

To,
BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street,
Mumbai – 400001.

August 06, 2025

Dear Sir/Madam,

Sub: Submission of Annual Report for FY 2024-25
Ref: Scrip Code No: 530139

In terms of Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed the copy of Annual Report for the Financial Year 2024-2025 of Kreon Financial Services Limited.

You are requested to kindly take the same on record.

Thanking You.

Yours Faithfully,
For **KREON FINNANCIAL SERVICES LIMITED**

(NIHARIKA GOYAL)
Company Secretary and Chief Compliance Officer



ANNUAL REPORT

2024 - 2025



KREON FINANCIAL SERVICES LIMITED

Navigating the inclusion journey

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Investor information

AGM Date

August 29, 2025

AGM Mode

Video Conferencing

VC platform and voting

NSDL/CDSL



www.kreon.in



Scan this QR code to navigate Reports and other investor information



Kreon Finnancial Services Limited has continued its journey of building a responsible, technology-led lending institution with a clear focus on financial inclusion. In FY 2024-25, we strengthened our digital platform, expanded our presence across educational institutions, and deepened our engagement with the student community. Our emphasis on governance, risk management, and operational efficiency has enabled us to navigate a dynamic fintech landscape with confidence. Backed by strong institutional partnerships and a growing user base, we remain committed to delivering value to all stakeholders. As we look ahead, our priorities remain anchored in sustainable growth, customer-centric innovation, and building long-term trust. We thank our shareholders, regulators, partners, and team members for their continued support in shaping Kreon’s evolving story.

Jaijash Tatia
Chairman and Managing Director

Corporate Information

BOARD OF DIRECTORS

Mr. Jaijash Tatia, Chairman and Managing Director
Mrs. Henna Jain, Joint Managing Director
Mrs. Rajashree Santhanam, Independent Director
Mrs. Muthusamy Menaka, Independent Director
Mr. Anand Manoharlal, Independent Director

BOARD COMMITTEES'

1.Audit Committee

Mrs. Rajashree Santhanam, Chairperson
Mr. Jaijash Tatia, Member
Mrs. Muthusamy Menaka, Member
Mr. Anand Manoharlal, Member

2.Stakeholder Relationship Committee

Mrs. Muthusamy Menaka, Chairperson
Mrs. Henna Jain, Member
Mrs. Rajashree Santhanam, Member

3.Nomination and Remuneration Committee

Mrs. Rajashree Santhanam, Chairperson
Mrs. Muthusamy Menaka, Member
Mr. Anand Manoharlal, Member

KEY MANAGERIAL PERSONNEL

Mrs. Shoba Nahar - Chief Financial Officer
Mrs. Vidyalakshmi Rajagopalan (until 15.04.2025)-
Company Secretary and Compliance Officer
Ms. Niharika Goyal (w.e.f. 16.04.2025) - Company
Secretary and Compliance Officer / Chief
Compliance Officer

INVESTOR GRIEVANCE AND COMPLIANCE OFFICER

Ms. Niharika Goyal
Company Secretary and Compliance Officer
Chief Compliance Officer
E-mail ID: investor.relations@kreon.in

STOCK EXCHANGE(S)

Bombay Stock Exchange Limited

CORPORATE / REGISTERED OFFICE

No. 26, 22nd Street,
Rathinam Nagar,
Chennai, Tamil Nadu - 600 041
Ph: 044-42696634
E-mail ID: info@kreon.in
Website: www.kreon.in
CIN - L65921TN1994PLC029317

BANKERS

HDFC Bank Limited
No. 40, Nungambakkam High Road,
Chennai, Tamil Nadu - 600 034
ICICI Bank Limited
S-7, SIDCO Industrial Estate, Guindy
Chennai, Tamil Nadu - 600 032
YES Bank Limited
Lancor West Minister, Ground Floor No.
108, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004

REGISTRAR AND SHARE TRANSFER AGENT

Purva Sharegistry (India) Private Limited
No. 9, Shiv Shakti Ind. Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai, Maharashtra - 400 011
Ph: 022-49614132 / 022-35220056 /
022-49700138 Fax: 02-23012517
E-mail ID: support@purvashare.com

STATUTORY AUDITOR

M/s. Darpan & Associates,
Chartered Accountants,
#11/2, Shyam Avenue, College Road,
Nungambakkam, Chennai, Tamil Nadu -
600 006, India
Ph: 044-28223233
E-mail: darpannassociates@gmail.com

INTERNAL AUDITOR

R. Bhaskaran & Associates,
Chartered Accountants,
Flat No. 4, 2nd Floor, Venkata Vijayam
Apts. No.11, South Road, West CIT Nagar,
Nandanam
Chennai, Tamil Nadu - 600 015
PH: 044-42165500
E-mail ID: baskaranandco@gmail.com

SECRETARIAL AUDITOR

M/s. Lakshmmi Subramanian &
Associates,
#81, Murugesu Naicker Complex, Greaves
Road, Thousand Lights, Chennai, Tamil
Nadu - 600 006
Ph: 044-28292272/73
E-mail: lsacustomerservices@gmail.com



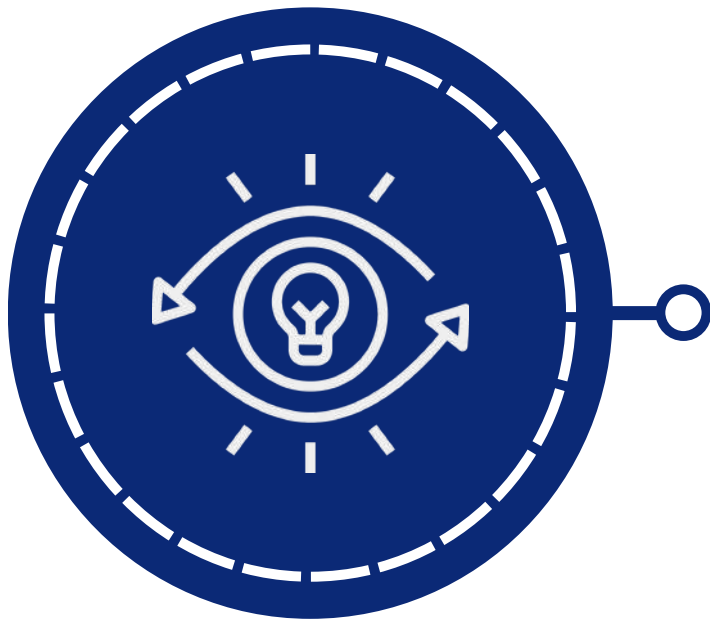
The fintech industry is critically important as it revolutionizes the financial services sector by leveraging technology to enhance accessibility, efficiency, and inclusivity. It enables unprecedented financial inclusion by providing every section of society with access to essential financial services.

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**



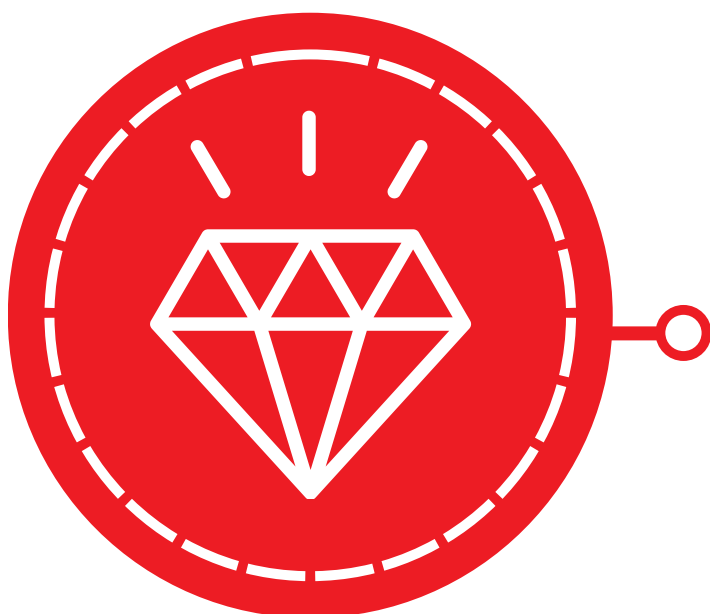
VISION

Our vision is to become leading and responsible financial solutions partner of choice for Emerging India.



MISSION

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



VALUES

We are committed to empowering students by offering innovative, flexible, and inclusive financial solutions that enable access to quality education.

BOARD OF DIRECTORS



Jaijash Tatia
Chairman and
Managing Director



Henna Jain
Joint Managing
Director



**Rajashree
Santhanam**
Independent Director



**Anand
Manoharlal**
Independent Director



**Muthusamy
Menaka**
Independent Director

KEY MANAGERIAL PERSONNEL



Shoba Nahar
Chief Financial
Officer



Niharika Goyal
Company Secretary
and Compliance
Officer
(w.e.f. 16.04.2025)



**Vidyalakshmi
Rajagopalan**
Company Secretary and
Compliance Officer
(until 15.04.2025)



A sneak-peak into Kreon Finnancial 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 application **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 Chairman and Managing Director and Mrs. Shoba Nahar as Chief Financial Officer backed by a team of seasoned professionals. 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 Capitalization

4115.17 Lakhs



Remember me

Search



31 years of multi-dimensional growth

We proudly celebrate Kreon Financial Services Limited's 31-year journey—a significant landmark shaped by resilience, perseverance, and continuous evolution. These three decades reflect our unwavering dedication, steadfast progress through adversity, and our commitment to excellence that has only grown stronger with time.

Throughout the past thirty-one years, our journey has been defined by consistent innovation and deep-rooted commitment, building a dynamic and future-ready enterprise aligned with India's evolving economic landscape. As the nation benefits from supportive reforms and a youthful population driving consumption, we have adapted swiftly to seize emerging opportunities. Embracing digital transformation, we introduced the “*StuCred*” mobile application—a seamless platform designed for fast and easy credit access. With a focused vision to serve the financial needs of students, we are now strategically positioned to broaden our impact, enhance our offerings, and tap into untapped segments and geographies.





FY 2024-25

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

3.12 Lakhs

Total users at StuCred App as on 31.03.2025



Investors

2664.57 Lakhs

Total Revenue

64410 Lakhs

Total Disbursements from inception

(414.14) Lakhs

Profit After Tax



Footprint

1.48 Lakhs

New Users Added FY 2024-25



Human Resource

121

Total Employees in company Payroll

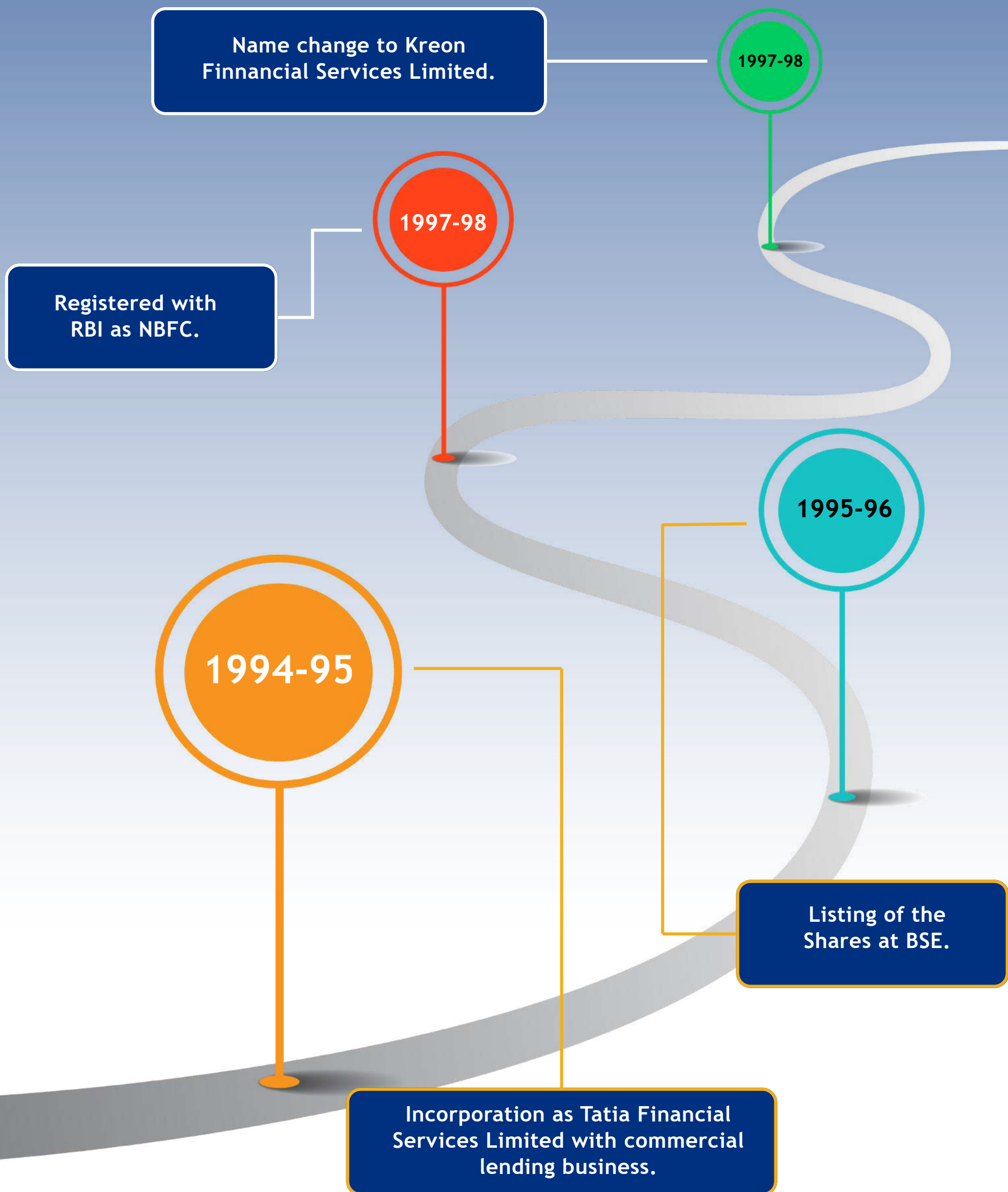
36363

Colleges Covered

2 weeks

Training Hours per employee

Milestones achieved over the years





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.

2024-25

- We have achieved 90% retention of users which is above the industry average. - Marketing
- Employee count increased from 40 to 121 employees in two years - HR
- 4 lakh monthly active users

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

4

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

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.

8

Demand for credit increased by 14.4% in last 5 years

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.

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 Limited 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: ₹ 3165 Lakhs
- Total Debt: ₹ 2,972 Lakhs
- Capital Employed: 6260.92 Lakhs

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

- Footprint across major towns and cities.

- Male & Female employees ratio - 1 : .375
- Employees between the age of 22-25: 66%

- Total app users: 3.12 Lakhs
- Adherence to various regulatory compliances



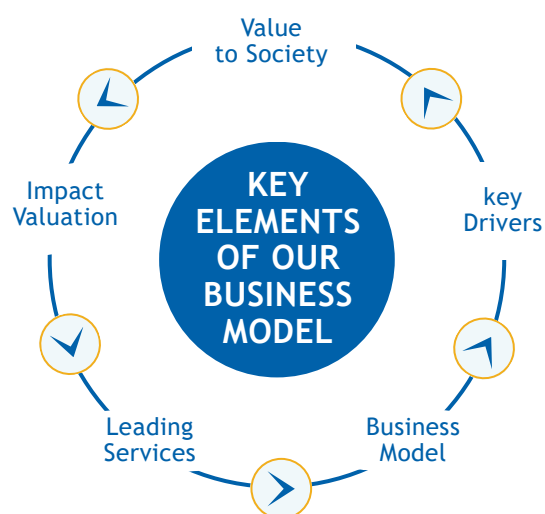
Our Value Creation Model

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

6

Stakeholders

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



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 on stakeholders and Investors

- ROE: -13.38%
- ROA: -6.15%
- PAT: (414.14) Lakhs
- EPS: ` (2.05)



Digital delivery

- StuCred active users: 1.97 Lakhs
- 100% Cashless disbursal



Revenue earned

- 2664.57 Lakhs fees and commission income



High employee engagement

- Employee benefit expenses: ` 454.44 Lakhs
- Average Training per employee: ~ 1-2 weeks per employee



Financial inclusion and various stakeholders benefited:

- Finance cost: ` 283.47 Lakhs



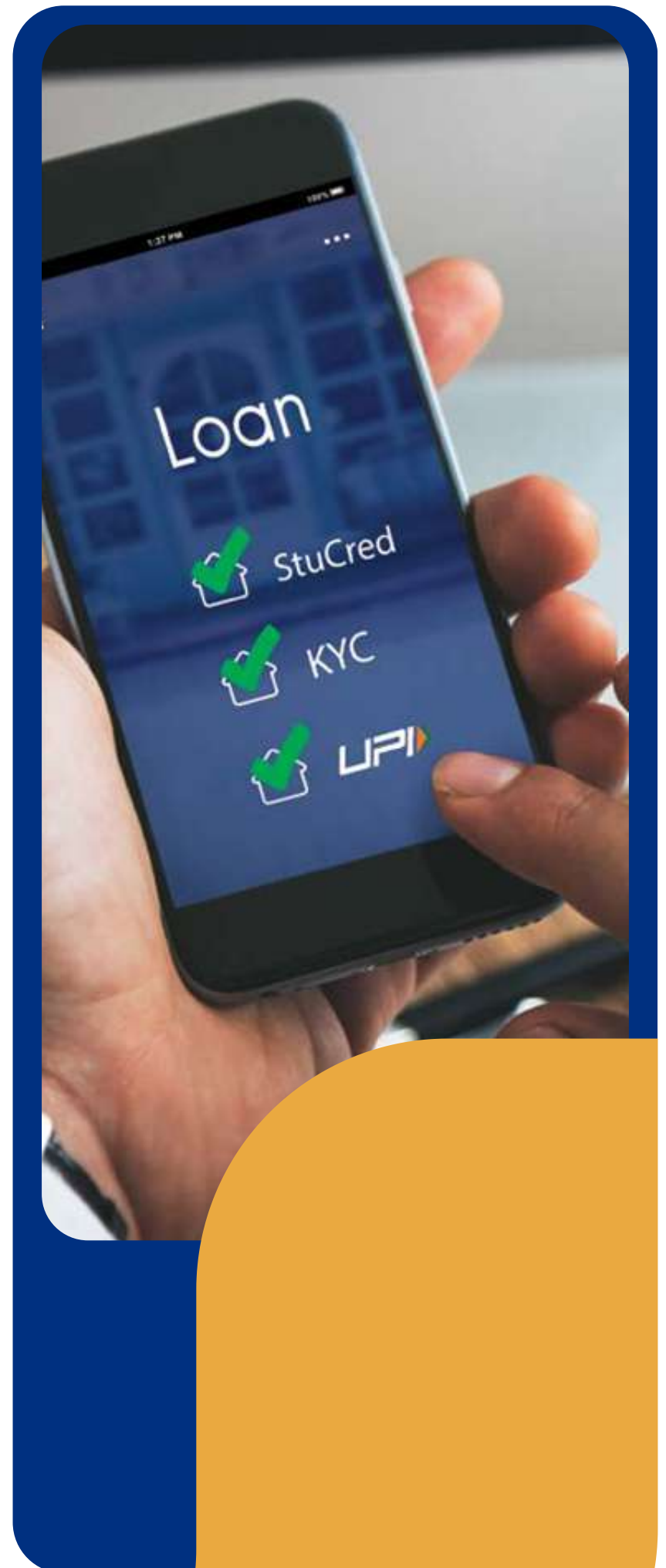
SINGULAR FOCUS, DIGITAL INCLUSION through prudent strategies

