

### 52. Events after the reporting date:

There have been no events after the reporting date.

### 53. Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

### 54. Round offs

The figures appearing in the financial statements has been rounded off to the nearest lakhs.

As per our report of even date  
For **Darpan and Associates**  
Chartered Accountants  
ICAI Firm registration number: 016156S

Sd/-  
**CA Darpan Kumar**  
Partner  
Membership No.: 235817  
UDIN: 24235817BKFAZB6393

Place: Chennai  
Date: 29.05.2024

For and on behalf of the Board of Directors of  
**Kreon Financial Services Limited**

Sd/-  
**Jaijash Tatia**  
Wholetime Director  
(DIN: 08085029)

Sd/-  
**Shoba Nahar**  
Chief Financial Officer

Sd/-  
**Henna Jain**  
Director  
(DIN: 08383395)

Sd/-  
**Vidyalakshmi R**  
Company Secretary  
(M.No - A28058)



## Notice

### NOTICE OF THE ANNUAL GENERAL MEETING

It is with immense pleasure to hereby give the Notice that the 30<sup>th</sup> Annual General Meeting of Kreon Financial Services Limited will be held on Friday, 28<sup>th</sup> June 2024 at 12.15 P.M through Video Conferencing or Other Audio Video Means, which shall be deemed to be held at the Registered Office of the Company at #26, 22<sup>nd</sup> Street, Rathinam Nagar, Thiruvanmiyur, Chennai – 600041 to transact the following business:

#### ORDINARY BUSINESS

##### Item No.1 – Adoption of Audited Financial Statements for the year ended 31<sup>st</sup> March 2024

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors’ and Auditors’ Reports thereon, placed before the meeting, be and are hereby considered and adopted.”

##### Item No.2 – Re-appointment of Mr. Jaijash Tatia, Director

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Jaijash Tatia (DIN # 08085029), who is liable to retire by rotation and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

#### SPECIAL BUSINESS

##### Item No.3: Appointment of Mrs.M.Menaka (DIN: 10550960) as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) [including any statutory amendment(s), modification(s) and/ or re-enactment(s)]

thereof, for time being in force], pursuant to the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mrs. M.Menaka (DIN: 10550960), who was appointed as an Additional Director (in independent capacity) of the Company with effect from 1<sup>st</sup> April 2024, meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his/her candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of one year from the date of appointment.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may, in its discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this Resolution.”

##### Item No.4: Appointment of Mrs. Rajashree Santhanam (DIN: 07162071) as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) [including any statutory amendment(s), modification(s) and/ or re-enactment(s)] thereof, for time being in force], pursuant to the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mrs. Rajashree Santhanam (DIN: 07162071), who was appointed as an Additional Director (in independent capacity) of the Company with effect from 1 April 2024, meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his/her candidature for



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the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of one year from the date of appointment.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may, in its discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this Resolution.”

### Item No.5: Approval of Related Party transactions

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15

of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with the related parties on omnibus basis, within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations as mentioned herein below, for a period of three years and till the conclusion of the Annual General Meeting to be held in the year 2027, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

Name of the Related Party	Nature of Relationship	Nature of transaction	Maximum Limit upto
M/s. Tatia Global Venntures Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.10 Crores
M/s. Tatia Global Venntures Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
M/s. Ashram Online. com Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.7.5 Crores
M/s. Ashram Online. com Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
M/s. Opti Products Private Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.25 Crores
M/s. Opti Products Private Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
Mr.Jaijash Tatia	KMP	Borrowing of loans	Rs.10 Crores

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

### Item No.6 – To consider and approve the issuance of Non-Convertible Debentures, in one or more series/ tranches pursuant to Section 42 of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a special resolution:

“**RESOLVED THAT** without prejudice to the borrowing power given by the Shareholders under Section 180(1) (c) of the Companies Act, 2013 to the Board/Committee of the Company, pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of

the Companies Act, 2013 (“the Act”), and rules made there under (including any statutory modifications, clarifications, exemptions or re-enactment thereof, from time to time), and subject to rules, regulations, guidelines, notifications and circulars, if any, issued in this regard by the Reserve Bank of India under the Reserve Bank of India Act, 1934 and the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such applicable laws, rules, regulations, guidelines, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot, in one or more tranches secured or unsecured, redeemable, Non-Convertible Debentures (“Debentures”) including