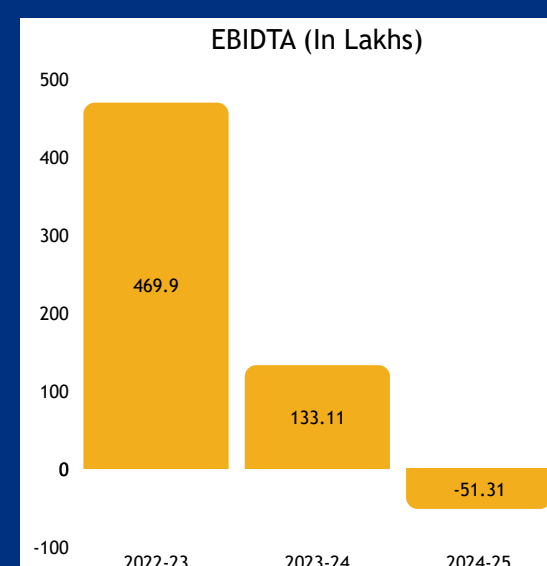
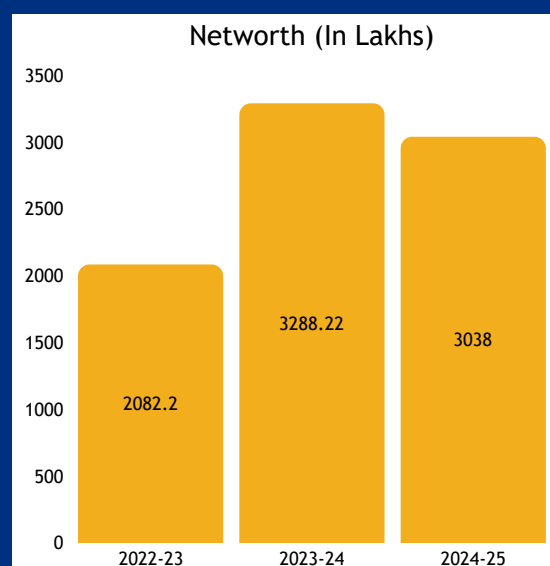
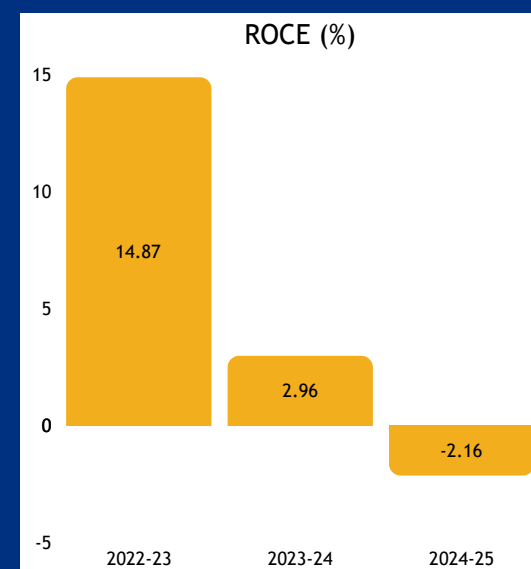
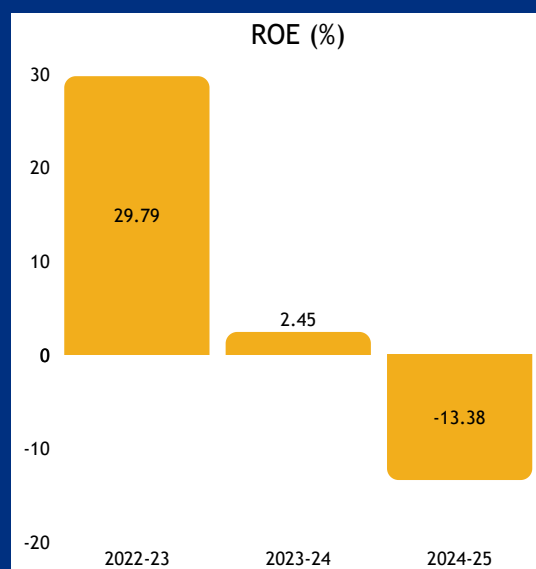
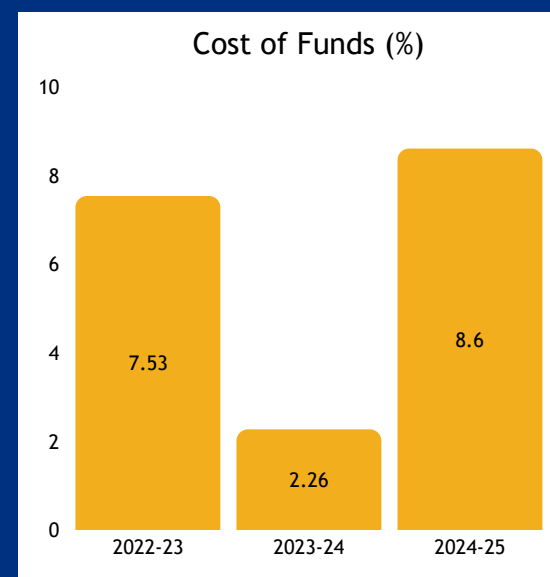
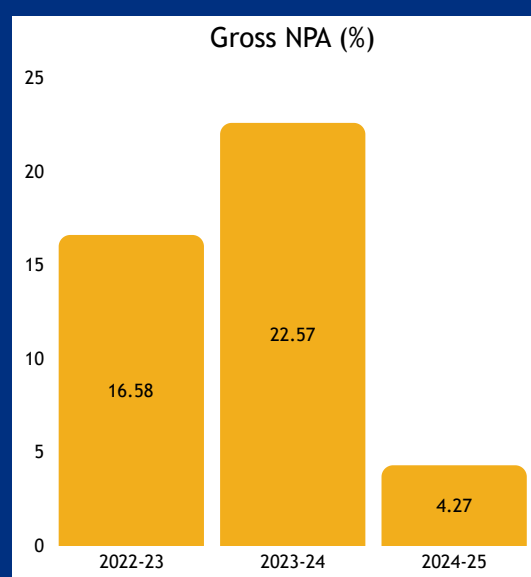
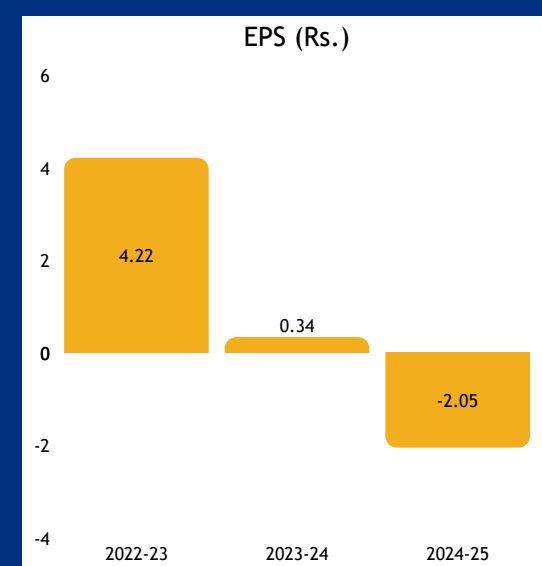
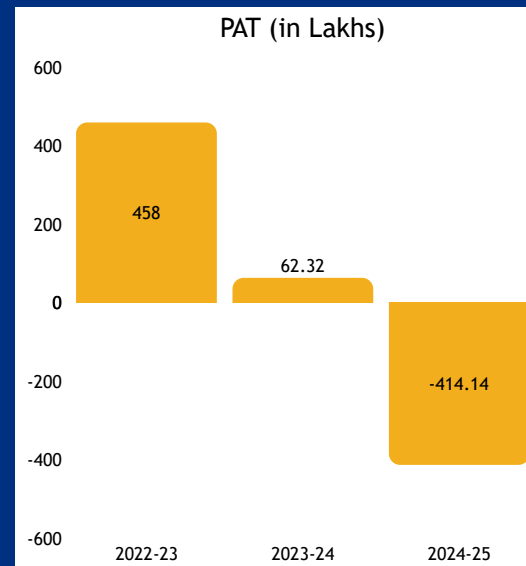
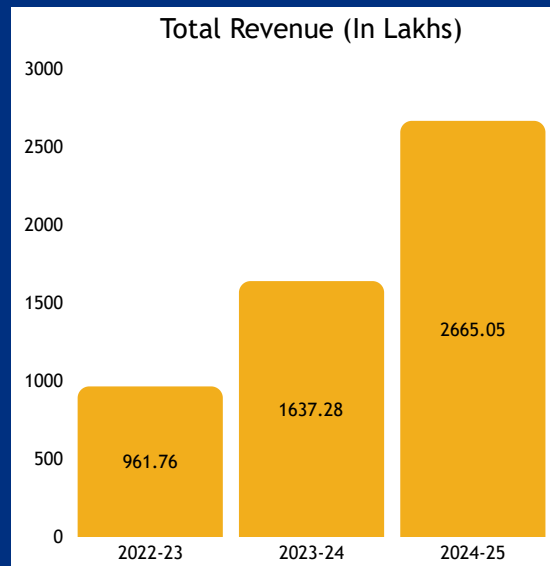
India is marching ahead as one of the world's fastest growing economies. India's total population stands at 1.4 billion. The country has the world's second largest higher education system with over 58,000 higher education institutions and with 43.3 million students enrolled for higher education. Nearly 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.





FINANCIAL RATIOS

S.No.	Particular	Formula	Numerator	Denominator	Ratio
1	Quick Ratio	(Quick Assets/current Assets)	6,168	3,417	1.81
2	Assets Turnover Ratio	Net Tangible Assets= (Assets - Intangible Assets - Total Liabilities)	2,665	2,987	0.89
3	Working Capital Ratio	(Current Assets - Current Liabilities)	6,168	3,417	2,751
4	Cash Conversion Cycle for NBFC	NBFC CCC= (Average Collection Period)*365 Average Collection Period= {(Total Gross book value/(Interest + Fees Income))*365	2,972	2,642	411
5	Free Cash Flow Conversion	(Free Cash Flow/ Net income)	-269	-415	0.6483
6	Price to Free Cash Flow Ratio	(Market Capitalization/Free Cash Flow)	44,549	-269	-165.71

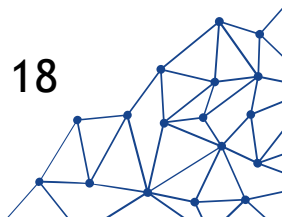


SINGULAR FOCUS, DIGITAL INCLUSION

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.

**63517 Lakhs total
disbursement in
last 5 years
through StuCred
platform**



So how does StuCred works in 6 simple steps?

GETTING REGISTERED

Create a StuCred profile by entering basic personal details, college information, and completing the KYC process.

CREDITWORTHINESS CHECK (CRIF SCORE)

After registration, StuCred runs a credit check using CRIF to evaluate the borrower's repayment capacity and eligibility.

AVAILING CREDIT INSTANTLY

Once KYC, VPA linking, CRIF check, and mandate setup are complete, users can avail credit directly into their bank accounts – instantly and without any interest.

LINKING VPA/UPI

To both avail and repay credit, StuCred uses the most convenient method – UPI. Users can register their existing VPA (Virtual Payment Address) linked to their bank account to enable fund access.

SIGNING THE UPI AUTOPAY MANDATE

To automate repayments, users are required to set up and approve a UPI Autopay mandate. This ensures hassle-free repayment on due dates.

BUILDING CREDIT SCORE & INCREASING CREDIT LIMIT

Repaying on time helps users increase their credit limit (up to ₹15,000) on the StuCred platform and simultaneously improves their overall credit score – opening doors to better credit opportunities in the future.





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

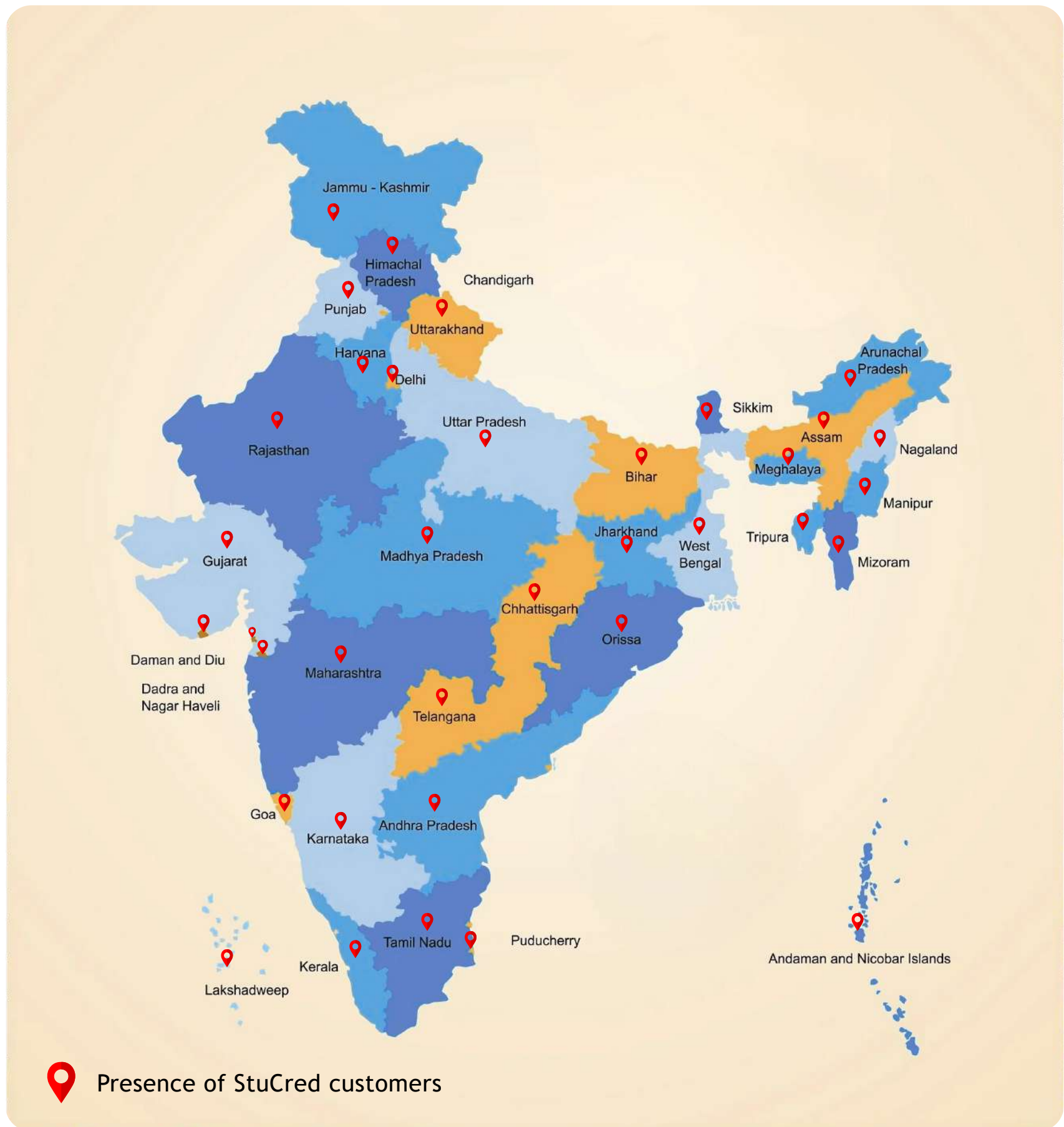
With a vast population and a majority of them being students, it is found that the cost of education has been steadily rising, outpacing inflation. This makes it increasingly difficult for students, especially from lower to middle-class families, to finance their education without external support. Traditional 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 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 635.17 Lakhs of credit covering almost 35 States/Union Territories. During the FY 24-25, we added more than 10,000 colleges to enhance the effectiveness and reach of our services, specifically targeting the student community



StuCred Customers



Featured at

THE NEW
INDIAN EXPRESS

Business Standard

— **Outlook** —
MONEY

YOURSTORY



Some highlights from the advertisement campaigns

1) ONGROUND ACTIVITIES

On ground 2 day engagement at Manipal University. This event created huge visibility for brand StuCred. Leading Influencers like Tajmul (A digital content creator and social media sensation.) and TrinTrin(Dr. Trinetra Halder Gummaraju - Actor, Content Creator, Karnataka's first transgender doctor.) showcased the StuCred brand as well.



TrinTrin, Dr. Trinetra Halder Gummaraju



Tajmul - A digital content creator and social media sensation.

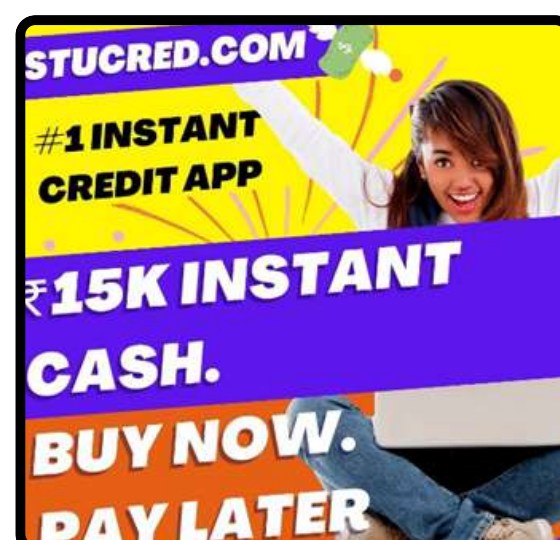
2) IN-HOUSE MARKET RESEARCH AND INTERSHIP PROGRAMS SERIES

We launched StuCred's first in-house internship series that aims at giving exposure to college students on how Fintech industry works and also get first hand feedback on consumer behavior wrt a finance app. The first session had 6 students in all.



3) BEST PERFORMING ADS

Below are samples of digital ads



SINGULAR FOCUS, DIGITAL INCLUSION

through our people-centric approach

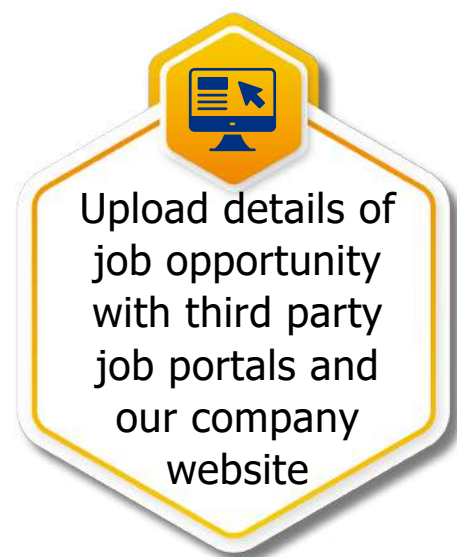
Human capital is not only essential for organizational success but also plays a vital role in driving economic growth. At Kreon Financial Services Limited, our people-centric approach reflects our commitment to building meaningful relationships and fostering growth, both within our organization and the 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:



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: organizational, operational and individual.



Quality Assurance and Compliance

For FY 2024-25, the Company has continued its strong commitment to maintaining high standards of operational excellence and data security through its quality management systems.

ISO Certifications and Adherence:

We have successfully sustained and complied with the standards of the following international certifications:

- **ISO 9001:2015 (Quality Management System):**

This certification reaffirms our structured approach to consistently delivering high-quality services and enhancing customer satisfaction through continual improvement processes. Internal quality audits, SOP updates, and team training initiatives were conducted to ensure compliance and effectiveness of operations.

- **ISO 27001:2013 (Information Security Management System):**

In alignment with our data protection policies, we have maintained robust controls and risk mitigation protocols to ensure confidentiality,

integrity, and availability of all information assets. We completed scheduled ISMS audits and implemented all required security patches and preventive actions.

Key Highlights for FY 2024-25:

- Conducted periodic internal ISO audits for both QMS and ISMS to assess compliance and identify areas for improvement.
- Implemented corrective and preventive actions (CAPA) based on audit findings.
- Updated Standard Operating Procedures (SOPs) across all departments to reflect current practices and compliance measures.
- Conducted team-level ISO awareness and process trainings, reinforcing employee understanding of quality and security benchmarks.
- Worked closely with cross-functional teams for maintaining document control, audit preparedness, and management review support.

Our focus remains on continuous improvement, employee participation, and ensuring that our systems are aligned with evolving industry standards and regulatory expectations.



SINGULAR FOCUS, DIGITAL INCLUSION

begins with a question of where do we put Relationship on a Balance Sheet?

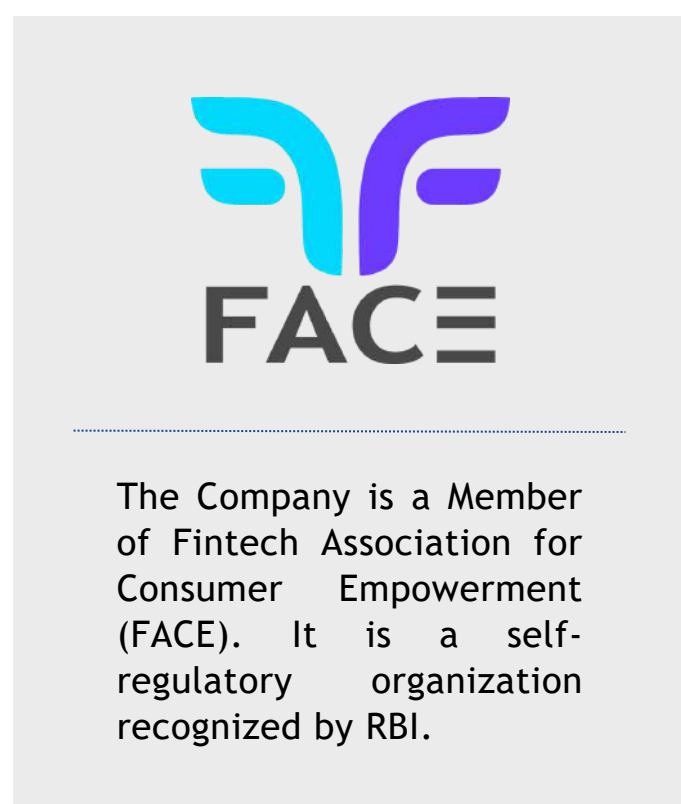
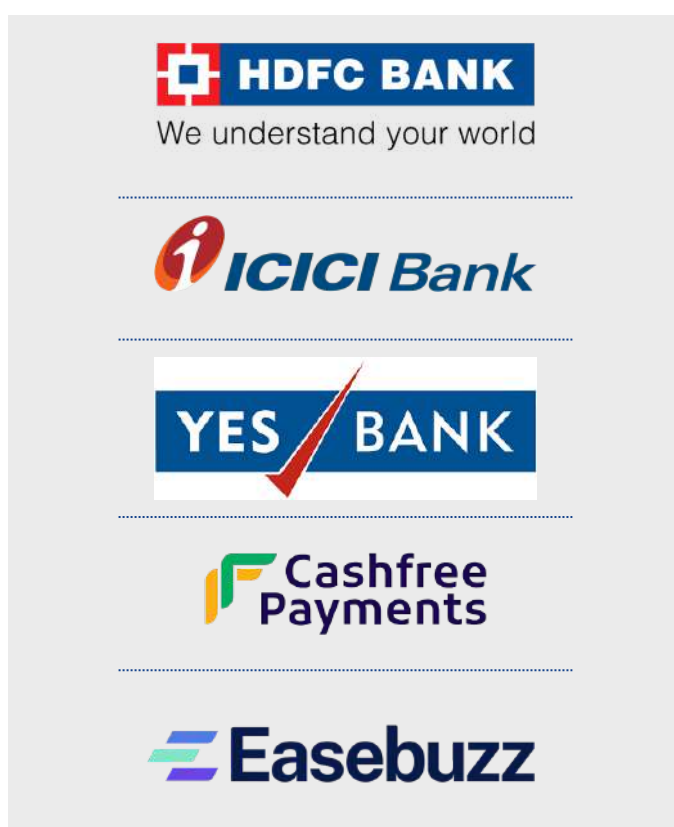
At Kreon Financial Services Limited, we believe true progress is measured not just by expanding our portfolio, but by nurturing enduring partnerships. Our core philosophy is rooted in creating lasting stakeholder value rather than focusing solely on profitability. We collaborate closely with developers, financial institutions, regulatory bodies, and other partners, building bonds grounded in trust and a shared vision for the future. By adopting forward-thinking strategies and fostering mutual confidence, we have laid the foundation for consistent, above-average outcomes. This performance is a reflection of our commitment to long-term collaboration, not merely isolated engagements.

Comfort of lenders

Our robust financial performance is underpinned by the trust and confidence we have earned over time from stakeholders across every link of our value chain. This includes enduring partnerships with both domestic and international financial institutions, who view us as a reliable and transparent organization. Our reputation for integrity, consistent delivery, and sound governance practices has reinforced our standing as a dependable player in the financial ecosystem, further strengthening our financial foundation.

We remain committed to upholding our responsibilities as a conscientious corporate entity by making meaningful contributions to the nation's revenue through regular and substantial tax payments, as evident in our financial records over the past five years. In our efforts to support and advance the broader interests of the sector, we maintain active engagement with key industry bodies and associations. These interactions not only allow us to represent industry concerns and priorities effectively but also enable us to stay informed about emerging trends, regulatory changes, and innovations—reinforcing our role as a forward-thinking leader in the financial landscape.

Government agencies and industry associations





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 Companies Act, 2013, but we look forward to pursue the same from current year onwards.

Governance

We remain steadfast in our commitment to sound corporate governance, which we view as fundamental to sustaining profitable growth and delivering long-term value. Our strategic direction continues to be anchored in principles of financial prudence, ethical conduct, transparency, and accountability—ensuring that shareholder value creation goes hand-in-hand with safeguarding stakeholder interests.

The past year witnessed a rapidly evolving regulatory environment, particularly in the digital lending space. The Reserve Bank of India's issuance of comprehensive guidelines for NBFCs in this domain marked a critical regulatory milestone. Anticipating this shift, we adopted a proactive compliance approach—collaborating with co-lenders and participating in relevant industry forums to ensure a seamless transition.

In alignment with the scale-based regulatory framework, we undertook a structured review of our internal processes and adopted all applicable requirements. Customer onboarding was

enhanced through controlled access to KYC data from the Central KYC Registry, obtained only with explicit customer consent. Further, we implemented automated monitoring systems to flag anomalies and conducted targeted training for our teams on updated KYC and digital lending norms.

These initiatives reflect our readiness to not only comply with the evolving regulatory standards but to do so in a manner that enhances operational resilience, customer experience, and investor confidence.

Board framework

As on March 31, 2025, the Board of Directors comprised five members, including three Independent Directors and three Women Directors, of whom two are Independent Women Directors. The Non-Executive Directors are distinguished professionals who contribute significantly to the strategic direction of the Company through their extensive industry knowledge and expertise.

In line with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted various Board Committees to ensure effective oversight and timely redressal of investor grievances.

During the financial year ended March 31, 2025, the Board met five times to deliberate on key matters and provide strategic guidance.



SINGULAR FOCUS, DIGITAL INCLUSION

through stakeholders engagement

Over the past three decades, our sustained presence in the financial sector has been underpinned by the strength of enduring collaborations with a broad spectrum of stakeholders. These strategic alliances have played a pivotal role in shaping the Company’s trajectory and driving its continued success.

At Kreon Financial Services Limited, the orchestration of enduring stakeholder alliances serves as a foundational pillar in our pursuit of long-term strategic differentiation and value generation. Stakeholders represent a confluence of intellectual capital, operational synergies, and market insight—resources that are indispensable to sustaining our competitive relevance across temporal horizons.

Through a structured and multi-dimensional engagement architecture, we proactively solicit and integrate stakeholder intelligence to inform our strategic imperatives. This dynamic feedback loop not only enhances the precision of our service delivery models but also ensures alignment with evolving stakeholder expectations, regulatory paradigms, and socio-economic imperatives.

Our interaction mechanisms encompass formal consultations, collaborative platforms, digital outreach, and governance-aligned reporting, fostering transparency, mutual trust, and co-created progress. By institutionalizing this engagement ethos, we remain agile, responsive, and purpose-driven in a rapidly transforming financial landscape.

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 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
Shareholders/ Investors	• Brand reputation and trust • Strong and sustained financial performance • Share price performance • Strong risk management • Mechanism • Business strategy • Governance, ethics and Transparency • Stability and security of IT systems	• Annual/quarterly results • Quarterly business updates • Annual General Meeting • Annual Report • Press releases	• Quarterly • Half-yearly • Annually • Event-based
Employees	• Training and development • Fair and timely remuneration • Reward, recognition, and appreciation for the performance • Diverse, open, non-discriminatory, and safe working environment • Work-life balance	• Review meets • Employee surveys • Learning and development initiatives • Newsletters and portals • Discussions with senior leaders • Engagement initiatives / off-sites	• Daily • Weekly • Monthly • Annually





Stakeholders	Stakeholder priorities	Engagement mode	Frequency
Customers	- Aggressive customer acquisition strategies and services - Competitive interest rates - Access to digital channels - Seamless customer service - Secure transactions - Fair and responsive grievance redressal mechanism - Financial inclusion	- Corporate website - Toll-free number - Digital platforms - Social media - Customer relationship managers - Customer satisfaction surveys - Media campaigns and advertising - Knowledge seminars and events	- Daily - Weekly - Monthly - Annually
Business Partners	- Maintaining relationships - Growth opportunities - Quick and efficient payments - Quick response to queries	- Online one-to-one meeting with the top management - Product/process trainings for new and old partners - Industry Speak and Webinars for product updates - Conferences and Forums	- Daily - Weekly - Monthly - Annually
Rating Agencies	- Liquidity and risk management, and risk mitigation strategies - Growth plans	- Presentations and written communications - Online meetings on strategy, financial plans, risk management, and other business-related updates	Event-based
Government / Regulator Bodies	- Compliance with laws and regulations - Ethical business practices - Active participation in industry and regulatory working groups - Timely reporting through	- Industry associations - Corporate Presentations - Written Communications - One-to-one meetings - Mandatory regulatory filings	- Weekly - Annually - Event-based

Risk Management

At Kreon Financial Services Limited, risk governance is a strategic cornerstone, embedded across all levels of our organization. We adopt an integrated, enterprise-wide risk management framework that aligns with the Company's risk appetite, Board directives, and regulatory expectations.

Our approach encompasses the identification, assessment, and mitigation of a broad spectrum of risks—financial, operational, technological, regulatory, and reputational—through dynamic monitoring tools, stress testing, and analytics-driven insights.

We foster a culture of risk awareness and accountability, ensuring that risk considerations are deeply ingrained in strategic planning and

day-to-day operations. This proactive stance enhances our resilience, safeguards financial soundness, and enables sustainable value creation in an evolving business landscape.

For more details on Risk Management, please refer 'Management Discussion & Analysis', section of this report.



Chairman's Perspective



Dear Shareholders



The future belongs to those who believe in the beauty of their dreams.”

- Eleanor Roosevelt

At Kreon Financial Services Limited, we have always believed in a bold idea—that banking can be made simpler, smarter, and accessible to all. The financial year 2024-25 was a defining one for us. Through a combination of determination, innovation, and collaboration, we emerged stronger from a year that tested our fundamentals and re-affirmed our long-term vision. Despite an evolving macroeconomic climate, India's fintech sector grew by 25%, fueled by digital transformation, favourable policy frameworks, and increasing digital penetration. The ecosystem is vibrant, and we are proud to be playing a pioneering role within this space. This industry has granted emerging players like us a level playing field—an opportunity we deeply value and are committed to maximizing. Our flagship digital lending application, StuCred, is a testimony to our commitment to responsible yet inclusive lending. Completing seven years of operations, we have evolved from being a digital lender to the student-first financial partner - one that understands the evolving aspirations and pressures of India's youth. The success of StuCred validates our belief that even a simple idea, when executed with passion and integrity, can create lasting impact.

“Don't limit your challenges. Challenge your limits.”

Much like nurturing a young sapling, our growth has been deliberate and steady. Our focus remains on laying a solid foundation for a next-generation fintech platform—built on transparency, empathy, and simplicity. Our policies are designed to ensure that borrowers find our services easy to understand and even easier to trust.

The theme of this year's Annual Report — Singular Focus through Digital Inclusion — truly reflects who we are and what we strive to do.

INDUSTRY AND BUSINESS OVERVIEW

On a macro level, India's economic outlook continues to be encouraging. Long-term structural reforms, rising consumption, and a favourable demographic dividend are coming together to create an unprecedented momentum. The role of fintech in fostering financial inclusion is undeniable. Schemes like Jan Dhan, Aadhaar, and Mobile (JAM) trinity, along with DBT, CBDC and other digital public infrastructure initiatives, are transforming access to finance and improving governance at the grassroots level. India is home to over 315 million students, the largest student population in the world. Our primary customer base—students, continue to face financial challenges as the cost of education accelerates faster than inflation. Unexpected events like accommodation issues, health emergencies, and one-time course requirements often demand immediate access to funds. Traditional funding avenues often fall short in meeting the entire spectrum of academic and associated living expenses. The increasing need for short-term, need-based, hassle-free loans is apparent, and we are proud to have played a meaningful role in bridging this financial gap. Our focus on risk-adjusted returns while empowering the underserved student community remains unwavering.

“Financial inclusion is not just an economic necessity, it's a social imperative.”



While FY 2023-24 posed considerable challenges, we entered FY 2024-25 with the determination to stabilize and rebuild. Despite a subdued profit performance in the prior year owing to a one-time write-off, we have since realigned our operations for sustainable growth. During FY 2024-25, we witnessed recovery in earnings, further optimization of operational efficiencies, and a renewed focus on quality underwriting and prudent asset selection. Today, we proudly serve over 21,000 colleges across India, covering all 28 States and 8 Union Territories. Our StuCred user base on Playstore continues to grow rapidly, reflecting our expanding reach and growing relevance. As part of our broader engagement strategy, we partnered with over 20 leading brands, offering our student users attractive discounts across verticals such as education, travel, fashion, gadgets, and entertainment—adding tangible lifestyle value. Along with expanding our operations and reach, we remain vigilant in maintaining the highest standards of data privacy, cybersecurity, and regulatory compliance, ensuring our platform remains trustworthy and secure for every user.

FIVE PILLARS OF KREON

Our growth and vision stand firmly on five foundational pillars:

“Great companies are built on great foundations.”

1. Risk Management

We continue to embrace an entrepreneurial culture that finds solutions to hard problems. With strengthened governance and data-driven insights, we have begun diversifying into new asset classes and borrower segments to reduce dependency on a single product line.

2. Financial Capital

Strong relationships with our lenders and financial partners have enabled continued access to cost-effective, long-term financing. Our stable credit ratings reflect our prudent capital management and healthy liquidity profile.

3. Human Capital

We remain committed to building a workplace culture that fosters growth, innovation, inclusivity, and emotional well-being. Our diversity and inclusion initiatives, especially around gender equity, are showing promising results.

4. Technology

Digital is the backbone of our operations. Collaborations with reputed technology partners have enabled us to deliver seamless, secure, and personalized customer journeys. Continuous innovation is our mantra as we aim to exceed user expectations with every interaction.

5. Sustainability and Impact

While we are a digital-first lender, our impact extends beyond financial access. We are committed to adopting practices that are responsible, inclusive, and environmentally conscious. As we scale, we are also exploring how fintech can contribute to India's broader ESG goals and support a more sustainable future.

FORWARD-LOOKING

As we move into the next financial year, our focus shall be on **product diversification, AI-based credit intelligence, and expanding our rural and Tier-III outreach**. We also aim to introduce **financial literacy initiatives** to empower students to make better money decisions. With a robust digital backbone and customer-centric approach, we are confident of delivering consistent and scalable growth.

GOVERNANCE AND GRATITUDE

We remain deeply anchored in governance and ethics. Our Board of Directors—a collective of visionaries and enablers—have played a pivotal role in guiding the Company through each milestone. I extend my heartfelt gratitude to each of them.

To our **shareholders, employees, regulators, customers, and partners**—thank you. Your belief in our mission is the fuel behind every line of code we write, every loan we disburse, and every student we empower. “Alone we can do so little; together we can do so much.” - Helen Keller As we look to the horizon, our vision is clear: to be the most trusted digital financial partner for India's youth. Together with the Kreon's Family, we are committed to building a future where no dream is left behind due to lack of funds. Let's continue to make bold moves, ask better questions, and enable the next generation to rise.

With gratitude and determination,

Jaijash Tatia

Chairman and Managing Director
Kreon Financial Services Limited

Board's Report



Dear Members,

Your Board of Directors (the “Board”) has the pleasure of presenting the 31st Board Report on the business and operations of Kreon Financial Services Limited (the “Company”) along with the annual audited financial statements for the financial year ended March 31, 2025, and auditor’s report.

1. FINANCIAL PERFORMANCE

The financial statements for the financial year ended March 31, 2025, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs (MCA).

Key highlights of the financial results of your Company for FY 2024-25 have been summarized below

(Rs in Lakhs)

Particulars	Year ended on 31st March 2025	Year ended on 31st March 2024
Revenue from operations	2665.05	1637.28
Profit / (Loss) before Depreciation and Interest	(44.48)	262.73
Less: Interest	(283.47)	(95.96)
Less: Depreciation	(79.37)	(70.50)
Profit / (Loss) before Tax	(407.32)	96.27
Prior Period Tax	0	0
Provision for Tax/Current Tax	61.6	8.82
Deferred Tax	(54.78)	25.12
Profit / (Loss) after Tax	(414.14)	62.32
Other Comprehensive Income	237.4	210.33
Total Comprehensive Income	(176.74)	272.65



2. BUSINESS OPERATIONS

During the year under review, the Company clocked revenue of Rs.2665.05 lakhs compared to Rs.1637.28 lakhs for FY 2023-24. Our Company reported a loss of Rs.60 lakhs in contrast to a profit of Rs. 58 lakhs in the previous fiscal year. This temporary setback primarily stems from regulatory adjustments introduced by the Reserve Bank of India, which impacted certain operational parameters. Notwithstanding, the Company demonstrated robust top-line growth, reflecting a strong underlying business momentum. Our continued focus on operational excellence and strategic initiatives positions us well for sustainable profitability and long-term value creation.

3. CHANGE IN THE NATURE OF BUSINESS

There has been no change in business of your Company during the year under review.

4. DIVIDEND

There has been no distributable profits and hence consideration of distribution of dividend does not arise in FY 2024-25. The Company presently does not have a dividend distribution policy as it has not declared any dividends till date.

5. TRANSFER TO RESERVES

Being an NBFC and according to Section 45IC(i) of the Reserve Bank of India Act, 1934, our Company is required to transfer 20% of the net profits to general reserves. However, due to loss incurred in FY 2024-25, no amount is required to be transferred to general reserves.

6. CORPORATE GOVERNANCE

a) Corporate Governance Philosophy

Your Company has always believed that good corporate governance is more a way of doing business than a mere legal compulsion. It enhances the trust and confidence of all the stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and the stock market. It is the application of best management practices, compliances of law in true letter and spirit, and adherence to ethical standards for effective management and discharge of social responsibilities for sustainable development of all stakeholders. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, fairness, independence, accountability, and integrity. The

Board plays a central role in upholding and guiding this governance framework.

b) Board Diversity

Your Company believes that a truly diverse Board will leverage differences in perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, and gender, which will help us retain our competitive advantage. The Policy on Board Diversity adopted by the Board sets out its approach to diversity, which is available on our website at www.kreon.in. Additional details on Board diversity are available in the Report on Corporate Governance that forms part of this Annual Report.

c) Board Composition and Key Managerial Personnel (KMP)

The composition of Board of your Company conforms with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and Section 149 of the Companies Act, 2013 (the "Act").

As on date of this report, the Board comprises of five Directors, further classified into two Executive Director and three Non-Executive Independent Directors. Further, out of three Independent Directors, two are Independent Woman Director. The Chairman of the Board is a Promoter-Executive Director.

In the opinion of the Board of the Company, all Independent Director appointed/re-appointed during the year have integrity, expertise, experience and proficiency as prescribed under the Companies (Appointment and Disqualification of Directors) Rules, 2014 read with the Companies (Accounts) Rules, 2014 (including amendment thereof).

Further in compliance with the Circulars dated 20th June 2018 issued by NSE and BSE, the Company has also received a declaration from all the directors that they are not debarred from holding the office of Director by virtue of any SEBI order or by any other such statutory authority.

As on date of the report, your Company has the following Key Managerial Personnel (the "KMP").

- Mr. Jaijash Tatia - Managing Director
- Mrs. Henna Jain - Joint Managing Director

- Mrs. Shoba Nahar - Chief Financial Officer
- Ms. Niharika Goyal - Company Secretary and Compliance Officer

d) Changes in Board of Directors and KMPs

During the year under review and till date of this report, the following changes have occurred in Board composition and KMP:

- Change in designation of Mr. Jaijash Tatia, DIN:08085029, from Whole-time Director to Managing Director w.e.f September 01, 2024.
- Change in designation of Mrs. Henna Jain, DIN:08383395, from Non-Executive Director to Joint Managing Director w.e.f September 01, 2024, for a period of three years up to August 31, 2027.
- Appointment of Mr. Anand Manoharlal, DIN:10718528, as Non-Executive Independent Director w.e.f August 06, 2024, for an initial term of five consecutive years up to August 05, 2029.
- Tenure completion of Mrs. Rajashree Santhanam and Mrs. Muthusamy Menaka as Non-Executive Independent Director(s) of the Company with effect from the close of business hours on March 31, 2025.
- Re-appointment of Mrs. Rajashree Santhanam, DIN:07162071 and Mrs. Muthusamy Menaka, DIN:10550690, as Non-Executive Independent Director(s) of the Company w.e.f April 01, 2025, for second term of five consecutive years up to March 31, 2030.
- Resignation of Mrs. Vidyalakshmi Rajagopalan (ACS:28058) from the position of Company Secretary and Compliance Officer with effect from close of business hours on April 15, 2025.
- Appointment of Ms. Niharika Goyal (ACS:61428) as Company Secretary and Compliance Officer / Chief Compliance Officer with effect from April 16, 2025.

The appointment of Mr. Anand Manoharlal as an Independent Director and change in designation of Mr. Jaijash Tatia and Mrs. Henna Jain, was approved by the Board in its meeting held on August 06, 2024 and subsequently approved by Members via postal ballot dated September 10, 2024, with requisite majority.

The re-appointment of Mrs. Rajashree Santhanam and Mrs. Muthusamy Menaka as Non-Executive Independent Director(s) was approved by the Board in its meeting held on March 27, 2025, and subsequently approved by the Members via postal

ballot dated June 20, 2025, with requisite majority.

The resignation tendered by Mrs. Vidyalakshmi Rajagopalan vide letter dated March 17, 2025, was noted by the Board in its meeting held on March 27, 2025. In the same meeting, the Board unanimously appointed Ms. Niharika Goyal in her place w.e.f April 16, 2025.

According to the provisions of Section 152(6) of the Act, Mrs. Henna Jain, Joint Managing Director, is liable to retire by rotation and being eligible, offers herself for re-appointment. Based on the result of performance evaluation, recommendation of the Nomination and Remuneration Committee and subject to the approval of Members in the 31st AGM, the Board approved her re-appointment in its meeting held on July 28, 2025 and recommends the same to the Members. A resolution seeking Members' approval for her re-appointment along with other required details forms part of the Notice of 31st AGM.

e) Number of Board Meetings

The Board met five times during FY 2024-25. The details of such meetings are provided in the Report on Corporate Governance that forms part of this Annual Report. The maximum interval between any two consecutive meetings did not exceed one hundred and twenty days (120 days), as prescribed under the Act.

f) Separate meeting of Independent Directors

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 07, 2025.

The Independent Directors at the meeting, inter-alia, reviewed the following:

- Performance of Non-Independent Directors;
- Performance of the Board as a whole;
- Performance of Chairperson of the Company considering the views of executive directors and non-executive directors;
- Assessment of the quality, quantity, and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
- Any unethical behavior, actual or suspected fraud or violation (if any) of the Company's Code of Conduct.



g) Manner and Criteria of formal annual evaluation of Board's performance and that of its Committees and Individual Directors

In terms of the requirements under the Act and SEBI Listing Regulations, the Nomination and Remuneration Committee (NRC) has formulated a criterion for evaluation of the performance of Board as a whole, individual Directors, Chairman and the Board Committees. The criteria cover the areas relevant to the functioning of the Board and its Committees such as its composition, structure, oversight, effectiveness, performance, skill set, knowledge, strategy, and risk management. The individual Directors, particularly the Independent Directors, were evaluated on parameters such as integrity, participation, skill, and knowledge, independent judgment, preparation, conduct, and effectiveness.

A structured questionnaire was prepared after taking into consideration inputs 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. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders, etc. Accordingly, the Board and NRC carried out performance evaluation during the year under review.

h) Board Committees

Pursuant to the provisions under the Act and SEBI Listing Regulations, the Board has constituted various committees of the Board which are:

- **Audit Committee;**
- **Nomination and Remuneration Committee;**
- **Stakeholders Relationship Committee.**

Details of composition, terms of reference, number of meetings and attendance of Members in these Committees are provided in the Report on Corporate Governance that forms part of this Annual Report.

i) Recommendations made by the Board Committees

The Board, during the year under review, has accepted all recommendations made to it by its

Committees including Audit Committee.

j) Composition of Audit Committee

The composition of the Audit Committee, as on March 31, 2025, is given below:

Name	Category
Mrs. Rajashree Santhanam	Independent Director, Chairperson
Mrs. Muthusamy Menaka	Independent Director, Member
Mr. Anand Manoharlal	Independent Director, Member
Mr. Jaijash Tatia	Managing Director, Member

k) Declaration by Independent Directors

The Company has received the necessary declaration from each Independent Director that he/she meets the criteria of independence laid down in Section 149(7) of the Act and Regulation 16 and 25 of the SEBI Listing Regulations. All Independent Directors have affirmed compliance with the Code of Conduct for Independent Directors as per Schedule IV of the Act.

l) Compliance with Secretarial Standards

During the year under review, the Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

m) 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. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees the Company's process and policies for determining risk tolerance and reviews management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The Risk Management Policy of the Company is available on our website www.kreon.in.

n) Board Policies

The details of the policies approved, adopted or reviewed by the Board are provided in the Report on Corporate Governance that forms part of this Annual Report.

o) Statutory Compliance

Your company, to the best of its knowledge and beliefs, has complied with all applicable Acts, Rules, Regulations, Guidelines etc of SEBI, RBI, MCA and other Statutory Authorities.

p) RBI guidelines

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

7.DISCLOSURE / ANNEXURES

a) Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Act, the Company will place a copy of the annual return on its website at www.kreon.in after the conclusion of the forthcoming AGM.

b) Report on Corporate Governance

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the principle that an organization’s corporate governance is directly linked to high performance.

The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in the creation of value and wealth for all stakeholders.