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but not limited to Subordinated/ Senior, Rated/ Unrated, Listed/ Unlisted, Debentures, Bonds, and/or other debt securities, etc., on private placement basis, during the period of one year from the date of passing of the special resolution by the Members, for an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores only) on such terms and conditions and at such times as may be decided by the Board to such person(s), including but not limited to one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be, or such other person(s) as the Board may

decide, however, that the aggregate amount of funds to be raised by issue of Debentures and other debt securities etc. shall not exceed the overall amount of borrowing of Rs. 50 Crores (Rupees Fifty Crores only) as may be approved by the Members under the provisions of section 180 of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is here by authorized to negotiate and finalize the terms with the lenders and to sign requisite documents as may be found necessary, execute, modify or amend the documents wherever necessary and do all such other acts, deeds, things and undertakings as may be necessary for giving effect to the above resolution.”

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-  
**Vidyalakshmi R**  
Company Secretary  
Mem No. A28058

Place: Chennai  
Date: 29.05.2024



## Notice

### ANNEXURE TO THE NOTICE

#### I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### **Item No.3 : Appointment of Mrs.M.Menaka (DIN: 10550960) as an Independent Director**

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee appointed, Mrs. M Menaka as an Additional Director (Non-Executive) of the Company and also as an Independent Director, not being liable to retire by rotation, for a term commencing from 1st April 2024 to 31<sup>st</sup> March 2025 (both days inclusive), subject to the approval of the Members.

In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director be appointed to hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for appointment on passing of a special resolution by the Shareholders of the Company within three months of appointment as Director.

Mrs. Menaka Muthusamy aged 43 years is a Finance professional with post-graduation in Commerce and Master's in business administration with more than 15 years experience in the areas of accountancy, finance, audits, corporate laws & taxation. Based on the skills, competence and expertise in General Management, in the areas of accountancy, finance, audits, corporate laws & taxation, the Board has determined that the appointment of Mrs. M Menaka would be beneficial to the Company to avail her services as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation.

In the opinion of the Board, Mrs. M Menaka is a person of integrity and fulfils the conditions specified in the Act and the rules framed thereunder for appointment as a Non-Executive Independent Director and that she is Independent of the Management.

The Company has received declarations from Mrs. M Menaka, stating that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI Listing Regulations and further that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. She has given her consent to act as a Director of the Company.

In terms of the proviso to Section 160(1) of the Act, the Board recommends the Resolution set out in Item No. 3 of the Notice for the approval by the Members of the Company as a Special Resolution.

Except Mrs. M Menaka, none of the Directors, or any other key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

##### **Item No.4 : Appointment of Mrs. Rajashree Santhanam (DIN: 07162071) as an Independent Director**

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee appointed, Mrs. Rajashree Santhanam as an Additional Director (Non-Executive) of the Company and also as an Independent Director, not being liable to retire by rotation, for a term commencing from 1st April 2024 to 31<sup>st</sup> March 2025 (both days inclusive), subject to the approval of the Members.

In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director be appointed to hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for appointment on passing of a special resolution by the Shareholders of the Company within three months of appointment as Director.

Mrs. Rajashree Santhanam, aged 58 years is a Practicing Company Secretary, Insolvency Professional & a Registered Valuer for Securities and Financial Assets. She is a Graduate in Law, a Postgraduate in Commerce, Fellow Member of the Institute of Company Secretaries of India, an Insolvency Professional and a Registered Valuer, registered with Insolvency and Bankruptcy Board of India. She has vast experience of over 35 years in the areas of Insurance, Finance, Legal, Insolvency and Valuation. Based on the skills, competence and expertise in Corporate Management and in the areas of secretarial, corporate laws & taxation, accounts and audit, the Board has determined that the appointment of Mrs. Rajashree Santhanam would be beneficial to the Company to avail her services as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation.