The compliance report on corporate governance along with a certificate from M/s. Darpan & Associates, Statutory Auditors, regarding compliance of conditions of the corporate governance, as stipulated under Schedule V of the SEBI Listing Regulations, is attached herewith as **Annexure-E** to this report.

c) Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI Listing Regulations, the Certificate of Non-Disqualification of Directors for the financial year ended March 31, 2025, obtained from M/s. AXN Prabhu & Associates, Practicing Company Secretary, CP 11440, MN 3902, is annexed as **Annexure-G** to this report.

d) Management Discussion and Analysis Report

The Management Discussion and Analysis Report, along with detailed analysis of Company’s performance for the year under review, as stipulated under Regulation 34 of the SEBI Listing

Regulations and applicable provisions of the Master Direction issued by the Reserve Bank of India, forms part of this annual report.

e) Certificate by CFO

Mrs. Shoba Nahar, Chief Financial Officer, has submitted the certificate, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations to the Board. The certificate by CFO is herewith attached as **Annexure-B** to this report.

f) Related Party Transactions

All related party transactions during FY 2024-25 were in the ordinary course of business and at an arm’s length basis and were in compliance with the Act, SEBI Listing Regulations and Accounting Standards and are disclosed in the notes forming part of the financial statement. During FY 2024-25, the Audit Committee, on quarterly basis, reviewed the related party transactions of the Company for which prior approval was accorded by the Members in the 30th AGM held on June 28, 2024.

The particulars of contracts or arrangements or transactions with related parties during FY 2024-25, as referred to in Section 188(1) and applicable rules of the Act in Form AOC-2, are provided as an **Annexure-D** to this report.

Further, 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 by the Independent Directors with the Company during the year under review.

The policy on related party transactions as approved by the Board is uploaded on the Company’s website.

g) Managerial Remuneration and Employee Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the



said rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure-C.

h) Conservation of energy

i. **Steps taken or impact on conservation of energy:** The operations of your Company are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by the purchase of energy-efficient equipment.

ii. **The steps taken by the Company for utilizing alternate sources of energy-** Nil

iii. **Capital investment on energy conservation equipment-**Nil

i) Technology absorption, adoption and innovation

i. **Efforts made towards technology absorption:**

a) Implemented Amazon S3 Glacier to reduce long-term data storage costs. Integrated UPI AutoPay Mandate to automate loan repayments and improve repayment compliance.

b) Enabled CRIF score and delinquency checks for first-time loan disbursement, improving credit risk evaluation.

c) Automated KYC document validation using AI, allowing real-time verification of PAN, Aadhaar, and college IDs with fraud detection.

d) Migrated infrastructure to serverless computing (AWS Lambda) and containerized environments for scalability and reliability.

e) Adopted DevSecOps for secure, continuous integration and deployment.

ii. **Benefits derived like product improvement, cost reduction, product development or import substitution:**

a)**Cost reduction:** Archived inactive documents to Amazon S3 Glacier, reducing storage expenses, Optimized backend response times to lower AWS Lambda duration and data transfer charges.

b)**Product improvement:** Enhanced creditworthiness checks through CRIF and delinquency validation, reducing default risk, Improved user onboarding experience through AI-powered automated KYC validation, Simplified repayment setup with UPI AutoPay mandates.

c)**Product Development:** Developed an end-to-end digital loan disbursement system with instant

decisioning and auto-validation, enabled robust credit scoring and repayment automation, improving scalability and compliance.

d)**Import Substitution:** Replaced reliance on third-party credit and document verification platforms by building in-house AI-based KYC and credit scoring tools.

iii. **In case of imported technology (imported during the last three financial year reckoned from the beginning of the financial year)**

- Technology imported: Nil
- Year of import: Nil
- Whether the technology has fully been absorbed: Nil
- If not fully absorbed, area where absorption has not taken place and reason thereof: Nil
-

iv. **Expenditure incurred on Research and Development:** NA

j) Particulars of loans, guarantee, or investments under Section 186 of the Companies Act, 2013

Pursuant to Section 186(11)(a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by an NBFC registered with RBI are exempt from the applicability of the provisions of Section 186 of the Act. During the year under review, the Company has invested funds in various securities in the ordinary course of business. For details of the investments of the Company, refer to Note No. 49 of the financial statements.

K) Foreign Exchange Earnings and Outgo

S. No.	Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
1	Expenditure in foreign Currency	Rs.83.92 lakhs	Rs.28.53 lakhs
2	Earning in Foreign Currency	NIL	NIL

Note: The expenditure was incurred on purchase/marketing/subscription of software.

l) Material changes and commitments

During the year under review, your Company did not undergo any material changes and

o) Proceedings under Insolvency and Bankruptcy Code, 2016

During the year under review, there were no applications made or no proceedings that were filed by the Company or against the Company, which stands as pending under the Insolvency and Bankruptcy Code, 2016, as amended, before National Company Law Tribunal or other Courts.

p) Significant material orders passed by Regulators

There are no significant material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and future operations of the Company.

q) Credit rating

During the year under review, your Company did not obtain any credit rating.

r) Other Disclosures

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

8. AUDIT AND AUDITORS

a) Statutory Auditor

The Members of the Company, in 29th AGM held

on July 28, 2023, appointed M/s. Darpan & Associates, Chartered Accountants (FRN:016156S), as the Statutory Auditors of the Company for a period of five consecutive years till the conclusion of 34th AGM to be held in the calendar year 2028.

b) Auditor's Report

The report given by M/s. Darpan & Associates, Statutory Auditors, on the financial statements of the Company for the financial year ended March 31, 2025, forms part of this Annual Report. The Audit Report does not contain any qualification, disclaimers, reservation, or adverse remark.

c) Secretarial Auditor and its Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to the Board Report as Annexure-F.

The following qualifications have been mentioned in the Secretarial Audit Report:

Act / Rules / Regulation	Qualifications	Action taken against the Company	Response by Company
SEBI (LODR) Regulations, 2015	Delay in furnishing prior intimation on about the meeting of the board of directors	The Company was fined Rs.11,180/- by BSE for such delay.	The Company has paid the fine.

d) Cost Audit and Cost Records

Maintenance of cost records and requirement of Cost Audit as prescribed under Section 148(1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 is not applicable to the business activities carried out by your Company.

e) Reporting of fraud by Auditors

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees, under Section 143(12) of the Act. Therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

9. SHARE CAPITAL AND LISTING ON STOCK EXCHANGE

a) Authorized share capital

As of March 31, 2025, the total authorized share capital of the Company stood at Rs.50,00,00,000 (Rupees Fifty Crores only) divided into 4,50,00,000 (Four Crores Fifty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each and 50 Lakhs (Fifty Lakhs only) Compulsory Convertible Preference Shares of Rs.10/- (Rupees Ten only) each. During the financial year under review, the Authorized Share Capital was increased from Rs.30,00,00,000 (Rupees Thirty Crores only) to Rs.50,00,00,000 (Rupees Fifty Crores only) by way of an increase of 2,00,00,000 (Two Crores only) equity shares of Rs.10/- (Rupees Ten each).

b) Paid-up share capital

As of March 31, 2025, the total paid-up share capital of the Company stood at Rs.20,22,20,000/



(Rupees Twenty Crores Twenty Lakhs Twenty Thousand Only) consisting of 2,02,22,000 (Two Crore Two Lakh Twenty-Two Thousand) equity shares of Rs.10/- each. There were no addition or alterations made to the paid-up share capital of your Company during the year under review

c) Issue of equity shares with differential rights

Your Company had not issued any equity shares with differential rights during the year under review.

d) Issue of sweat equity shares

Your Company did not issue any sweat equity shares during the year under review.

e) Issue of employee stock options

Your Company did not issue any employee stock options during the year under review

f) Listing on Stock Exchange

The Company's equity shares are listed on BSE Limited having scrip code 530139. The Company had paid Annual Listing Fee for the FY 2024-25. The Company had also paid Annual Custodian Fee to the Depositories for the FY 2024-25.

h) Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of the employees

Your Company has not made any provision of money for the purchase of its own shares by employees or by trustees for the benefit of the employees during the year under review.

i) Suspension of shares from trading

During FY 2024-25, the shares of your Company were not suspended from trading on the stock exchange.

10. POLICY DISCLOSURES

a) Code of Conduct for Board of Directors and Senior Management

The Company has formulated a Code of Conduct for the Board of Directors and Senior Management and has complied with all the requirements mentioned in the aforesaid code. A declaration to this effect has been signed by Mr. Jaijash Tatia, Chairman and Managing Director, and forms part of this Annual Report. The Code of Conduct shall be available on the website of the Company at www.kreon.in.

b) Nomination and Remuneration Policy

The Board, and Nomination and Remuneration Committee has framed a policy/criterion for selection and appointment of Directors, Key Managerial Personnel and Senior Executives including qualifications, positive attributes, independence of a director, remuneration, and other matters provided under Section 178(3) of the Act and the SEBI Listing Regulations.

Pursuant to Section 134(3) of the Act, the detailed nomination and remuneration policy of the Company which lays down the criteria, is available on the Company's website at www.kreon.in.

The key points outlined in the Nomination and Remuneration Policy are as follows:

- The Policy aims to appoint Directors, KMP's, and Senior Management who possess significant skills, competence and experience relevant to the position, in alignment with applicable laws and regulations.
- Evaluation of individuals against various criteria, including industry experience and other attributes necessary for successful performance in the role, while also considering the benefits of board diversity.
- Examination of the individual's current positions, including directorships or other affiliations and how these roles might impact their ability to exercise independent judgement.
- Consideration of how the individual is likely to contribute to the overall effectiveness of the Company and collaborate constructively with others.
- Remuneration is designed to align with the individual's role, responsibilities, and performance, balancing fixed and variable components.

c) Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177(9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, your Company has formulated a vigil mechanism through whistle blower policy to deal with instances of unethical behavior, actual or suspected fraud, violation of Company's code of conduct or policy. No person has been denied access to the Chairman of the Audit Committee. The details of the policy are explained in the Report on Corporate Governance and posted on the website of the Company and can be accessed at www.kreon.in.

d) Code for prohibition of insider trading

Your Company has adopted a code of conduct to regulate, monitor, and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

This code also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the website of the Company at www.kreon.in.

e) Sexual Harassment at Workplace

As per the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), the Company has a robust mechanism in place to redress complaints reported under it. Your Company has a formal policy (available at www.kreon.in) for the prevention of sexual harassment of the employees at the workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Hence, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with the following members:

Mrs. Shoba Nahar - Presiding Officer
Ms. Soundarya Sekar - Internal Member
Mr. Midhun Sukumaran - Internal Member
Ms. Anjanaa Aravindan - Internal Member

During the year under review,

- Number of complaints of sexual harassment received in the year: NIL
- Number of complaints disposed off during the year: NIL
- Number of cases for more than ninety days: NIL

f) Maternity Benefit Policy

The Company has a well-structured and inclusive Maternity Benefit Policy that supports the health, well-being, and career continuity of its women employees. This policy is designed in compliance with the provisions of the Maternity Benefit Act, 1961 and reflects the Company's commitment to fostering a supportive and inclusive workplace. It offers paid maternity leave, job protection,

medical support, and flexible work arrangements, ensuring that employees can focus on their personal and family responsibilities without compromising their professional growth. Hence, the Company has complied with the provisions of the Maternity Benefit Act, 1961.

g) Quality Policies

The Company obtained ISO 9001:2015 and ISO 27001:2013 Certification from an independent and 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.

h) Equal Opportunity Policy

In accordance with the principles of fairness, transparency, and inclusivity, the Company has adopted an Equal Opportunity Policy that upholds the right of every individual to work in an environment free from discrimination and bias. As a responsible employer and a listed NBFC, the Company ensures compliance with all applicable laws including the Rights of Persons with Disabilities Act, 2016 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy prohibits discrimination on the grounds of gender, religion, caste, race, disability, marital status, sexual orientation, or any other category protected by applicable laws. The Company is committed to promoting diversity and inclusivity across all levels of employment and provides equal access to opportunities for growth, development, and advancement.

The policy is communicated to all employees, and any grievances under this policy are addressed through a fair and structured redressal mechanism. The implementation of the Equal Opportunity Policy is monitored periodically by the Human Resources Department under the oversight of the Board. The above policy is available on the Company's website at www.kreon.in.

i) Stakeholders Engagement Policy

The Company recognizes that strong and continuous stakeholder engagement is integral to long-term sustainability and responsible governance. In line with SEBI LODR Regulations and RBI guidelines applicable to NBFCs, the Company has put in place a



Stakeholders Engagement Policy to maintain transparent and effective communication with all stakeholders, including shareholders, regulators, customers, employees, lenders, vendors, credit rating agencies, and the broader community. Engagement is achieved through multiple channels such as investor meetings, disclosures on stock exchange and Company website, customer feedback mechanisms, grievance redressal platforms, employee town halls, regulatory interactions, and corporate social responsibility initiatives. The Company strives to incorporate stakeholder feedback into its decision-making processes and strategic planning.

The Board of Directors, through its Committees and Management, periodically reviews stakeholder engagement practices to ensure they are aligned with the Company's values, compliance framework, and business objectives.

The above policy is available on the Company's website at www.kreon.in

11. DEPOSITS

Your Company, being a non-deposit taking NBFC and as per Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. The provisions of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended are not applicable to the Company being an NBFC. Further, the Directors hereby report that the Company did not accept any public deposits during the financial year under review and did not have any public deposits outstanding as on March 31, 2025.

There are no outstanding or unclaimed deposits, unclaimed/unpaid interest, refunds due to the deposit holders or to the Investor Education and Protection Fund as on March 31, 2025.

12. CORPORATE SOCIAL RESPONSIBILITY

Your Company does not fall under the applicability criteria given under Section 135(1) of the Act. Therefore, it does not require us to comply with the provisions related to Corporate Social Responsibility.

13. SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

As on March 31, 2025, your Company does not have any Subsidiary or Associate Company or Joint

Ventures.

14. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including the adherence to Company's policies, safeguarding of its assets, timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Board of your Company has laid down IFC systems to be followed by the Company and that such systems are adequate and operating effectively. Your Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. It ensures that all financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets.

Role of internal audit

Internal Audit is an independent function within the Company, which provides assurance to the Management on the design and operating effectiveness of IFC systems as well as suggesting improvements to them. Internal Audit assesses and promotes strong ethics and values within the organization and facilitates in managing changes in the business and regulatory environment. Internal Audit responsibilities encompass all locations, operating entities and geographies of the Company, in which all aspects of business, viz. operational, financial, information systems and regulatory compliances are reviewed periodically.

The Audit Committee review the findings and recommendations given in the internal audit report and make suggestions for improvement to the Board. Direct reporting to the Audit Committee ensures that Internal Audit functions independently from the business. To conduct an internal audit of your Company, the Board appointed M/s. R. Bhaskaran & Co., Chartered Accountants, as the Internal Auditors of the Company.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Act, to the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors hereby confirm that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2025, the

applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2025, and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared annual accounts on a going concern basis;

e) the Directors had laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively, and;

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

16. ACKNOWLEDGEMENT

The Directors place on record their appreciation to all those people, who have so willingly placed their trust in the Company and 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 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."

On behalf of the Board of Directors
For Kreon Financial Services Limited

Place: Chennai
Date: 25.07.2025

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395



ANNEXURE A

Management Discussion & Analysis



Indian Economic Review

India's economic landscape in 2024-2025 reflects sustained resilience, digital leadership, and strategic growth. Following strong GDP performance and record FDI inflows, the nation advanced with key milestones like the Gaganyaan test missions and landmark global trade deals. These developments have not only reinforced India's global standing but also elevated its reputation as a hub for innovation, opportunity, and long-term investment potential.

Stock Market Performance

The Indian equity markets have demonstrated robust growth in FY 2024-25. The Nifty 50 index experienced a strong rally, rising approximately 15.5% from its low of 21,744 to a high of 25,116, reflecting growing investor confidence and economic momentum. In terms of market capitalization, India's stock market reached an estimated \$5.13 trillion by December 2024, marking a substantial rise and positioning India as the world's fifth-largest market by capitalization.

Export Growth and Trade Facilitation

India's export sector continues to thrive. During April-December 2024, total exports (merchandise and services) were estimated at \$602.64 billion, registering a 6.03% growth compared to the same period in the previous year.

On the trade facilitation front, India has made

significant strides. The country has implemented paperless trade measures as part of its logistics and trade facilitation policy, aligning with the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA).

INDUSTRY STRUCTURE AND DEVELOPMENTS

NBFC segment in India

Strategic Role in Financial Inclusion

NBFCs continue to play a pivotal role in India's financial ecosystem, offering tailored financial solutions to underserved segments, including MSMEs and rural populations. Their agility, customer-centric approaches, and technological innovations have enabled them to bridge credit gaps left by traditional banking institutions.

Sector Growth and Credit Expansion

- **Credit Contribution:** As of December 2024, NBFCs' total credit stood at approximately ₹52 trillion, with projections to exceed ₹60 trillion by FY 2025-26. Retail assets, accounting for 58% of the overall NBFC credit, have been the primary growth drivers, expanding at a compounded annual growth rate (CAGR) of 23% during FY 2023-24.
- **Loan Growth:** The sector experienced a moderation in credit growth, with a projected increase of 13-15% in FY 2024-25 and FY 2025-26, down from 17% witnessed in the previous two fiscals.

Co-Lending Model Expansion

- **AUM Growth:** NBFCs' co-lending assets under management (AUM) reached ₹80,000 crore by the end of March 2024, reflecting strong growth under the existing model. The co-lending AUM is expected to grow at a robust rate of 35-40% annually over the medium term.
- **Regulatory Developments:** Co-lending charges levied by NBFCs will soon be subjected to 18% Goods and Service Tax (GST), following an agreement between NBFCs and banks on the presence of a service component in such arrangements.

Asset Quality and Profitability

- **GNPA Ratio:** The gross non-performing assets (GNPA) ratio for NBFCs improved to 3.4% at the end of September 2024, indicating enhanced asset quality.
- **Profit Margins:** Despite a 25-50 basis points increase in borrowing costs in the last quarter of FY 2023-24, NBFCs have maintained profitability through diversified portfolios and efficient risk management strategies.

Regulatory Developments

- **Scale-Based Regulation (SBR):** The RBI's implementation of SBR has categorized NBFCs into four layers—Base, Middle, Upper, and Top—based on size, activity, and risk perception, promoting a more structured regulatory framework.
- **Credit Line Restrictions:** In response to concerns over disguised borrower stress, the RBI directed large NBFCs to halt the renewal of certain credit lines, emphasizing the need for prudent lending practices.

Technological Advancements

- **Digital Lending:** NBFCs have increasingly adopted digital platforms to streamline loan processing, enhance customer experience, and expand their reach, particularly in underserved regions.
- **Digital Lending:** NBFCs have increasingly adopted digital platforms to streamline loan processing, enhance customer experience, and expand their reach, particularly in underserved regions.

Outlook

During FY 2024-25, the NBFC sector witnessed calibrated credit growth of 13-15%, driven by tighter regulatory frameworks and a renewed

focus on portfolio quality. In response to the RBI's enhanced Digital Lending Directions, 2025, and evolving compliance standards, we proactively adapted our digital lending architecture to ensure full regulatory alignment, prioritizing responsible lending, customer transparency, and data integrity.

Amidst rising funding costs and increased risk weights, we undertook strategic realignments—diversifying into secured lending, strengthening co-lending partnerships, and optimizing our asset-liability profile. Our investments in digitization and risk analytics positioned us well to respond to the changing credit landscape, while continuing to serve MSMEs and financially underserved segments with speed, precision, and integrity.

As India progresses toward its \$7 trillion GDP vision by 2030, our company remains committed to enabling inclusive credit access and building a resilient, technology-forward lending platform that delivers long-term stakeholder value.

Fintech and digital lending segment in India

India's Fintech and Digital Lending Landscape – FY 2024–25

India's fintech sector continues its rapid expansion, with the market projected to reach \$150 billion by 2025, driven by increasing smartphone penetration, the rise of UPI, and the adoption of AI-driven financial services. The digital lending platform market is expected to grow at a CAGR of 30.2% from 2025 to 2030, reaching a projected revenue of \$2.38 billion by 2030.

In the first quarter of FY25, digital lenders disbursed over 2.6 crore loans, reflecting a 15% year-on-year increase. This surge is supported by the widespread adoption of smartphones, with 85.5% of Indian households possessing at least one, and the dominance of UPI among youth, with 99.5% usage.

India's leadership in digital payments is evident, accounting for nearly 49% of global real-time payment transactions. This robust digital infrastructure, coupled with regulatory support, positions India as a global fintech powerhouse.

Looking ahead, the convergence of technology and



finance is set to deepen, with AI and machine learning playing pivotal roles in credit assessment and risk management. The government's initiatives, such as the Open Credit Enablement Network (OCEN) and the Account Aggregator framework, are expected to further streamline digital lending processes.

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.47.4lakh 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 favorable 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.

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 Labor 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 capita 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 has 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

India's fintech lending sector has strong growth potential but faces key challenges. Success depends on robust risk management, innovation, regulatory compliance, and customer trust. Proactively addressing these ensures sustained growth and industry impact.

BUSINESS AND FINANCIAL OVERVIEW

Kreon Financial Services Limited, a distinguished non-banking financial institution domiciled in India, has cultivated a robust legacy spanning over three decades within the financial services domain. Since its strategic pivot in FY 2018-19, the Company has transitioned into a dynamic fintech enterprise, harnessing the power of cutting-edge digital infrastructure to redefine credit access. Its operations are structured across two principal verticals: Commercial Lending and Digital Lending.

As a forward-looking digital lender, Kreon Financial Services Limited has pioneered an in-house technology platform—its proprietary mobile application "StuCred" —to extend agile, short-

duration credit solutions to the underserved transitioned into a dynamic fintech enterprise, harnessing the power of cutting-edge digital infrastructure to redefine credit access. Its operations are structured across two principal verticals: Commercial Lending and Digital Lending.

As a forward-looking digital lender, Kreon Financial Services Limited has pioneered an in-house technology platform—its proprietary mobile application "StuCred" —to extend agile, short-duration credit solutions to the underserved student demographic across India. The platform is engineered to offer rapid, frictionless financial access, thereby empowering youth in managing educational and lifestyle expenses while circumventing the conventional rigidity of institutional lending channels.

The Company's financial statements have been meticulously prepared in accordance with the Indian Accounting Standards (Ind AS), as notified under Section 133 of the Companies Act, 2013 and read with the Companies (Indian Accounting Standards) Rules, 2015 and 2016. The financial disclosures are compiled on a historical cost basis, with modifications for fair valuation were prescribed under applicable standards. In addition to conforming to statutory provisions under the Act, the financial statements also reflect adherence to regulatory pronouncements issued by the Reserve Bank of India (RBI) governing Non-Banking Financial Companies. This integrated compliance framework ensures transparency, comparability, and governance in line with global financial reporting conventions and India's evolving prudential norms.