In the opinion of the Board, Mrs. Rajashree Santhanam is a person of integrity and fulfils the conditions specified in the Act and the rules framed thereunder for appointment as a Non-Executive Independent Director and that she is Independent of the Management.

The Company has received declarations from Mrs. Rajashree Santhanam, stating that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI Listing Regulations and





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further that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. She has given her consent to act as a Director of the Company.

In terms of the proviso to Section 160(1) of the Act, the Board recommends the Resolution set out in Item Nos. 4 of the Notice for the approval by the Members of the Company as a Special Resolution.

Except Mrs. Rajashree Santhanam, none of the Directors, or any other key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

### Item No. 5: Approval of Related Party Transactions

As per section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014 (including any statutory modifications or enactments thereof), a Company, shall obtain prior approval of shareholders for entering into related party transactions exceeding 10% of turnover as per last audited financial statements of the Company.

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the "SEBI Listing Regulations") as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis.

Further as per SEBI Regulations listed above, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the listed entity as per its last audited financial statement.

In accordance with the statutory provisions mentioned above, and on the recommendation of the Audit Committee and the Board, the members approved the Related Party Transactions, in the previous Annual General meeting. The Company being a Non-banking Financial Company, considering the nature of transactions requiring omnibus approval, which is in the ordinary course of business and at arm's length basis, in which the approved limits may or may not be utilized by the Company, the Board propose the below mentioned limits for approval of the shareholders for a period of three years and till the conclusion of the Annual General Meeting to be held in the year 2027.

All disclosures as required under the Companies Act, 2013 read with Companies (Meeting of Board and its power) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and circulars issued by SEBI from time to time are given below:

Name of the Related Party	Nature of Relationship	Nature of transaction	Maximum Limit upto
M/s. Tatia Global Venntures Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.10 Crores
M/s. Tatia Global Venntures Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
M/s. Ashram Online. com Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.7.5 Crores
M/s. Ashram Online. com Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
M/s. Opti Products Private Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Borrowing of Loans	Rs.25 Crores
M/s. Opti Products Private Limited	Enterprises over which the KMPs and their relatives can exercise significant influence	Lending of Loans	Rs.5 Crores
Mr.Jaijash Tatia	KMP	Borrowing of loans	Rs.10 Crores





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As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not.

Further, as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement.

Accordingly, all related parties of the Company, including the Directors or Key Managerial Personnel related to the abovementioned Companies shall not participate or vote on this resolution. The Board recommends this resolution set out in Item No.5 of this notice for approval of the Members to be passed as ordinary resolution.

Mr. Jaijash Tatia and Ms. Henna Jain, Directors and all promoters shall be deemed to be interested in the resolution. None of the other directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the said resolution. Related parties shall not participate and/ or vote to approve this resolution.

### **Item No. 6: To consider and approve the issuance of Non-Convertible Debentures, in one or more series/ tranches pursuant to Section 42 of the Companies Act, 2013**

The Board of Directors in order to broaden resources for business operations of the Company at their Board meeting held on 29<sup>th</sup> May 2024, has decided to invite subscription for secured/unsecured Non-Convertible Debentures (NCDs), in one or more series /tranches on private placement basis, subject to approval of the shareholders.

The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue. Valuation of securities not applicable to NCDs. The material terms will be determined by the Board

of Directors of the Company based on the provisions of Companies Act, 2013, the rules made thereunder and other applicable laws. The Board shall determine specific terms and conditions of the offer at the time of issuance of respective series/ tranche of NCDs.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a special resolution for each of the offers or invitations. However, pursuant to second proviso of said Rule 14(1) an offer or invitation for non-convertible debentures, the special resolution passed only once in a year is sufficient for all the offers or invitations for debentures during the year.

Accordingly, without prejudice to the borrowing power given/to be given by the shareholders under Section 180 (1)(c) of the Companies Act, 2013, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant Rules made there under, as amended, and subject to other relevant rules, regulation, guidelines, and directions issued by Reserve Bank of India and Securities and Exchange Board of India, the approval of the Members is being sought by way of a Special Resolution, to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 6, for an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores only) on such terms and conditions and at such times as may be decided by the Board, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors recommends the Special Resolution set out in Item No. 6 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 6 of the Notice, except to the extent of their shareholding in the Company, if any.



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### NOTES:

1. Pursuant to General Circular No. 20/2020 dated May 5, 2020 read with other relevant circulars including 09/2023 dated 25th September 2023 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 have permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The proceedings of the Annual General Meeting ("AGM") shall be deemed to be held at the Registered Office of the Company #26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai – 600041, as the meeting shall be conducted from the said place.

Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy in pdf/jpg format of the Board Resolution/Power of Attorney / Authority Letter authorising its representatives to attend and vote at the AGM pursuant to Section 113 of the Act, E-mail at **investor.relations@kreon.in**

In case of any queries or issues regarding attending AGM through the link, you may contact Mr. Manish Shah on 9324659811 or write an email to **support@purvashare.com**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first serve basis. This will not

include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
4. As the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto. As stated the meeting is deemed to be held at Registered Office of the Company.

Electronic copy of the Annual Report for 2023-24 is being sent to all the members whose email ID's are registered with the RTA/Depository Participants for communication purposes. The copies of the Annual Report will also be made available on Company's website at **www.kreon.in** and at the Registered Office of the company for inspection during normal business hours on working days and also on the website of the stock exchange where the shares of the Company have been listed viz., BSE Limited - **www.bseindia.com**.

5. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of the Director seeking appointment/ re- appointment at the AGM is furnished as an annexure to the Notice. The concerned Director has furnished consent/ declaration for his/her appointment as required under the Companies Act, 2013.
6. The Statutory Auditors M/s Darpan & Associates, Chartered Accountants, appointed as the Statutory Auditors of the Company.
7. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation



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42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 22.06.2024 to 28.06.2024 (both days inclusive) for the purpose of 30th AGM.

8. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least 7 days in advance of the Meeting so that the information required can be readily made available at the Meeting.

9. Updating of Members' Details

To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively. Our Registrar and Share Transfer Agents, M/s. PurvaShareregistry (India) Pvt. Ltd., has provided the facility of easy updating of Email id and phone numbers. We urge the shareholders to update the same by clicking the following link <https://www.purvashare.com/email-and-phone-updation/> to ensure any further communications in a timely, faster and easier manner. The shareholders are requested to co-operate and support and do the needful at the earliest. Members holding shares in physical/demat form are requested to submit these additional details to RTA in the prescribed form.

10. Members are requested to:

- a) Intimate to our RTA M/s. PurvaShareregistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near LodhaExcelus, Lower Parel, Mumbai-400011, changes, if any, in their registered addresses, at an early date, in case of Shares held in physical form;
- b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending

future communication(s) at an early date, in case of Shares held in dematerialized form;

- c) Quote their folio numbers/Client ID/DP ID in all correspondence; and
  - d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
11. In line with the Ministry of Corporate Affairs ("MCA") Circulars, physical attendance of the Members to the EGM/AGM venue is not required and kindly note that company is exempted from sending physical copies of notice and annual report to shareholders for this year.

### E-VOTING FACILITY

In compliance with Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and the relevant MCA Circulars, the Company is pleased to provide facility of e-voting to enable its Members to cast their votes electronically in respect of the business to be transacted at the AGM on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)

- i. The e-voting period commences from **25th June, 2024 (9.00 a.m. IST) and ends on 27th June, 2024, (5.00 p.m. IST)**. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- ii. The voting rights of the Members shall be in proportion of their shareholding to the total issued and paid-up equity share capital of the Company as on the **Cut-off Date i.e 21st June 2024**.
- iii. Members holding shares either in physical form or dematerialized form, as on the Cut-off Date i.e., 21st June 2024 (including those Members who may not receive this Notice of the Annual General Meeting due to non-registration of their email address with RTA or the DPs, as aforesaid) can cast their votes electronically, in respect of the resolution as set out in this Postal Ballot Notice only through the e-voting.