With a future-ready outlook, Kreon Financial Services Limited remains committed to leveraging financial technology to deepen credit inclusion, optimize user-centric lending journeys, and reinforce its position at the intersection of financial innovation and regulatory integrity.



Its brief financial performance for 2024-25 is given below:

Particulars	Year ended on 31st March 2025	Year ended on 31st March 2024
Total Income	2664.57	1637.28
PBDIT	(44.48)	262.73
Interest and Financial Charges	283.47	95.96
Depreciation	79.36	70.5
Profit before tax	(407.31)	96.27
Tax expenses	6.82	33.95
Net Profit	(407.31)	62.32

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

Particulars	2024-25	2023-24	% Change	Reason (if more than 25% change)
Current Ratio	1.81	1.69	7%	NA
Debt-Equity Ratio	102.29	85.05	20%	NA
Debt Service Coverage Ratio	-13.43	8.71	-254%	Significant variance is due to change in bad debts policy during the year which has resulted in higher write-off of loans.
Return on equity ratio	-13.38	2.45	-646%	NA
Net profit ratio	-15.54	3.85	-504%	NA
Return on capital employed ratio	-2.16	2.96	-173%	NA
Return on Investment - Equity Instruments	-	-	-	-

*Reasons are provided for variance more than 25%

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.

Industry risk	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. 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.
Operational Risk	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. 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.



Credit Risk	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. 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.
Regulatory Risk	The risk arises out of a change in laws and regulation governing our businesses. It could also arise on account of inadequate addressable of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators. 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 & Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses.
Liquidity Risk	Liquidity risk is the risk of not honoring 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. 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.
Competition Risk	Competition from new entrants or unorganized sector or diversification by existing financial Institutions may hamper the future growth of the Company. 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
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.
Regulatory Risk	The risk arises out of a change in laws and regulation governing our businesses. It could also arise on account of inadequate addressable of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators. 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 & Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company firmly believes that its people are at the heart of everything it does. Employees are not merely part of the organizational fabric—they are the catalysts for innovation, resilience, and sustained progress. The Company is committed to fostering a workplace culture that values integrity, collaboration, and continuous learning. By nurturing individual growth and aligning personal aspirations with organizational goals, the Company builds a workforce that is agile, empowered, and future-ready. Regular capability-building programs, leadership development initiatives, and cross-functional learning opportunities equip employees with the tools they need to thrive. This approach not only enhances individual performance but also contributes meaningfully to the Company's long-term strategic objectives.

As on 31st March, 2025, there are 112 employees in the company (108 on the rolls of the company). Our headcount has grown by a whopping 111.3% over the past financial year.

The Company maintains a balanced and inclusive workforce, with a gender distribution of 47.22%

women and 52.78% men.

And out 11 functions, 7 are headed by Women.

A vibrant 51% of our team—55 out of 108 employees—are between the ages of 22 and 25, bringing fresh ideas, enthusiasm, and early-career momentum to the workplace.

CAUTIONARY STATEMENT

The statements made in this section describe 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 realized 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.



ANNEXURE B

CERTIFICATION FROM CFO

(Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors
Kreon FInnancial Services Limited

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 March 31, 2025 and to the best of my knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 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 ended March 31, 2025 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:

1. That there was no significant changes in internal control over financial reporting during the year;
2. 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
3. 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 FInnancial Services Limited**

Place: Chennai
Date: 16.05.2025

Sd/-
Shoba Nahar
Chief Financial Officer

DISCLOSURES UNDER RULE 5

Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for FY 2024-25

Disclosure Requirement	Disclosure Details
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company Mr. Jaijash Tatia - Chairman & Managing Director Mrs. Henna Jain - Joint Managing Director	47.39:1 27.64:1
The percentage increase in remuneration of each Director, CFO CEO, CS or Manager Directors CFO CS	Nil 300% 17.06%
The percentage increase in the median remuneration of employees	160%
The number of permanent employees on the rolls of Company	108
Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration	15%
The key parameters for any variable component of remuneration availed by the Directors	No variable components paid to any directors
Affirmation that the remuneration is as per the remuneration policy of the Company	Yes



Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for FY 2024-25

Statement under Section 134 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - Particulars of top 10 employees in terms of remuneration drawn.

S. No.	Name	Designation	Nature of employment whether contractual or otherwise	Date of commencement of employment	Qualification of the Employee	Age	Last employment held by the Employee before joining the Company	Experience (in years)	% of equity shares held by the Employee in the Company	Remuneration received (Gross) Per year
1	Jaijash Tatia	Director	Full Time	Apr 1, 2018	BA (Business Management with Financial Economics)	32	NA	7	19.65	6,000,000
2	Henna Jain	Joint Managing Director & COO	Full Time	Sep 1, 2024	MBA, MA(International Relations and Economics)	29	NA	0.5	14.84	3,000,000
3	Shoba Nahar	Chief Financial Officer	Full Time	Oct 31, 2016	BA(Corporate Secretaryship)	47	NA	8.5	0	2625000
4	Supriya G	Chief Accounting Officer	Full Time	Apr 1, 2023	Chartered Accountant	27	NA	2	0	1488437
5	Rashmi Balakrishnan	Senior Marketing Strategist	Full Time	Dec 5, 2022	B.E Computer Science	41	Monexo P2P	18	0	1455278
6	Sakthivel P	Full stack lead	Full Time	Feb 12, 2020	BE (Mech)	39	GSH	16.5	0	1399680
7	Prathapa Reddy	Technical Product Manager	Full Time	Sep 1, 2021	BTECH (EEE)	31	ACS Tech	13.5	0	1346250
8	Kashif Iqbal	MERN Stack Developer	Full Time	Apr 15, 2024	B.Tech	30	Techtrail Technologies Pvt Limited	7	0	913059
9	Vidyalakshmi	Company Secretary & Compliance Officer	Full Time	Mar 10, 2021	NA	39	Bergen Pipes Supports India Pvt. Ltd.	13.5	0	788471
10	Abdul Majeed MG	Head of Collections	Full Time	Oct 14, 2024	B.A. (English)	32	Mobiwiki	13	0	589137

NOTES:

- Remuneration includes salary, allowances and commission where applicable.
- Employment of the above person is whole-time and contractual in nature, terminable with two months' notice on either side.
- None of the employees of the Company (in terms of remuneration drawn) were in receipt of remuneration more than Rs.1.02 crores per annum or Rs.8.50 lakhs per month as per Rule 5(2)(i) and (ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- There are no employees in the service of the Company within the category covered by Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the above employees is a relative of any Director of the Company.

On behalf of the Board of Directors
For Kreon Financial Services Limited

Place: Chennai
Date: 16.05.2025

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395

ANNEXURE D

FORM NO. AOC - 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2025, which were not in the ordinary course of business and at arm's length basis.

2. Details of all contracts or arrangement or transactions in the ordinary course of business and at arm's length basis:

Sl. No.	Name of the Related Party	Nature of relationship	Salient terms of the contract / arrangements / transaction including the	Nature of the transaction	Duration of transaction	Date of approval by the Board	Transactions during the year (2024-25)(Amount in Lakhs)	Amount as advances, if any: Rs.in Lakhs
1	M/s. Ashram Online.Com Limited	Enterprises over which KMPs and their relatives can exercise significant influence	Refer financials	Interest paid/payable	One Year	29.05.2024	14.1	-
2	M/s. Tatia Global Vennture Limited	Enterprises over which KMPs and their relatives can exercise significant	Refer financials	Interest paid/payable	One Year	29.05.2024	58.21	-
				Loans Taken	One Year	29.05.2024	400	-

Notes:

- 1) Appropriate approval has been taken from Audit Committee as well as the Board.
- 2) The Audit Committee/Board approved all the tentative related party transaction before commencement of FY 2024-25 and in every quarterly review of the audited committee as well as the Board.
- 3) Approvals under first proviso to section 188(1) from the shareholders are not required for the above related party transactions as the ceilings have not been breached.

On behalf of the Board of Directors
For Kreon Financial Services Limited

Place: Chennai
Date: 16.05.2025

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395



ANNEXURE E

Corporate Governance Report



REPORT ON CORPORATE GOVERNANCE

Corporate governance refers to fostering integrity, openness, responsibility, adherence to core principles, and ethical behaviour in business operations, while ensuring the interests of all stakeholders are duly considered.

In line with the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including subsequent amendments (collectively referred to as the "SEBI Listing Regulations") and the applicable regulatory guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies (the "NBFC Regulations"), the following report presents the governance framework and practices followed by Kreon Financial Services Limited ("the Company" or "KFSL") during FY 2024–25.

It is evident that KFSL's governance structure and its disclosures not only meet but significantly surpass the minimum requirements mandated under these legal and regulatory frameworks. KFSL governance framework enjoys the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

It continues to focus on good corporate governance in line with emerging local and global standards. It understands and respects its fiduciary role in the corporate world.

1. CORPORATE GOVERNANCE PHILOSOPHY

At KFSL, corporate governance is not merely a regulatory requirement, it is a core expression of the Company's unwavering commitment to transparency, ethical leadership, and responsible stewardship toward all including investors, employees, stakeholders, customers, and the broader community.

The Company's governance philosophy is anchored in intellectual integrity and goes beyond statutory compliance to promote leadership and long-term organizational resilience. This commitment is reflected through a robust Code of Conduct for Directors and Senior Management, well-structured Board-level governance framework, and strong internal audit and control mechanisms. Together, they ensure the highest standards of transparency, accountability, and ethical conduct in all operations and disclosures.

By embedding these values into its corporate fabric, the KFSL empowers its leaders to make informed decisions, ensures prudent financial management, and creates sustained value for shareholders - all while nurturing a culture of professionalism, trust, and openness.

2. BOARD OF DIRECTORS

The Board holds the overall accountability for overseeing the Company's operations, strategic direction, and performance outcomes. Serving a

fiduciary function, it offers leadership and steers the Company with a forward-looking vision, while maintaining an independent and balanced perspective. In carrying out its duties, the Board ensures that the Management upholds high standards of ethical conduct, maintains transparency, and complies with all disclosure norms.

a) Composition of Board of Directors

The Board remains broad-based and consists of eminent individuals from industrial, managerial, compliance, financial, banking and marketing backgrounds with considerable expertise and experience to guide the Management in the

operations of the Company. The Board composition is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act.

As on the date of this report, the Board comprises of a judicious combination of two Executive Director and three Non-Executive Independent Directors out of which two are Independent Woman Director. The Chairman of the Board is a Promoter-Executive Director. To be in line with the Company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders.

Name of the Director / DIN	Category	Date of appointment / re-appointment	Directorship held in Other Public Companies*	Memberships / Chairpersonship held in Board Committees**	Directorship in other Listed Companies and the category of Directorship	No. of shares held in the Company
Jaijash Tatia (08085029)	Chairman/ Managing Director / Promoter	01.09.2024	-	-	-	3,974,300
Henna Jain (08383395)	Joint Managing Director / Promoter	01.09.2024	-	-	-	3,000,000
Anand Manoharlal *** (10718528)	Non-Executive / Independent Director	06.08.2024	-	-	-	-
Rajashree Santhanam **** (07162071)	Non-Executive/ Independent Director	01.04.2025	2	5	-	-
Muthusamy Menaka **** (10550690)	Non-Executive / Independent Director	01.04.2025	-	-	-	-

*Excluding Directorship in Kreon Finnancial 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.

*** appointed w.e.f August 06, 2024

**** re-appointed w.e.f April 01, 2025 for second tenure of five consecutive years.

NOTES:

- Mr. Jaijash Tatia and Mrs. Henna Jain are related to each other.
- Details of the Director retiring or being re-appointed at the ensuing AGM are furnished in the Notice convening the AGM of the shareholders along with their brief profile.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- The independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of SEBI listing regulations and Section 149(6) of the Act.
- None of the Directors on the Board holds 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 March 31, 2025, have been provided by the Directors.



- None of the Directors of the Company holds the position of Independent Director in more than seven listed companies.
- 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 Listing Regulations across all the public companies, whether listed or not, in which he is a director. Necessary disclosures regarding positions in Committees in other companies as on March 31, 2025, have been made by the Directors.

b) Board Meetings

Regular Board Meetings are held at least once in a quarter, inter-alia, to review and approve 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 the registered office of the Company.

During the year under review, five (5) Board Meetings were held on the following dates: May 29, 2024, August 06, 2024, November 06, 2024, January 28, 2025, and March 27, 2025. The meetings were convened and conducted as per the provisions of the Act, SEBI Listing Regulations, Secretarial Standards on Meetings of the Board of Directors (the “SS-1”) and necessary quorum was present for all the above-mentioned meetings. The gap between either of the two meetings did not exceed 120 days as per the requirements of Regulation 17(2) of the SEBI Listing Regulations and provisions of the Act.

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

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at previous AGM
Jaijash Tatia	5	5	Yes
Henna Jain	5	5	Yes
Rajashree Santhanam	5	5	Yes
Muthusamy Menaka	5	5	Yes
Anand Manoharlal**	4	4	N.A.

****Mr. Anand Manoharlal was appointed as an Independent Director w.e.f 06.08.2024**

c) Separate Meeting of Independent Directors

Pursuant to Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 07, 2025, where only the Independent Directors of the Company were present.

d) Relationship among Directors on the Board

Mr. Jaijash Tatia, Chairman and Managing Director, is the brother of Mrs. Henna Jain, Joint Managing Director. None of the other Directors are related to each other.

e) Compliance by Independent Directors

In opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the Management.

f) Compliance with Code of Conduct for Board of Directors and Senior Management Personnel

Mr. Jaijash Tatia, Chairman and Managing Director, declared that the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel during FY 2024-25.

g) Familiarization programmes imparted to Independent Directors

The details of familiarization programmes imparted to the Independent Directors during FY 2024-25 are available on the website of the Company at www.kreon.in

h) Resignation of an Independent Director

During the year under review, no Independent Director has resigned from the Company.

i) Senior Management

The Senior Management comprises Mrs. Shoba Nahar, Chief Financial Officer and Ms. Niharika Goyal, Company Secretary and Compliance Officer.

There has been no change in the Senior Management of the Company during FY 2024-25. However, Mrs. Vidyalakshmi Rajagopalan resigned w.e.f April 15, 2025, as Company Secretary and

Compliance Officer and Ms. Niharika Goyal was appointed in her place w.e.f April 16, 2025.

j) Core skills/expertise/competence available with the Board

The Board is comprised of qualified members who possess the required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills/expertise/competencies have been identified for effective functioning of the Board and a matrix showing skills available with the Board is mentioned below:

Name of Directors	Skills / Expertise	Specialization
Jaijash Tatia	- Integrity - Ability to function as Team - Leadership Quality - Commitment - Vision and Innovation	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 benefited from his knowledge and expertise.
Henna Jain	- Integrity - Leadership Skills - Ability to function as Team - Commitment - Vision and Innovation	Henna Jain, a flourishing young entrepreneur, has been one of the core team members at the helm of StuCred since August 2017 and has been positively contributing to the areas of marketing and business operations. She has completed Master of Business Administration (MBA) from Columbia Business School, USA, and Master of Arts (Hons) in International Relations and Economics from the University of St. Andrews, Scotland. To constantly expand her knowledge and expertise, she has completed 3 advanced level online courses in Marketing, specializing in Social Media Marketing from Northwestern University, USA.
Rajashree Santhanam	- Leadership Skills - Finance - Corporate Law - Insolvency	She is a Practicing Company Secretary. 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.
Muthusamy Menaka	- Leadership Skills - Finance - Corporate Laws - Taxation	She is a Finance professional, a postgraduate in Commerce and Masters in Business Administration with more than 15 years of vast experience in the areas of accountancy, finance, audits, corporate laws and taxation.
Anand Manoharlal	- Leadership Skills - Finance - International Business - Financial crime	He is an experienced professional with over 20 years of financial experience, operational and leadership skills gained through management roles in several international businesses including financial crime, accounting and auditing principles and methodologies. His professional achievements include developing and executing a comprehensive risk-based internal audit plan across diverse sectors including banking, telecom, oil and gas and real estate, successfully implementing Oracle ERP in contracting divisions, ensuring internal controls and best practices, etc.

3. BOARD COMMITTEES

The Board has constituted various committees to deal with specific areas and activities which concern the Company and needs a closer check. 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 their duties entrusted by the Board. The composition of various Committees of the Board is available on the website of the Company at www.kreon.in.



As on March 31, 2025, we have the following Committees of the Board as under:

- A) Audit Committee.
- B) Nomination and Remuneration Committee.
- C) Stakeholders Relationship Committee.

4. AUDIT COMMITTEE

As a measure of good Corporate Governance and to assist the Board in fulfilling its responsibilities, an Audit Committee has been constituted consisting majorly of Independent Directors. The primary objective of the Audit Committee is to exercise effective control and supervision over the financial reporting to ensure accurate, timely and proper disclosure of the financials of the Company. The power, roles, and functions of the Audit Committee cover the areas contemplated under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.

The Committee consists of four Directors out of which three are Independent Directors. The

Chairperson of the Committee is also an Independent Director. The Company Secretary acts as Secretary to the Committee. The Chief Financial Officer, Statutory Auditors and Internal Auditors of the Company are regular invitee(s) to the meetings.

a) Composition of Audit Committee

All the Members of the Audit Committee are financially literate and possess the requisite financial/business acumen to specifically investigate the internal controls and audit procedures. The Committee undertakes periodic discussions with the Statutory Auditors, for financial statements of your Company. Also, quarterly/half-yearly/annual financial results along with limited review report or auditor's report are reviewed by the Audit Committee before consideration and approval by the Board of Directors.

The composition of the Audit Committee and attendance of its Members during FY 2024-25 is as follows:

Name of the Member	Designation in Committee	Category of Director	Meetings held	Meetings attended
Rajashree Santhanam	Chairperson	Non-Executive Independent Director	4	4
Muthusamy Menaka	Member	Non-Executive Independent Director	4	4
Jaijash Tatia	Member	Chairman and Managing Director	4	4
Anand Manoharlal*	Member	Non-Executive Independent Director	2	2

**Anand Manoharlal joined as Member of Audit Committee after his appointment as an Independent Director w.e.f 06/08/2024. Only 2 meetings of Audit Committee were held after his appointment.*

b) Meetings of Audit Committee

During FY 2024-25, four (4) meetings of the Audit Committee were held with the necessary quorum on May 29, 2024, August 06, 2024, November 06, 2024, and January 28, 2025. The maximum gap between any two consecutive meetings did not exceed 120 days as per the Act and SEBI Listing Regulations.

c) Terms of reference

As per Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act, the Audit Committee has been entrusted with the following responsibilities

and terms of reference:

- oversight of the financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient, and credible;
- recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;
- approval for payment to statutory auditors for any other services rendered by them;
- reviewing, with the management, the following:
 - a. the quarterly/half-yearly/annual financial statements and limited review report / auditor's

report thereon before submission to the Board for approval;

b. performance of statutory auditors and internal auditors;

c. adequacy of internal control systems;

d. matters required to be included in the Director's Responsibility Statement (which forms part of Board Report) in terms of Section 134(3)(c) of the Act;

e. changes, if any, in accounting policies and practices and reasons for the same;

f. major accounting entries involving estimates based on the exercise of judgment by the Management;

g. significant adjustments made in the financial statements arising out of the audit findings;

h. compliance with listing and other legal requirements relating to financial statements;

i. disclosure of any related party transactions;

j. modified opinion(s) in the draft audit report, if any;

k. the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
- approval or any subsequent modification of transactions of the Company with the related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of the undertakings or assets of the Company;
- evaluation of internal financial controls and risk management systems;
- reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official head of the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into

- matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;

- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors;

- to review the functioning of the vigil mechanism / whistle blower policy;

- approval for appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the proposed candidate;

- review of investments made by the unlisted subsidiary of the Company;

- reviewing the utilization of loans and/or advances from / investment by the Holding Company in the Subsidiary exceeding 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

- such other role/functions as may be specifically referred to the Committee by the Board and/or other committees of Directors of the Company and specified in the SEBI Listing Regulations or Act.

5. NOMINATION AND REMUNERATION COMMITTEE

The Board constituted a Nomination and Remuneration Committee (the "NRC") pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

a) Composition of the NRC

The present NRC comprises three Non-Executive Independent Directors viz. Mrs. Rajashree Santhanam, Mrs. Muthusamy Menaka and Mr. Anand Manoharlal. Mrs. Rajashree Santhanam, Non-Executive Independent Director, acts as the Chairperson of the Committee. Ms. Niharika Goyal, Company Secretary and Compliance Officer, acts as the Secretary to the Committee.

**b) Terms of reference**

The powers, role, and terms of reference of the NRC cover the areas as contemplated under Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, as well as other terms as specified by the Board. It has been entrusted with the responsibility to review and grant annual increments, vary and/or modify the terms and conditions of appointment/re-appointment including remuneration and perquisites, commission, etc. payable to Directors within the overall ceiling of remuneration.

The terms of reference of the NRC includes the following:

- to formulate criteria for determining qualifications, positive attributes, and independence of a director;
- to recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- for every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required for an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. To identify suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- to formulate criteria for evaluation of performance of Independent Directors and the Board as whole;
- to devise a policy on diversity of Board of Directors;
- to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- whether to extend or continue the terms of appointment of the Independent Director, on the basis of the performance evaluation report of Independent Directors;

- to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality which are required to run the Company successfully;
- to see that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to make sure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- to recommend to the Board all remuneration, in whatever form, payable to Senior Management;
- such other role/functions as may be specifically referred by the Board or other Committees or mentioned in the SEBI Listing Regulations.

c) Performance evaluation criteria

In terms of the requirement with the Act and the SEBI Listing Regulations, the NRC has formulated a criterion for evaluation of the performance of Board, individual Directors, Chairman and the Board Committees. The criteria covers the areas relevant to the functioning of the Board and its Committees such as its composition, structure, oversight, effectiveness, performance, skill set, knowledge, strategy, and risk management. The individual Directors, particularly the Independent Directors, were evaluated on parameters such as integrity, participation, skill, and knowledge, independent judgment, preparation, conduct, and effectiveness.

A structured questionnaire was prepared after taking into consideration inputs 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. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders, etc.

d) Meetings of NRC and attendance of Members during the year under review

During FY 2024-25, the NRC met four times on May 29, 2024, August 05, 2024, January 28, 2025, and March 27, 2025, respectively.

Name of the Member	Designation in Committee	Category of Director	Meetings held	Meetings attended
Rajashree Santhanam	Chairperson	Independent Director	4	4
Muthusamy Menaka	Member	Independent Director	4	4
Anand Manoharlal*	Member	Independent Director	2	2
Henna Jain**	Member	Joint Managing Director	2	2

*Mr. Anand Manoharlal joined as a Member of NRC w.e.f 06.08.2024. Two meetings were held after his appointment.

**ceased to be a Member w.e.f 06.08.2024 due to her appointment as Joint Managing Director. Two meetings were held before her cessation.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (the "SRC") oversees and monitors, inter alia, transfer/transmission of securities, investors' grievances such as complaints on the transfer of shares, non-receipt of the balance sheet, non-receipt of declared dividends, dematerialization/rematerialization, etc. and redressal thereof within the purview of the guidelines set out in the SEBI Listing Regulations.

The Committee also reviews matters of issue of duplicate share certificates, approval/rejection of application for rematerialization, subdivision, consolidation, transposition, and thereupon issue of share certificates to the shareholders, etc.

The roles and responsibilities of the said Committee as prescribed under the Act and SEBI Listing Regulations are mentioned under the terms of reference of the Committee.

a) Constitution and Composition of the Committee

The present Stakeholders Relationship Committee comprises of three Directors viz. Mrs. Muthusamy Menaka, Mrs. Rajashree Santhanam and Mrs. Henna Jain. Mrs. Muthusamy Menaka, Non-Executive Independent Director, acts as the Chairman of the Committee. Ms. Niharika Goyal, Company Secretary and Compliance Officer, acts as the Secretary to the Committee.

b) Terms of Reference

This Committee has been entrusted with the following role and responsibilities:

- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- review of measures taken for the effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent (RTA);
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Shareholders of the Company;
- looking into the redressal of shareholders' and investors' complaints and other areas of investor services;
- such other role/functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company and/or mentioned in the SEBI Listing Regulations.

**c) Delegated authority for share transfers and connected work**

Name	Designation	Address	Contact	Email ID
Niharika Goyal	Company Secretary and Compliance Officer	No. 26, 22nd Street, Rathinam Nagar, Thiruvannamiyur, Chennai - 600041	044-42696634	investor.relations@kreon.in
Purva Sharegistry (India) Private Limited	Registrar and Share Transfer Agent	Unit No-9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel (East), Mumbai - 400 011	022-23018261	support@purvashare.com

d) Number of Shareholders' complaints during FY 2024-25

Number of complaints received during the FY 2024-25	0
Number of complaints not resolved as on March 31, 2025	0
Number of pending complaints as on March 31, 2025	0

e) Meeting of SRC and attendance of Members during the year under review

During FY 2024-25, one meeting of the SRC was held on March 14, 2025 and attendance of Members is given below.

Name of the Member	Designation in Committee	Category of Director	Meetings held	Meetings attended
Muthusamy Menaka	Chairman	Non-Executive Independent Director	1	1
Rajashree Santhanam	Member	Non-Executive Independent Director	1	1
Henna Jain	Member	Joint Managing Director	1	1

7. REMUNERATION OF DIRECTORS

Particulars	Managing Director	Joint Managing Director	Independent Directors		
	Jaijash Tatia	Henna Jain	Rajashree Santhanam	Muthusamy Menaka	Anand Manoharlal
Sitting Fees	70,000/-	50,000/-	70,000/-	70,000/-	40,000/-
Salaries and Allowances	60,00,000/-	35,00,000/-	-	-	-
Perquisites	-	-	-	-	-
Commission/ Bonus	-	-	-	-	-
Performance Linked Incentive	-	-	-	-	-
Total	60,70,000/-	35,50,000/-	70,000/-	70,000/-	40,000/-
Stock Options	-	-	-	-	-
Services Contracts, notice period, severance fees	-	-	-	-	-

NOTES:

1. Mrs. Henna Jain did not receive any remuneration as a Non-Executive Director till August 2024. She has received it from September 01, 2024 as a Joint Managing Director.
2. No performance-linked incentives or any other fees are paid to any of the Directors.
3. The Company has not entered into any Service Contract with the Directors, except agreement with Mr. Jaijash Tatia, Managing Director, and Mrs. Henna Jain, Joint Managing Director.
4. The notice period for Executive Directors shall be three months. Further, there is no notice period for Independent Directors of the Company.
5. The Company does not pay any severance fees to any of the Directors.
6. The Independent Directors shall not be entitled to participate in the Stock Option scheme, if any, introduced by the Company.

8. GENERAL BODY MEETINGS

a) Details of the last three AGMs

Year	Location	Date	Time	Special Resolutions Passed
2021-22	Through Video Conference	30.08.2022	11:00 AM	• Alteration of object clause of Memorandum of Association • Increase in borrowing powers
2022-23	Through Video Conference	28.07.2023	11:00 AM	• Approval of the issuance of Non-Convertible Debentures.
2023-24	Through Video Conference	28.06.2024	12:15 PM	• Appointment of Mrs. M. Menaka (DIN:10550960) as an Independent Director • Appointment of Mrs. Rajashree Santhanam (DIN:07162071) as an Independent Director • Approval of the issuance of Non-Convertible Debentures.

b) Special Resolution passed or proposed to be passed through postal ballot

From April 01, 2024 till date of this report, the following Special Resolutions were passed by the Members of the Company through:

Postal ballot dated September 12, 2024:

- Approval of investments in securities under Section 186 of the Companies Act, 2013.
- Appointment of Mr. Anand Manoharlal as an Independent Director.
- Approval to increase the Authorized Share Capital of the Company by amending the Memorandum of Association of the Company.
- Appointment and payment of remuneration of Mr. Jaijash Tatia as Chairman and Managing Director.
- Appointment and payment of remuneration of Mrs. Henna Jain as Joint Managing Director.

Postal ballot dated June 20, 2025:

- Re-appointment of Mrs. Rajashree Santhanam as an Independent Director.
- Re-appointment of Mrs. Muthusamy Menaka as an Independent Director.

As on the date of this report, your Company does not propose to pass any special resolution for the time being by way of postal ballot.

c) Procedure for Postal Ballot

The postal ballot is conducted in accordance with the provisions contained in Section 110 and any 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 with the facility to vote through remote e-Voting. The postal ballot notice is sent to the shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Ac

Shareholders holding equity shares as on the cut-off date may cast their votes through e-Voting during the voting period decided for the said 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 the time prescribed under law.



The results are displayed on the website of the Company and communicated to the Stock Exchanges, Depositories and RTA. 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. However, during FY 2024-25, the Company did not send the physical Ballot paper forms due to relaxation provided by Ministry of Corporate Affairs. Your Company has followed the aforesaid procedure stipulated in the Act and has carried out Postal Ballot for the item mentioned above.

d) Person who conducted the postal ballot exercise

M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot through remote e-voting process in accordance with the applicable provision of the Act and SEBI Listing Regulations, during the year under review.

9. MEANS OF COMMUNICATION

As per Regulation 33 of the SEBI Listing Regulations, the Board approves the financial results in the proforma prescribed by the SEBI within the statutory period and announces forthwith the results to the stock exchange where the shares of the Company are listed and publishes the financial results in the Newspapers viz. Trinity Mirror (English) and Makkal Kural (Tamil). The quarterly/annual financial results are also available on the website of the Company at www.kreon.in and Stock Exchange website at www.bseindia.com. Official press/news releases and presentations on investor calls made by the Company from time to time and presentations made to investors and analysts are displayed on the Company's website. All material information about the Company is promptly sent to the Stock Exchange where shares are listed and to the media and the investor community.

10. GENERAL SHAREHOLDER INFORMATION

a) Registered Office

Kreon Financial Services Limited
No. 26, 22nd Street, Rathinam Nagar,
Thiruvanniyur,
Chennai - 600041, Tamil Nadu, India
Ph - 044-42696636
Email ID - investor.relations@kreon.in

b) Annual General Meeting

The 31st Annual General Meeting of the Company shall be held on August 29, 2025, Friday at 11:00 AM through Video Conference in accordance with Ministry of Corporate Affairs ("MCA") and SEBI circulars.

c) Financial calendar (proposed) for FY 2025-26

Quarter	Period ending	Date / Period
First Quarter	June 30, 2025	Declared on July 25, 2025
Second Quarter / Half-Year	September 30, 2025	On or before November 14, 2025
Third Quarter	December 31, 2025	On or before February 14, 2026
Fourth Quarter / year	March 31, 2026	On or before May 30, 2026

d) Trading Window Closure

The trading restriction shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results or as may be deemed fit to the Compliance Officer.

e) Dividend payment and book closure date

Your Company has not declared any dividend so far.

f) Listing at Stock Exchanges

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) located at address at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The annual listing fees for FY 2025-26 have been duly paid to the aforesaid stock exchange. Further, the company also paid Annual Custodian Fee to the Depository.

f) Stock Code

BSE Stock Code: 530139
ISIN: INE302C01018

h) Registrar and Share Transfer Agent

Purva Sharegistry (India) Private Limited
No. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel, Mumbai, Maharashtra - 400 011, India
Ph: 022-4961 4132 / 022-3522 0056 / 022-4970 0138
Email: support@purvashare.com
Website: www.purvashare.com

i) Share transfer system

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 01, 2019, except in case of request received for transmission or transposition or re-lodgment of securities. Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Company obtains an annual 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 June 08, 2018 read with SEBI press Release dated December 03, 2018, the request for effecting transfer of securities (except in case of transmission, transposition, or re-lodgment of securities) is not being processed after March 31, 2019, unless the securities are held in the dematerialized form with the depositories.

INFORMATION FOR PHYSICAL SHAREHOLDERS

With reference to SEBI Circular dated November 03, 2021, read with SEBI Circulars dated December 14, 2021, and January 25, 2022, March 16, 2023, and November 17, 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/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. April 01, 2024.

- Valid PAN including all Joint Shareholders duly linked with Aadhaar and KYC details (Form ISR-1);

- Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) (Form ISR-1);
- Address with pincode, email ID and mobile number (Form ISR-1);
- Specimen Signature (Form ISR-2);
- 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 RTA's website. Necessary communication through letters has already been sent to all the shareholders

j) Shares suspended from trading

During FY 2024-25, the shares of your Company were not suspended from trading on the stock exchange.

k) Dematerialization of shares

Trading in shares of the Company is permitted only in dematerialized form. As of March 31, 2025, 94.35% equity shares of the Company are in dematerialized form. There is no pending request from any shareholders holding physical shares for Dematerialization as on date. Further, there have been no shares either in the physical holding category or Dematerialized category in the suspense account.

l) Outstanding ESOPs / GDRs / ADRs / Warrants or any convertible instruments, conversion date, and likely impact on equity

Not Applicable

m) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

n) Credit Rating

Not Applicable

l) Outstanding ESOPs / GDRs / ADRs / Warrants or any convertible instruments, conversion date, and likely impact on equity

Not Applicable

m) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

n) Credit Rating

Not Applicable



o) Disclosure of 'loans and advances in the nature of loans to firms/companies in which directors are interested' by name and amount

The details of the same have been disclosed in the Notes forming part of the annual accounts for the

financial year ended March 31, 2025.

p) Plant Locations

The Company does not have any plant location.

q) Market Price Data

(Rs.in Lakhs)

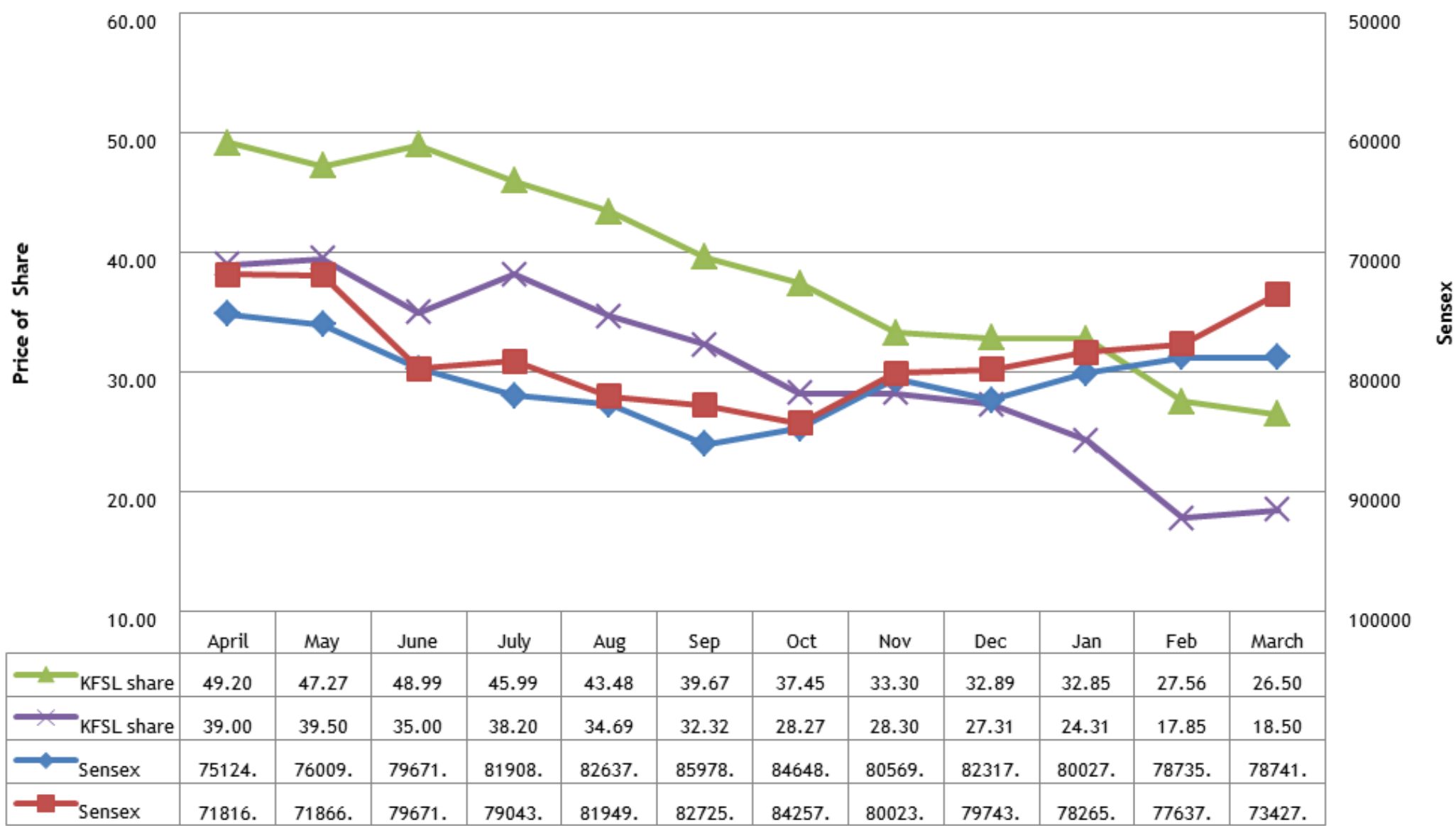
Month	Share Price (Rs.)			Month	Share Price (Rs.)		
	High	Low	Closing		High	Low	Closing
Apr 2024	49.2	39	47.15	Oct 2024	37.45	28.27	30.02
May 2024	47.27	39.5	39.68	Nov 2024	33.3	28.3	29.9
Jun 2024	48.99	35	44.9	Dec 2024	32.89	27.31	29.15
Jul 2024	45.99	38.2	38.2	Jan 2025	32.85	24.31	26.15
Aug 2024	43.48	34.69	35.31	Feb 2025	27.56	17.85	21.95
Sep 2024	39.67	32.32	35.09	Mar 2025	26.5	18.5	21.94

r) Performance in comparison to broad-based indices (BSE Sensex)

(Rs.in Lakhs)

Month	Sensex		KFSL share	
	High	Low	High	Low
Apr 2024	75,124.28	71,816.46	49.2	39
May 2024	76,009.68	71,866.01	47.27	39.5
Jun 2024	79,671.58	76,583.29	48.99	35
Jul 2024	81,908.43	79,043.35	45.99	38.2
Aug 2024	82,637.03	81,949.68	43.48	34.69
Sep 2024	85,978.25	82,725.28	39.67	32.32
Oct 2024	84,648.40	84,257.17	37.45	28.27
Nov 2024	80,569.73	80,023.75	33.3	28.3
Dec 2024	82,317.74	79,743.87	32.89	27.31
Jan 2025	80,072.99	78,265.07	32.85	24.31
Feb 2025	78,735.41	77,637.01	27.56	17.85
Mar 2025	78,741.69	73,427.65	26.5	18.5

Share price v/s Sensex during FY 2024-25



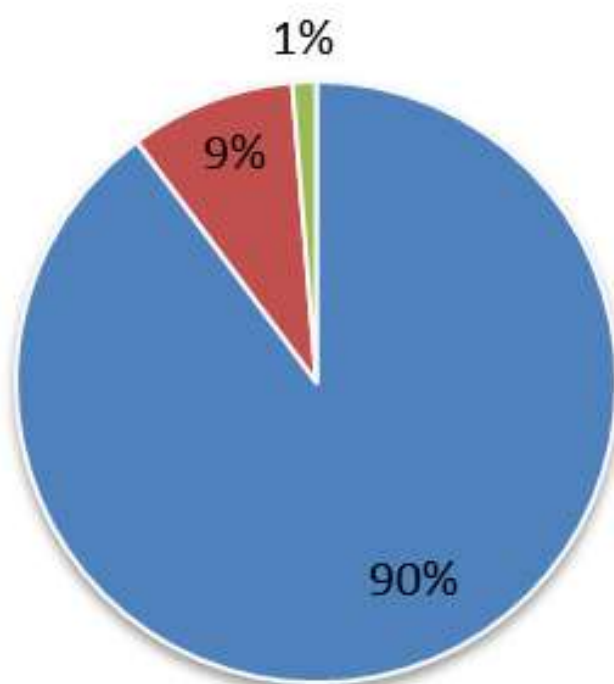
s) Distribution of shareholding

No. of shares	Shareholders	% of total shareholders	No. of shares	% of total shares
1-100	1764	47.68	104,760	0.52
101-200	562	15.19	106,056	0.52
201-500	637	17.22	249,559	1.23
501-1000	359	9.7	295,483	1.46
1001-5000	300	8.11	641,435	3.17
5001-10000	30	0.81	217,201	1.07
10001-100000	27	0.73	670,207	3.31
100001 and above	21	0.56	17,937,299	88.7
Total	3700	100	20,222,000	100



Shareholders

■ 1-1000 ■ 1001-10000 ■ above 10000



t) Address for correspondence

Secretarial Department

Kreon Financial Services Limited

No. 26, 22nd Street, Thiruvanniyur, Chennai - 600 041, Tamil Nadu, India.

Phone No: 044-42696634,

Email: investor.relations@kreon.in

SEBI toll-free helpline for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 a.m. to 6:00 p.m. excluding declared holidays).

SEBI investors' contact for feedback and assistance: 022-26449377/022-40459377/022-20752247, e-mail: scoreshelp@sebi.gov.in

unethical behavior. The employees are free to report violations of applicable laws and regulations and the Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and Employees and provides for direct access to the Chairman of the Audit Committee. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

The Company has a dedicated Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee.

11. OTHER DISCLOSURES

a) Materially Significant Related Party Transactions

There were no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

Attention of the Members is drawn to the disclosures of transactions with related parties set out in Note No. 34 of the Financial Statements forming part of the Annual Report.

b) Vigil Mechanism / Whistle Blower Policy

The Company has adopted the Vigil Mechanism / Whistle Blower Policy that covers our Directors and Employees. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or

c) Details of cyber security incidents or breaches or loss of data

During the year under review, no cyber security incidents or any other incidents resulting in breaches or loss of data have occurred.

d) Information disclosed under clause 5A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), 2015

During the year under review, no such agreements have been carried out by the Company. Hence, no information needs to be disclosed under this clause.

e) Utilization of funds

The Company has not raised any funds through preferential allotment or qualified institutional placements as specified under Regulation 32(7A) of the SEBI Listing Regulations.

f) Recommendation of Board Committees'

The Board has accepted all the recommendations made by various Committees of the Board which are mandatorily required to be made during FY 2024-25.

g) Fees paid to Statutory Auditors

During FY 2024-25, total fees for all services paid by the Company to the Statutory Auditors amounts to Rs. 81,000/-.

h) Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements as prescribed under the SEBI Listing Regulations.

i) Disclosures with respect to demat suspense account / unclaimed suspense account

Not Applicable

j) Disclosures related to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)

As per the requirement of POSH, the Company has a robust mechanism in place to redress complaints reported under it. An Internal Complaints Committee (ICC) has been set up, as per the provisions of POSH, to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is the summary of the complaints received and disposed-off during FY 2024-25:

- No. of complaints filed during the financial year: Nil
- No. of complaints disposed-off during the financial year: Nil
- No. of complaints pending as on the end of financial year: Nil

k) Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

Regulation	Observation	Action taken against the Company	Company's action plan
SEBI (LODR) Regulations, 2015	Delay in furnishing prior intimation on about the meeting of the board of directors	The Company was fined Rs.11,180/- by BSE for such delay.	The Company has paid the fine.

l) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system established by SEBI. The salient features of this system are the availability of a centralized database of all complaints and online uploading of Action Taken Reports (ATRs) by concerned companies.

Through SCORES, an investor can track the status of their complaints and the action taken by the Company in response. In its efforts to improve ease of doing business, the SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES conveniently via their smartphones.

The upgraded SEBI Complaint Redressal System (SCORES) is available at <https://scores.sebi.gov.in> for registering and/or lodging new complaints.

m) Prohibition of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the SEBI Listing Regulations, the Company has established a Code of Conduct for Prohibition of Insider Trading for the securities of the Company.

The objective of this Code is to prevent misuse of any unpublished price sensitive information (UPSI) and prohibit any insider trading activity, to protect the interest of the shareholders at large.