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iv. Instructions to Members for e-voting are as under:

<p><b>Individual Shareholders holding securities in Demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the eVoting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p><b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for eVoting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



## Notice

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43. or call at toll free No. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### Login method for e-Voting for Physical shareholders

6) If you are a first time user follow the steps given below:

**and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to and voted on an earlier voting of any company, then your existing password is to be used.

#### For Members Holding Shares in Demat Form

<b>PAN*</b>	Enter Your 10 Digit alpha – numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)
<b>DOB# (or)</b>	Enter The Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat account or Folio.

#### For Members holding Shares in Physical Form

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on <Company Name> on which you choose to vote.
- (v) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If the Demat account holder has forgotten the changed password then enter the User ID and





## Notice

Captcha Code click on Forgot Password & enter the details as prompted by the system.

### Note for Non — Individual Shareholders and Custodians

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **investor.relations@kreon.in**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (vii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to **helpdesk.evoting@cdslindia.com** or call 1800225533.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email

to RTA at [support@purvashare.com](mailto:support@purvashare.com) with a copy to company mail id **investor.relations@kreon.in**.

- (ii) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA at **support@purvashare.com** with a copy to company mail id **investor.relations@kreon.in**.
- (iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at **https://www.evotingindia.com** under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **investor.relations@kreon.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at **investor.relations@kreon.in**. These queries will be replied to by the company suitably by email.
- (iii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- i. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.





## Notice

- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.
  - v. The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e., 21st June 2024
  - vi. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 30th AGM by email and holds shares as on the cut-off date i.e., 21st June 2024 may obtain the User ID and password by sending a request to the email address helpdesk. **evoting@cdslindia.com**. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot Password" option available on **www.evotingindia.com**.
  - vii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
  - viii. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM in the name of such first holder in the order of names.
- iii. Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in physical form, are requested to dematerialize their shares to avail the benefits of electronic trading/holding and to facilitate share transfer.
  - iii. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or to the Company's Registrar and Share Transfer Agent.
  - iv. M/s. Purva Sharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near Lodha Excelus, Lower Parel, Mumbai-400011 is the Company's Registrar and Share Transfer Agent (RTA) for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in dematerialized form, Members may send requests or correspond through their respective Depository Participants.
  - v. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.
  - vi. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 for the above-mentioned requests and surrender their original securities certificate(s) for processing of service requests to the RTA. The RTA shall thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to

### GENERAL INSTRUCTIONS

- i. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred/transmitted and transposed only in dematerialized form. In view of this and to eliminate all risks associated with the physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form by contacting their Depository Participants ("DPs").
- ii. Members are requested to register / update their email ID's and addresses in respect of shares held in dematerialized form with their respective Depository



## Notice

the DP for dematerialising the said securities. Form ISR-4 is available on the website of RTA. It may be noted that any service request can be processed only after the folio is KYC [Compliant.In](#) case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

- vii. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to to the Company's

registrars Purva Shareregistry India Private Limited at [support@purvashare.com](mailto:support@purvashare.com) in case the shares are held in physical form, quoting their folio no.

**THE COMPANY HAS APPOINTED M/S. LAKSHMMI SUBRAMANIAN & ASSOCIATES, PRACTICING COMPANY SECRETARY, CHENNAI, TO ACT AS SCRUTINIZER FOR CONDUCTING THE ELECTRONIC VOTING PROCESS IN A FAIR AND TRANSPARENT MANNER.**

The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through e-voting in the presence of two witnesses not in the employment of the Company and make, not later than two working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, and submit it to the Chairman or a person authorized by him in writing who shall counter-sign the same.

Thereafter, the Chairman or the person authorized by him in writing shall declare the result of the voting forthwith. The results declared along with the scrutinizer's report will be placed on the Company's website [www.kreon.in](http://www.kreon.in) and the results shall also be communicated to the BSE Limited, where the shares of the Company are listed.