During the year under review, the Company adhered to the SEBI (Prohibition of Insider Trading) Regulations, 2015. No violations of the Code or instances of insider trading were observed. Also, your Company has established a robust mechanism to deal with sharing of UPSI to prevent any misuse of such UPSI by any person. The Company has installed well-defined software



where any information related to UPSI has been recorded in real time, also known as Structured Digital Database (SDD).

Particulars	Web Link
Terms and conditions of appointment of Independent Directors	https://drive.google.com/file/u/1/d/1uV22eLBF2commiRr6S6uhTWteo1CvCKs/view?usp=drive_link
Policy on Board Diversity	https://drive.google.com/file/d/1msberRBewkSWjXK7gbFf1911r7R8vvvg/view
Policy on related party transactions	https://drive.google.com/file/d/1KoVJbWvU9PX6-xVlhWCj9t8lywLpXONK/view
Vigil mechanism / whistle blower policy	https://drive.google.com/file/d/1QjhtYbg8v4VTPH_or6nDFea40VeDsB7L/view
Code of conduct for Board of Directors and Senior Management Personnel	https://drive.google.com/file/d/1qRtxYZNyTQG9wVelvPkvPCSoUX-ruc9P/view
Policy for determination of materiality of events or information	https://drive.google.com/file/d/1gP6HxbTPvICyTg-2CT4hqPS21NaHA2qx/view
Familiarization programme for Independent Directors	https://drive.google.com/file/d/1YmZ870SkOE3av9PjWp7dvtum4BtBhEHN/view
Criteria for making payments to Non-Executive Directors	https://drive.google.com/file/d/1jhov6sttUuyDIN4UG1gETxPgqegCMUbh/view
Policy on preservation and archival of documents	https://drive.google.com/file/d/1kVValO2p0ZpvUWLys39bipwQuPFLUdcv/view
Nomination and Remuneration Policy	https://drive.google.com/file/d/1raAjzU5dsypCWUjlp6USdLMr8hvYN03L/view
Performance Evaluation Policy	https://drive.google.com/file/d/12EkfVZXqNkpdhl7y3NtvolhKR2IEViUq/view
Succession Plan	https://drive.google.com/file/d/1fnBBai7AVfVFH6HYGFMPAAFDm6MHblk/view
Policy for prevention, prohibition and redressal of sexual harassment at the workplace	https://drive.google.com/file/d/1FYz8W9S8pEf-ihsbGV5GNNR7w9g-uAVnt/view
Code of conduct for Insider Trading	https://drive.google.com/file/d/1FXWgxkoVR4BomqFPdNxnGbiN-xXP2149/view
Code of practices and procedures for fair disclosures of UPSI	https://drive.google.com/file/d/1FXWgxkoVR4BomqFPdNxnGbiN-xXP2149/view

12. DISCRETIONARY REQUIREMENTS

The Company has adopted the following discretionary requirements given under Part E of Schedule II of the SEBI Listing Regulations.

a) Modified opinion(s) in the audit report

The Company is in the regime of financial statements with unmodified audit opinion.

b) Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

c) Shareholder Rights

Financial performance and significant events are published in newspapers, uploaded on the Company's website and submitted to the Stock Exchange i.e. the BSE Limited, instead of sending

to each household of the shareholders.

13. CERTIFICATION / DECLARATION

a) Declaration by Managing Director regarding affirmation with compliance of code of conduct

The Board of Directors of Kreon Financial Services Limited, in compliance with Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has laid down the Codes of Conduct for the Board Members and the Senior Managerial Personnel of the Company, which have also been posted on the website of the Company viz. www.kreon.in.

Pursuant to the above, the Company has received 'Affirmation of Compliance' from the Board Members and the Senior Managerial Personnel of the Company and accordingly, the Managing Director makes the following declaration:

I, Jaijash Tatia, Managing Director, hereby affirm that all the Board Members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended March 31, 2025.

For Kreon Financial Services Limited

Sd/-

Jaijash Tatia

Chairman and Managing

Director

DIN:08085029

Place: Chennai

Date: 25.07.2025

a) Independent Auditor's Certificate on Corporate Governance

The certificate regarding the compliance of conditions of corporate governance, issued by M/s. Darpan & Associates, Statutory Auditors, has been attached as Annexure-I to the Annual Report.

b) Certificate of Non-Disqualification of Directors

The Company has received a Certificate from M/s. AXN Prabhu & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company 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 Statutory Authority. The Certificate is attached as Annexure-G to the Annual Report.

c) CFO Certificate

Shoba Nahar, Chief Financial Officer, has submitted the certificate, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, to the Board. The said certificate has been attached as Annexure-B to the Annual Report.

14. CORPORATE GOVERNANCE COMPLIANCE

Particulars	Regulation	Compliance
Appointment/re-appointment of Independent Directors as per criteria	16(1)(b)	Yes
Board Composition	17(1), (1A), (1C),	Yes
Meeting of Board of Directors	17(2)	Yes
Quorum of Board Meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession of appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees / Compensation	17(6)	Yes
Minimum Information to be placed before Board	17(7)	Yes
Compliance certificate	17(8)	Yes
Risk Assessment and Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meetings and Quorum of Audit Committee	18(2)	Yes
Role of Audit Committee	18(3)	Yes
Composition of Nomination and Remuneration Committee	19(1), (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes



Particulars	Regulation	Compliance Status
Role of Nomination and Remuneration Committee	19(4)	Yes
Composition of Stakeholders Relationship Committee	20(1), (2), (2A)	Yes
The Chairperson of the Stakeholders Relationship Committee shall be present at the Annual General Meeting	20(3)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Role of Stakeholders Relationship Committee	20(4)	Yes
Composition of Risk Management Committee	21(1), (2), (3), (4)	NA
Meeting of Risk Management Committee	21(3A), (3C)	NA
Quorum of Meeting of Risk Management Committee	21(3B)	NA
Role of Risk Management Committee	21(4), (6)	NA
Vigil Mechanism	22	Yes
Material related party transactions	23(1), (1A), (4)	Yes
Policy on related party transactions	23(1)	Yes
Prior or omnibus approval for related party transactions	23(2), (3), (5)	Yes
Half-yearly disclosure of related party transactions	23(9)	Yes
Composition of Board of unlisted material subsidiary	24(1)	NA
Other corporate governance with respect to subsidiaries of listed entity	24(2), (3), (4), (5),	NA
listed entity has a listed subsidiary	24(7)	NA
Annual Secretarial Compliance Report	24A	Yes
Alternate Director to Independent Director	25(1)	Yes
Tenure, appointment, re-appointment or removal of Independent Directors	25(2), (2A)	Yes
Meeting of Independent Directors	25(3), (4)	Yes
Resignation / removal of Independent Directors	25(6), (11)	NA
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Directors	25(8), (9)	Yes
D&O Insurance for Independent Directors	25(10), (12)	NA
Membership in Committees	26(1), (2)	Yes
Affirmation of compliance with code of conduct	26(3)	Yes
Disclosures by Senior Management regarding any transactions where their personal interest conflicts with Company's interest	26(5)	NA
Agreement by employee with any shareholder or third party	26(5)	NA
Vacancies in respect of certain Key Managerial Personnel	26A	Yes
Compliances to discretionary requirements	27(1)	Yes
Quarterly compliance report on corporate governance	27(2)	Yes
Website	46	Yes

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members
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, 2025 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, 2024 to 31st March 2025. 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.

Restriction on use

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Place: Chennai
Date: 16.05.2025

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

Sd/-
CA Darpan Kumar
Membership No. 235817
Partner
UDIN: 25235817BMJLLZ8015

**ANNEXURE - F****SECRETARIAL AUDIT REPORT**

For the Financial Year Ended on 31st March, 2025
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
Kreon Finnancial Services Limited
 26, 22nd Street, Rathinam Nagar,
 Thiruvanmiyur, Chennai, Tamil Nadu, 600041

We have conducted a Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kreon Finnancial Services Limited** having its registered office at 26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai, Tamil Nadu, 600041 (hereinafter called "**the Company**") during the financial year from 01 April, 2024 to 31 March, 2025 (the year/ audit period/period under review).

We conducted the Secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31 March, 2025, generally 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:

1.1. We have examined the books, papers, minute books, forms, and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31 March, 2025, according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules and the Regulations made thereunder;
- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of their applicability.
- (vi) The following Regulations and Guidelines are prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations, 2015 ("SEBI LODR").
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST");

- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, to the extent of the Listed Entity engaging the RTA;
- g) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009; and
- h) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(vii) The Company, being a Non-Banking Financial Institution, has the following material laws specifically applicable to the Company:

- a) Reserve Bank of India Act, 1934
- b) Master Direction (Non-Banking Company - Scale Based Regulation) Directions, 2023
- c) Master Direction - Know Your Customer (KYC) Direction, 2016
- d) Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, as amended from time to time.
- e) Non-banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 and circulars relating to Non-Banking Financial Institutions as of 31st March 2023
- f) Other Master directions and guidelines issued by the RBI for NBFCs from time to time.

1.2 In relation to the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, complied with the laws mentioned in clauses (i) to (vi) of paragraph 1.1 above except for:

a) Delay in furnishing prior intimation about the meeting of the Board of Directors under Regulation 29(2)/29(3) of SEBI (LODR) Regulations, 2015; however, the Company has paid the SOP fines within the prescribed time.

b) There was a delay in filing form SH-7 during the period under review; however, the same was filed with Additional fees.

1.3 Generally complied with the laws specifically applicable to the Company mentioned in sub-paragraph (vii) of paragraph 1.1.

1.4. We are informed that, during/in respect of the year, no events have occurred which required the Company to comply with the following laws/rules/regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/returns under the same:

- a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- b) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



2. Board Processes:

We further report that:

2.1 The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, and Independent Directors during the Financial Year 2024-25.

2.2 There were changes in the composition of the Board of Directors during the period under review and were carried out in compliance with the provisions of the Act.

2.3 Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance/consent of directors was received for meetings held at a shorter notice, if any. The agenda and detailed notes on the agenda were also circulated to the Board members prior to the meetings.

2.4 A system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

2.5 As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions and views of the Board have been recorded.

3. Compliance mechanism:

We further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with all applicable laws, including labour laws, environmental laws, and other industrial-specific laws applicable to the Company.

3.2 The compliance by the Company of applicable finance 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 Audit and other designated professionals.

4. Specific Events/actions:

We further report that during the audit period the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. took place:

a) On Company's request, the Credit Rating Agency Brickworks Ratings India Private Limited vide its letter dated 2nd April 2024 has withdrawn the rating assigned to Kreon Financial Services Limited for the proposed term loan facility aggregating to Rs.10.00 Crores (Rupees Ten Crores Only) on account of non-utilization of the proposed facility.

b) The Board at its meeting held on 29th May 2024 appointed Mrs. M Menaka (DIN: 10550690) as an additional Director (Independent category) for a period of one (1) year. The said appointment was regularized in the Annual General Meeting dated 28th June 2024 by way of a special resolution.

c) The Board at its meeting held on 29th May 2024 appointed Mrs. Rajashree Santhanam (DIN: 07162071) as an additional Director (Independent category) for a period of one (1) year. The said appointment was regularized in the Annual General Meeting dated 28th June 2024 by way of special resolution.

d) At its meeting held on August 06, 2024, the Board approved to increase the Authorized share capital of the Company from Rs. 30 Crores to Rs. 50 Crores. The said increase in the Authorized share capital of the Company was approved by the shareholders vide postal Ballot dated 10th September 2024 by way of Ordinary Resolution.

- e) At its meeting held on August 06, 2024, the Board approved an increase in the limits under Section 186 of the Companies Act, 2013, the same was approved by the shareholders vide postal Ballot dated 10th September 2024 by way of Special Resolution.
- f) The Board at its meeting held on 06th August 2024 approved the designation of Mr. Jaijash Tatia as Chairman & Managing Director of the Company w.e.f 1st September 2024. The said designation was approved by the shareholders vide postal Ballot dated 10th September 2024 by way of Ordinary Resolution.
- g) The Board at its meeting held on 06th August 2024 approved the designation of Mrs. Henna Jain as Joint Managing Director of the Company w.e.f 1st September 2024. The said designation was approved by the shareholders vide postal Ballot dated 10th September 2024 by way of Ordinary Resolution.
- h) The Board at its meeting held on 06th August 2024 appointed Mr. Anand Manoharlal (DIN: 10718528) as an additional Director (Independent category) for five (5) years. The said appointment was regularized vide postal Ballot dated 10th September 2024 by way of Special Resolution.
- i) The shareholders vide postal Ballot dated 10th September 2024 by way of Special Resolution approved Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the provisions of the Companies Act, 2013, the remuneration payable to Mr. Jaijash Tatia, Chairman and Managing Director and Mrs. Henna Jain, Joint Managing Director, both Promoter Executive Directors.
- j) The Board at its meeting held on 27th March 2025 re-appointed Mrs. Rajashree Santhanam (DIN: 07162071) as non-executive Independent Director of the Company for five (5) years with effect from 1st April 2025. The said appointment will be approved by the shareholders vide postal Ballot dated 20th June 2025 by way of Special Resolution.
- k) The Board at its meeting held on 27th March 2025 re-appointed Mrs. M Menaka (DIN: 10550690) as non-executive Independent Director of the Company for five (5) years with effect from 1st April 2025. The said appointment will be approved by the shareholders vide postal Ballot dated 20th June 2025 by way of Special Resolution.
- l) Resignation of Mrs. R Vidyalakshmi as Company Secretary & Compliance Officer of the Company w.e.f. closure of business hours of 15th April 2025.
- m) Appointment of Mrs. Niharika Goyal as Company Secretary & Chief Compliance Officer of the Company w.e.f 16th April 2025.

For Lakshmmi Subramanian and Associates
Practicing Company Secretaries

Sd/-
S. Vasudevan
Partner
FCS No. 9495
C.P.No.27636

Peer review No.6608/2025
UDIN: F009495G000730930

Place: Chennai
Date: 08.07.2025



(To the Secretarial Audit Report of M/s. Kreon Financial Services Limited
for the financial year ended on 31st March, 2025)

To

The Members

Kreon Financial Services Limited

26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai, Tamil Nadu, 600041

Our Secretarial Audit Report for the financial year ended 31 March, 2025 is to be read along with this Annexure.

1. Maintenance of Secretarial record and ensuring compliance with all applicable laws 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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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 financial information, the compliance of law, rules and regulation and happening of certain events etc.
5. The compliance of the provisions of other laws, rules, regulation, standards specifically applicable to the Company is the responsibility of the management. Our examination was limited to the verification of system implemented by the Company on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

For Lakshmmi Subramanian and
Associates
Practicing Company Secretaries

Sd/-
S. Vasudevan
Partner
FCS No. 9495
C.P.No.27636

Peer review No.6608/2025
UDIN: F009495G000730930

Place: Chennai
Date: 08.07.2025

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 Finnancial Services Limited
26, 22nd Street, Rathinam Nagar,
Thiruvanmiyur, Chennai, Tamil Nadu - 600041

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kreon Finnancial 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) 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, 2025 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 Appointment
1	Mr. Jaijash Tatia	08085029	01.04.2018
2	Mrs. Henna Jain	08383395	22.03.2019
3	Mr. Anand Manoharlal	10718528	06.08.2024
4	Mrs. Muthusamy Menaka	10550690	01.04.2024
5	Mrs. Rajashree Santhanam	07162071	01.04.2024

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

Practising Company Secretary

FCS NO: 3902; PCSNO: 11440

UDIN: F003902G000305918

Place: Chennai
Date: 24.04.2025

FINANCIAL SECTION



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, 2025, 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, 2025; and its Loss, Total Comprehensive Loss, the changes in Equity, and Cash Flows for the year ended on that date.

Basis for Opinion

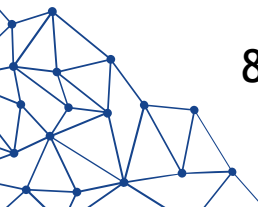
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section

1143(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.

S.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.	- 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. - 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. - 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. - 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;
2	Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework.	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.





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 other wise 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 with⁶ 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.
- 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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.

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 stand alone 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. Relying on representations/explanations from the company and software vendor and based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except that the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of accounts.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention except for audit trail (edit log) facility at database level as the same was not enabled.

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

Sd/-

Darpan Kumar

Partner

Place: Chennai
Date: 16.05.2025

Membership. No: 235817
UDIN: 25235817BMJLND2492

ANNEXURE A” to the Independent Auditor’s 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, 2025)

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, 2025 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 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 recognized 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, 2025 is Rs. 185.71 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.

(Rs.in Lakhs)

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue
12515	185.71	-	185.71



(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.

(Rs.in Lakhs)

	All parties	Promoters	Related Parties
Aggregate of Loans / Advances of Loans			
- Repayable on demand (A)	313.74	-	-
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	313.74	-	-
Percentage of loans / advances in nature of loan to the total loans	10.46%	0.00%	0.00%

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 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, 2025 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 willful 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.

(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 not made any preferential allotment of equity shares, warrants and compulsorily convertible preference shares during the year, hence reporting under clause 3(x)(b) of the Order is not applicable

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.

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 realization 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

Place: Chennai
Date: 16.05.2025

Sd/-
Darpan Kumar
Partner
Membership. No: 235817
UDIN: 25235817BMJLND2492



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, 2025 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.



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, 2025, 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: 25235817BMJLND2492

Place: Chennai
Date: 16.05.2025

Balance Sheet as at 31st March, 2025

(Rs.in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial Assets			
Cash and Cash Equivalents	3	117.53	299.26
Bank Balance Other than Cash and Cash equivalents	4	1926.81	1820.13
Loans	5	2,971.82	2,707.29
Investments	6	1,132.77	1,034.16
Other Financial assets	7	19.57	67.05
		6,168.50	5,927.90
Non-financial Assets			
Current Tax Assets (Net)	8	3.1	12.23
Deferred Tax Assets (Net)		78.89	9.14
Property, Plant and Equipment	9A	106.73	105.42
Other Intangible assets	9A	107.71	134.64
Intangible Assets under Development	9B	24.26	-

(Rs.in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ROU Asset	10	92.64	107.66
Other non-financial assets	11	35.90	36.77
Non-Current Assets held for sale	12	4.60	4.60
		453.84	410.46
TOTAL ASSETS		6,622.33	6,338.36
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
(I) Other Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	34.94	27.5
Borrowings (Other than Debt Securities)	14	3,165.86	2,796.75
Other financial liabilities	15	216.27	166.93
		3417.07	2991.18
Non-Financial Liabilities			
Provisions	16	27.75	13.41
Other non-financial liabilities	17	82.96	45.54
		110.71	58.95
Equity			
Equity Share capital	18	2,022.20	2,022.20
Other Equity	19	1072.88	1266.02
		3,095.08	3288.22
TOTAL LIABILITIES AND EQUITY		6,622.33	6338.36

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 No. 016156S

Sd/-
CA Darpan Kumar
Partner
Membership. No: 235817
UDIN: 25235817BMJLND2492

Place: Chennai
Date: 16.05.2025

On behalf of the Board of Directors
For Kreon Financial Services Limited

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Shoba Nahar
Chief Financial Officer

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395

Sd/-
Niharika Goyal
Company Secretary
M.No: A61428



Profit and Loss Statement for the year ended 31st March, 2025

(Rs.in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Revenue from operations			
Interest Income	20	172.73	90.11
Dividend Income		10.83	0.08
Fees and commission Income	21	2,256.76	1,526.63
Other Operating Income	22	212.54	20.25
I.Total Revenue from operations		2,652.85	1,637.07
II.Other Income	23	11.72	0.22
III.Total Income (I+II)		2,664.57	1,637.28
Expenses			
Finance Costs	24	283.47	95.96
Fees and commission Expenses	25	366.95	83.85
Net Loss on fair value Changes	26	194.01	-
Impairment on financial instruments	27	1157.29	690.19
Employee Benefits Expenses	28	454.44	278.37
Depreciation, amortization and impairment	29	79.36	70.50
Others expenses	30	536.38	322.14
IV. Total Expenses		3,071.89	1,541.01
V.Profits / (Loss) before exceptional item and tax [III - IV]		-407.31	96.27
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V -VI)		-407.32	96.27
VIII. Tax expenses	8		
Current tax		61.6	8.82
Earlier period tax adjustment		-	-
Deferred tax		-54.78	25.12
IX. Profit / (loss) for the period from continuingoperations (VII-VIII)		-414.14	62.33
X. Profit / (Loss) for the period (IX)		-414.14	62..33

(Rs.in Lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
XI. Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or enterprises loss			
- Investment in Equity Instruments		230.26	243.92
- Defined Benefit Obligation - Acturial Gains		-7.82	-6.88
(ii) Income tax relating to items that will not be reclassified to profit or loss		14.96	-26.70
Subtotal (A)		237.4	210.33
(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		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		237.4	210.33
XII. Total Comprehensive Income for the period(X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)		-176.74	272.65
XIII. Earnings per equity share (for continuing operations)	31		
III.Total Income (I+II)		-2.05	0.34
Basic (Rs.)		-2.05	0.34
Diluted (Rs.)		-	-

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 No. 016156S

Sd/-
CA Darpan Kumar
 Partner
 Membership. No: 235817
 UDIN: 25235817BMJLND2492

Place: Chennai
 Date: 16.05.2025

On behalf of the Board of Directors
 For Kreon Finnancial Services Limited

Sd/-
Jaijash Tatia
 Managing Director
 DIN: 08085029

Sd/-
Shoba Nahar
 Chief Financial Officer

Sd/-
Henna Jain
 Joint Managing Director
 DIN: 08383395

Sd/-
Niharika Goyal
 Company Secretary
 M.No: A61428



Cash Flow Statement for the year ended 31st March, 2025

(Rs.in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Cash flow from operating activities		
Net profit / (loss) before taxation	-407.31	96.27
Adjustments for:		
Depreciation and amortisation	79.36	70.50
Interest on income tax refund	-0.56	
Dividend income	-10.83	
Acturial Gains	-6.52	-6.88
Impairment on Financial Instruments	194.01	19.39
Provision on NPA	-33.23	-
Loan Write Offs - Bad Debts	1190.53	670.8
Profit on sale of Fixed Asset	-10.93	-
Interest received on Bank Deposits	-96.75	-34.89
Interest paid on Borrowings	211.64	95.96
Operating profit before working capital changes	1109.39	911.15
Change in Operating Assets and Liabilities		
(Increase) / Decrease in loan Assets	-1,428.64	-1,005.90
(Increase) / Decrease in deferred Tax	-69.74	
(Increase) / Decrease in non-Financial Assets	0.87	-90.62
(Increase) / Decrease in other Financial Assets	47.48	1.29
Increase / (Decrease) in trade payables and other payables	7.44	20.32
Increase / (Decrease) in other non-Financial liabilities	37.42	25.03
Increase / (Decrease) in other Financial liabilities	49.34	19.54
Increase / (Decrease) in other Provisions	20.86	10.82
Cash generated from operations	-225.59	-108.38
Direct taxes paid (Net of refunds)	3.10	19.05
Net cash flow from / (used) in operating activities (A)	<u>-228.69</u>	<u>-127.43</u>
B. Cash flow from investing activities		
Purchase of property plant and equipment	-40.15	-71.50
Sale of Property, Plant & Equipment	13.00	
Payment towards intangible assets under development	-24.26	-
Net Investments in bank deposits (having original maturity of more than three months)	-106.67	-1,809.61