By Order Of The Board  
For **Kreon Financial Services Limited**

Sd/-  
**Vidyalakshmi R**  
Company Secretary  
Mem No. A28058

Place: Chennai  
Date: 29.05.2024



## Notice

### ANNUAL GENERAL MEETING INFORMATION AT A GLANCE

#### 30th ANNUAL GENERAL MEETING

<b>Day &amp; Date</b>	28th June 2024, Friday
<b>Time</b>	12.15 P.M
<b>Venue</b>	<b>Through Video Conferencing or Other Audio-Visual Means</b> from the Registered Office of the Company #26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai – 600041
<b>Financial year</b>	<b>2023-24</b>
Listed on Stock Exchange	BSE Limited (BSE); Scrip Code : 530139
International Securities Identification Number (ISIN)	INE302C01018
Date of Book Closure	<b>22.06.2024 to 28.06.2024 (Both days inclusive)</b>
<b>Cut-off date for determining eligibility for E-voting</b>	<b>21.06.2024</b>
<b>Voting Start Date &amp; Time</b>	<b>25.06.2024 (Tuesday)</b>
<b>Voting End Date &amp; Time</b>	<b>27.06.2024 (Thursday)</b>
<b>E-voting website</b>	www.evotingindia.com
Name, address and contact details of e-voting service provider and Registrar and Transfer Agent	Mr.Manish Shah 9324659811 M/s. PurvaSharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near Lodha Excelus, Lower Parel, Mumbai-400011 support@purvashare.com



## Notice

### Details of Director(s) seeking appointment / re-appointment at the Annual General Meeting

(As required under Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr.Jaijash Tatia	Mrs. Menaka Muthusamy	Mrs. Rajashree Santhanam
Date of Birth	05/10/1992	01/03/1981	25/05/1965
DIN	08085029	10550690	07162071
Date of first appointment	01/04/2018	01/04/2024	01/04/2024
Relationship with other directors	Relative of Ms.Henna Jain(Director)	Nil	Nil
Expertise in specific Function Area	Specializing in Risk Management with Financial Accounting	Experienced in the areas of accountancy, finance, audits, corporate laws & taxation.	Vast experience of over 35 years in the areas of Insurance, Finance, Legal, Insolvency and Valuation.
Qualification	BA in Business Management with Financial Economics	M.com, M.Phil, MBA,PGDCA,	Graduate in Law, a Post Graduate in Commerce, Fellow Member of the Institute of Company Secretaries of India, an Insolvency Professional and a Registered Valuer
Brief Profile	Mr.Jaijash Tatia is a business graduate from Regents University, London, specializing in Financial Economics and Business Management consisting of various courses including Asset Management and Risk Management. He has undergone various additional modules such as, Managerial and Financial Accounting and Statistics at City University, London, United Kingdom	Mrs. Menaka Muthusamy is a Finance professional, a postgraduate in Commerce and Masters in business administration with more than 15 years' experience in the areas of accountancy, finance, audits, corporate laws & taxation.	Mrs. Rajashree Santhanam is a Practicing Company Secretary, Insolvency Professional & a Registered Valuer for Securities and Financial Assets. She is a Graduate in Law, a Postgraduate in Commerce, Fellow Member of the Institute of Company Secretaries of India, an Insolvency Professional and a Registered Valuer, registered with Insolvency and Bankruptcy Board of India. She has vast experience of over 35 years in the areas of Insurance, Finance, Legal, Insolvency and Valuation.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board and name of listed entities from which the director has resigned in the past three years	NIL	Nil	<p>a) Panasonic Carbon India Limited Independent Woman Director, Member of Audit Committee Member of Stakeholder relationship committee Member of Nomination &amp; Remuneration committee Member of Corporate Social responsibility committee</p> <p>b) Panasonic Appliances India Company Limited - Independent Woman Director, Chairperson of Audit Committee Chairperson of Stakeholder relationship committee Chairperson of Nomination &amp; Remuneration committee Chairperson of Corporate Social responsibility committee</p>
Shareholding in the Company	39,74,300 shares at Face Value of Rs.10/- each	Nil	Nil











**Kreon Financial Services Limited**

No. 26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai-600041

Ph : (044) 426-966-34 E-mail : [info@kreon.in](mailto:info@kreon.in)