(Rs.in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Purchase of Investment - Equity Instruments	-2,258.32	-665.81
Sale of Investment - Equity Instruments	2,251.56	-
Interest received on bank deposits	96.75	34.89
Net cash flow from / (used) in investing activities (B)	<u>-68.10</u>	<u>-2,512.04</u>
C. Cash flow from financing activities		
Proceeds from share warrants	-	933.35
Proceeds/(Repayment) from Borrowings (Net)	335.66	1,971.21
Payment of Lease Liabilities	-19.80	-19.80
Interest paid	-211.64	-84.03
Dividend Income	10.83	-
Net cash flow from / (used) in financing activities (C)	<u>115.05</u>	<u>2,800.73</u>
D. Net increase / (decrease) in cash and cash equivalents (A + B + C)	-181.73	161.26
E. Cash and cash equivalents as at beginning of the year	299.26	138.00
F. Cash and cash equivalents as at the end of the year (D + E)	117.53	299.26
Components of cash and cash equivalents as at March 31, 2023		
Balances with scheduled banks		
- in current accounts	115.13	296.25
Wallets	2.40	2.95
Cash in Hand	0.00	0.07
Total cash and cash equivalents (refer note no. 3)	117.53	299.26

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 No. 016156S

Sd/-
CA Darpan Kumar
Partner
Membership. No: 235817
UDIN: 25235817BMJLND2492

Place: Chennai
Date: 16.05.2025

On behalf of the Board of Directors
For Kreon Financial Services Limited

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Shoba Nahar
Chief Financial Officer

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395

Sd/-
Niharika Goyal
Company Secretary
M.No: A61428



Statement of Changes in Equity for the year ended 31st March, 2025

Equity Share Capital:

i) Current reporting period

(Rs.in Lakhs)

Balance at the beginning of the current reporting period (As at 31st March 2024)	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 2025)
2022.20	-	2022.20	-	2,022.20

ii) Previous reporting period

(Rs.in Lakhs)

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

1. Other Equity

i) Current reporting period

(Rs.in Lakhs)

	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									
				Equity component of compound financial instruments	Revaluation Surplus	Retained Earnings	Statutory Reserves	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income & Remeasurement gain/(loss) on defined benefit plan				
Balance at the beginning of the current reporting period	-	1.26	1,381.84	-	-	-530.94	167.08	-	246.78	-	-	0	1266.02
Additions during the year	-	-	-	-	-	-414.14	-	-	237.4	-	-	-	-176.74
Transfer to Statutory Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure						-16.4							-16.4
Transfer of Reaslied profit from OCI to retained earning						333.61			-333.61				
Equity Issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to capital reserves						-						-	-
Balance at the end of the current reporting period	-	1.26	1,381.84	-	-	-627.88	167.08	-	150.57	-	-	0	1,072.87

ii) Previous reporting period

(Rs.in Lakhs)

	Share application money pending allotment	Reserves and Surplus						Other Comprehensive Income		Effectiv e portion of Cash Flow Hedges	Exchange differenc es on translatin g the financial statemen ts of a foreign operation	Money receive d against share warrant s	Total
		Capital Reserve	Securities Premium	Other Reserves									
				Equity component of compound financial instruments	Revaluatio n Surplus	Retained Earnings	Statutory Reserves	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income & Remeasurement gain/(loss) on defined benefit plan				
Balance at the beginning of the current reporting period	-	-	655.95	-	-	-580.8	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
Balance at the end of the current reporting period	-	1.26	1,381.84	-	-	-530.94	167.08	-	246.78	-	-	0	1,266.02

As per our report of even date
For **Darpan and Associates**
Chartered Accountants
ICAI Firm Registration No. 0161565

Sd/-
CA Darpan Kumar
Partner
Membership. No: 235817
UDIN: 25235817BMJLND2492

Place: Chennai
Date: 16.05.2025

On behalf of the Board of Directors
For **Kreon Financial Services Limited**

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Shoba Nahar
Chief Financial Officer

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395

Sd/-
Niharika Goyal
Company Secretary
M.No: A61428



Notes to the Financial Statement for the year ended 31st March, 2025

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, 2025 were approved for issue in accordance with the resolution of the Board of Directors on May 16, 2025."

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.

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 recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date.

1) Financial Assets:

Initial Measurement: All financial assets are recognized 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.

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

- Debt instruments at amortized cost
- Equity instruments designated under FVOCI

Debt instruments at amortized cost:

The Company measures its debt instruments at amortized 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 realized 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 amortized 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 amortized 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.

All fair value changes of the equity instruments, excluding dividends, are recognized 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 derecognizes 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 derecognized, the Company does not have any continuing involvement in the same.

Financial assets subsequently measured at amortized cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortized 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 recognized for applicable financial assets held under amortized 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 categorizes 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 up to 120 days (PY 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 120 days (PY:150 Days) Past Due but less than 180 Days (PY:360 days) is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired once it becomes 180 Days (PY:360 days) past due are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized 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.

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 derecognized 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 recognizes 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 recognized 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 amortized cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

Derecognition: The Company derecognizes 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 recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

IV) 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 summarized 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 recognizes interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortized 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 amortized 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 recognizes interest income on the amortized 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 realization, due to uncertainty of realization and are accounted accordingly

Fees and Commission Income:

The Company recognizes 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 recognizes 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 recognized 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 IndAS 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 recognized 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 recognized is derecognized 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 derecognized

b) 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.

Particulars	Useful lives estimated by the management/Useful life as per schedule II
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.

c) Intangible assets

Intangible assets, representing software's, licenses etc. are initially recognized at cost and

subsequently carried at cost less accumulated amortization and accumulated impairment, if any. The Company recognizes 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 amortized 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 derecognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Leases

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

The Company recognizes 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 recognize 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 recognizes 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.

e) 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 recognized using the EIR.

g) 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 recognized 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.

h) 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 recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognized 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 recognizes 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 recognized 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 recognized 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 recognizes 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 recognized 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 recognized 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurement's are not reclassified to the statement of profit and loss in subsequent periods.

i) 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.

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 recognized outside the statement of profit and loss is recognized 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 recognized 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 realized or the deferred income tax liability is settled.

Deferred tax assets are only recognized for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilize 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 realized.

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 realized simultaneously.

Goods and Service Taxes:

Expenses and assets are recognized 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 recognized 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.

j) 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.

k) 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.

l) Provisions

Provisions are recognized 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.

m) 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

n) 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.

o) 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

Note No. 3: Cash and Cash Equivalents

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash on Hand	0.00	0.07
Balances with banks (of the nature of cash and cash equivalents)		
- on current accounts	115.13	296.25
Others: Wallets	2.40	2.95
Total (Net)	117.53	299.26

Note No. 4: Bank Balance with other than cash and cash Equivalents

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Bank Deposit with original Maturity for more than 3 Months	1926.81	1820.13
Total (Net)	1926.81	1820.13

Note No. 5 : Loans

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans repayable on Demand	313.74	402.57
Term Loans (Refer Note 36(D))	2684.29	2,363.61
Gross	2998.03	2,766.18
Less: Impairment loss allowance (Refer Note 36(D) for provision made as per RBI Regulation)	26.21	58.89
Net	2971.82	2,707.29
Unsecured*	2,998.03	2,766.18
Gross	2998.03	2,766.18
Less: Impairment loss allowance	26.21	58.89
Net	2971.82	2,707.29
Loans in India		
- Individuals, Private and Public Companies	2,998.03	2,766.18
Gross	2998.03	2,766.18
Less: Impairment loss allowance	26.21	58.89
Net	2971.82	2,707.29

*All Loans given are unsecured given to the Individuals, private & public companies.

Note No. 6: Investments

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Investment in Quoted Equity Instruments		
At Fair Value through OCI		
• Investment in Equity Instruments	562.38	1034.16
At Fair Value through Profit or Loss		
• Investment in Equity Instruments	570.39	-
Total	1132.77	1034.16
Investment in India	1132.77	1034.16
Investment outside India	-	-
Total	1132.77	1034.16
Less: Impairment loss allowance	-	-
Net	1132.77	1034.16

NOTE: The dividends of Rs. 10.83 lakhs (March 31, 2024: Rs. 0.08 lakhs) received from investments in shares are recorded as dividend income.

Note No. 7: Other Financial Assets

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits(At Amortized Cost)	3.42	2.85
Rental Deposit	10.7	-
Telephone Deposit	0.02	0.02
Income Tax Refund	1.97	-
Other Receivables	3.46	64.19
Total	19.57	67.05
*Other Receivables include other loan related receivable and amount deposited with the demat account.		

Note No. 8: Current Tax Assets(Net)

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance Income Tax net of provision of	50	15
Tax Deducted at Source	14.7	6.05
Less: Provision for Taxation	61.6	8.82
Total	3.1	12.23

Income Tax

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current Tax	61.6	8.82
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	48.38	25.12
Total tax charge	109.98	33.95

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, 2025 and March 31, 2024 is, as follows:

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Accounting profit before tax	(407.31)	96.27
At India's statutory income tax rate of 25.168% (2023: 25.168%)	-	24.23
Adjustment in respect of current income tax of prior years	-	-
Income Subject to Tax at special rate (15%)	2.53	-
Income Subject to Tax at special rate (20%)	74.96	-
Non-deductible expenses		
Adjustment in respect of prior years*	-	-
Others	23.79	37.98
Tax Losses	8.71	-28.26
Total	109.98	33.95

**Deferred Tax**
As at 31st March 2025

(Rs.in Lakhs)

Particulars	DTA	DTL	Statement of Profit and Loss	OCI
Provision for post retirement benefits	7.00	-	-1.64	1.97
Fair Valuation of Equity Instruments	42.03	19.87	51.58	12.99
Property, plant and equipment and intangible assets- carrying amount other than on account of fair valuation	-	1.18	-2.08	-
Unused Tax losses	45.85	-	8.71	-
Right-of-use assets	5.05	-	-1.78	-
Total	99.93	21.04	54.78	14.96

As at 31st March 2024

(Rs.in Lakhs)

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	-
Total	43.97	34.83	25.12	-26.70

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

(Rs.in Lakhs)

	Lease hold improvements	Computer and Peripherals	Vehicles	Furniture & fittings	Plant and Machineries	Intangible Assets [StuCred Application]	Total
Gross block							
At April 1, 2023	8.46	31.52	30.19	39.42	14.45	190.42	314.47
Additions	-	12.48	56	1.1	1.93	-	71.5
At March 31, 2024	8.46	43.99	86.19	40.52	16.38	190.42	385.97
Additions	-	12.89	26.63	0.35	0.28	-	40.15
Deletions	-	-	1.44	-	-	-	-
At March 31, 2025	8.46	56.89	111.38	40.87	16.66	190.42	424.68
Depreciation / amortisation	-						
At April 1, 2023	2.17	25.88	27.22	9.24	3.8	22.12	90.43
Charge for the year	1.78	6.85	3.13	7.91	2.14	33.66	55.48
At March 31, 2024	3.95	32.73	30.36	17.15	5.95	55.78	145.91
Charge for the year	1.28	10.13	17.98	6.07	1.94	26.93	64.33
At March 31, 2025	5.23	42.86	48.34	23.22	7.89	82.71	210.24
Net Block	3.24	14.03	63.05	17.65	8.77	107.71	214.44

(Rs.in Lakhs)

	Lease hold improvements	Computer and Peripherals	Vehicles	Furniture & fittings	Plant and Machineries	Intangible Assets [StuCred Application]	Total
At March 31, 2024	4.51	11.27	55.83	23.37	10.44	134.64	240.06
At March 31, 2025	3.24	14.03	63.05	17.65	8.77	107.71	214.44
Impairment Loss	-	-	-	-	-	-	-
At April 1, 2022	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2024	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Net Block	3.24	14.03	63.05	17.65	8.77	107.71	214.44
At March 31, 2024	4.51	11.27	55.83	23.37	10.44	134.64	240.06
At March 31, 2025	3.24	14.03	63.05	17.65	8.77	107.71	214.44

Note No. 9B: Intangible Assets under Development
As at 31st March 2025

(a) Intangible Assets under Development aging schedule
(Rs.in Lakhs)

Intangible assets under development	Less than 1 Year	1-2 Year	2-3 Year	3-4 Year	4-5 Year
Projects in progress	24.26	-	-	-	24.26
Projects temporarily suspended	NIL	NIL	NIL	NIL	NIL

(b) or Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given= NIL

As at 31st March 2024

(c) Intangible Assets under Development aging schedule

Intangible assets under development	Less than 1 Year	1-2 Year	2-3 Year	3-4 Year	4-5 Year
Projects in progress	NIL	NIL	NIL	NIL	NIL
Projects temporarily suspended	NIL	NIL	NIL	NIL	NIL

(d) or Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given= NIL

Note No. 10 : Leases

A)Where the Company is a lessee.

(i) Amount recognized in balance sheet

Right-of-use Assets:

OFFICE PREMISES:

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	107.66	122.68
- Additions	-	-
- Depreciation charged during the year	15.02	15.02
- Disposals	-	-
Net Carrying Amount	92.64	107.66

The Company has not revalued any of its Right-of-use assets during the year ended March 31, 2025. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

**(ii) Amount recognized in statement of profit and loss**
(Rs.in Lakhs)

Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	15.02	15.02
Interest expense (included in finance costs)	11.16	11.16
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	-	-
(iii) Gains or losses arising from sale and leaseback transactions	-	-
(iv) Total Cash outflow for leases during the year	26.18	26.96

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

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Goods and services tax credit (input) receivable	14.51	13.04
Advances to Vendors	7.09	3.56
Advance to Employees	3.16	10.22
Rental Pre-Payments	6.58	7.14
Prepaid Expense	1.55	-
Others*	3.00	2.82
	35.90	36.77

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

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Bullion - Held for Sale*	4.6	4.6
	4.6	4.6

* Measured at lower of cost or fair value.

Note No. 13 : Payables

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Other Payables		
Dues to Micro and Small Enterprises (also refer note no: 51)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	34.94	27.5
	34.94	27.5

Ageing Schedule

(Rs.in Lakhs)

Outstanding for following periods from due date of payment	As at March 31, 2025			
	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	-	34.94	-	-
Total	-	34.94	-	-

(Rs.in Lakhs)

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	-	27.5	-	-
Total	-	27.5	-	-

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

(Rs.in Lakhs)

Particulars	As at March 31, 2025			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
Loans from related parties (Unsecured)	1122.09	-	-	1122.09
Inter Corporate Deposit - (Unsecured)	2,043.77	-	-	2,043.77
Total (A)	3,165.86	-	-	3,165.86
Borrowings in India	3,165.86	-	-	3,165.86
Borrowings outside India	-	-	-	-
Total (B) to tally with (A)	3,165.86	-	-	3,165.86

(Rs.in Lakhs)

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
Total (A)	2,796.75	-	-	2,796.75
Borrowings in India	2,796.75	-	-	2,796.75
Borrowings outside India	-	-	-	-
Total (B) to tally with (A)	2,796.75	-	-	2,796.75

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

Note No. 15 : Other financial liabilities

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Salary Payable	38.99	20.07
Audit Fee Payable	0.75	0.75
Other Payables*	63.84	24.78
Lease liability movement		
Opening Lease liability	121.33	129.2
Add: Additional during the year		
-Interest on lease liability	11.16	11.94
Less: Deletion during the year		
- Lease rental payments	(19.80)	(19.80)
Closing Lease liability	112.69	121.33
Total	216.27	166.93

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

Note No. 16 : Provisions

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits - Gratuity (Refer note no: 33)	27.75	13.41
	27.75	13.41

Note No. 17 : Other non-financial liabilities

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
TDS Payable	19.67	13.32
GST Payable	37.57	29.63
EPF Payable	3.72	1.76
ESI Payable	0.12	-
Interest Received in advance	0.45	-
Professional Tax Payable	0.02	0.59
Other Payables*	21.4	0.23
Total	82.96	45.54

**Note No. 18 : Equity Share capital**

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Authorized		
2,50,00,000(31 March 2024) equity shares of `10/- each	2,500	2,500
50,00,000 (31 March 2024) Compulsory convertible preference shares (CCPS) of `10/- each	500	500
2,00,00,000 (31 March'25) equity shares of `10/- each -Increased during the FY 2025	2,000	-
(b) Issued, Subscribed and fully paid up		
2,02,22,000 (31st March 2024: 2,02,22,000) Equity Shares of 10/- Each	2,022.20	2,022.20
Total issued, subscribed and fully paid-up share capital	2,022.20	2,022.20

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

Equity shares

(Rs.in Lakhs)

Particulars	31st March 2025		31st March 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	20,222,000	2,022.20	13,623,000	1,362.30
Loan converted to Equity	-	-	-	-
Preference shares converted to Equity*	-	-	-	-
Warrants converted to Equity**	-	-	6,599,000	659.9
Outstanding at the end of the year	20,222,000	2,022.20	20,222,000	2022.2

Preference Shares

(Rs.in Lakhs)

Particulars	31st March 2025		31st March 2024	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	-	-	-	-
Issued during the period	-	-	-	-
Converted to equity during the year*	-	-	-	-
Outstanding at the end of the year	-	-	-	-

*On July 20, 2023, the company allotted 65,99,000 equity shares of face value of Rs.10 each fully paid issued at a premium of Rs.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.

(Rs.in Lakhs)

Name of Warrant Holders	Category	As at 31st March, 2025	As at 31st March, 2024
		No of warrants converted	No of warrants converted
Jaijash Tatia	Promoter	-	2,029,000
Henna Jain	Promoter	-	2,320,000
Ramesh Nahar	Non-Promoter	-	-
B Rameshchand Nahar and Sons HUF	Non-Promoter	-	-
Kulin Shantibhai Vora	Non-Promoter	-	350,000
Rocky Rasiklal Vora	Non-Promoter	-	350,000
Bhogilal Mavji Vora	Non-Promoter	-	300,000
Bhawarlal Rameshchand Sons HUF	Non-Promoter	-	-
Nirmala Nahar	Non-Promoter	-	-
Salil Bansal	Non-Promoter	-	1,000,000
Sapna Parekh	Non-Promoter	-	250,000
Total		-	6,599,000

(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 maximize 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.

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Debt	3165.86	2,796.75
Less: Cash and Cash Equivalents	117.53	299.26
Net Debt	3048.33	2,497.49
Total Equity	3095.07	3,288.22
Net Debt to Total Equity Ratio	0.98	0.76

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

(Rs.in Lakhs)

Name of the Shareholder	31st March 2025		31st March 2024	
	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	1,950,000	9.64%	1,950,000	9.64%
Subh Labh Infrastructure Private Limited	1,759,500	8.70%	1,759,500	8.70%
Jaijash Tatia	3,974,300	19.65%	3,974,300	19.65%
Henna Jain	3,000,000	14.84%	3,000,000	14.84%

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

(Rs.in Lakhs)

Promoter Name	as at March 31, 2025		
	Number of shares	% holding in the class	% Change during the year
Equity shares of `10 each fully paid			
1. Mr. Jaijash Tatia	3,974,300	19.65%	-
2. Ms. Henna Jain	3,000,000	14.84%	-
3. Tatia Global Vennture Limited	1,950,000	9.64%	-
4. Ashram online.com Ltd	952,700	4.71%	-
5. Bharat Jain Tatia	550,219	2.72%	-
6. Chandrakantha Tatia	504,850	2.50%	-
7. Jinpaad Developers Private Limited	310,000	1.53%	-
8. Pannalal Tatia	100	0.00%	-
Total	11,242,169	55.59%	-



(Rs.in Lakhs)

Promoter Name	As at March 31, 2024		
	At Amortised Cost	Designated at fair value through profit or loss	Total
Equity shares of `10 each fully paid			
1. Mr. Jaijash Tatia	3,974,300	19.65%	5.37%
2. Ms. Henna Jain	3,000,000	14.84%	9.84%
3. Tatia Global Vennture Limited	1,950,000	9.64%	-4.67%
4. Ashram online.com Ltd	952,700	4.71%	-2.28%
5. Bharat Jain Tatia	550,219	2.72%	-1.32%
6. Chandrakantha Tatia	504,850	2.50%	-1.21%
7. Jinpaad Developers Private Limited	310,000	1.53%	-0.74%
8. Pannalal Tatia	100	0.00%	0.00%
Total	11,242,169	55.59%	4.99%

Note No. 19 : Other Equity

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening Balance	167.09	154.62
Add: Transferred from Retained Earnings	-	12.46
Closing Balance	167.09	167.09
Capital Reserve		
Opening Balance	1.26	-
Add: Added during the year	-	1.26
Closing Balance	1.26	1.26
Securities Premium		
Opening Balance	1381.84	655.95
Add: Premium on shares issued during the year	-	725.89
Closing Balance	1,381.84	1,381.84
Convertible Warrants		
Opening Balance	-	453.71
Add: Money Received during the year	-	933.35

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less: Shares allotted during the year	-	-1,385.79
Less: Forfeited Amount transferred to capital reserve	-	-1.26
Closing Balance	-	-
Other Comprehensive Income		
Opening Balance	246.79	36.45
Add: Additions during the year	237.4	210.33
Less: Transfer to retained Earnings (Realised Profits)	-333.61	-
Closing Balance	150.57	246.79
Retained Earnings		
Opening Balance	-530.94	-580.8
Add: Profits for the current year	-414.14	62.32
Add: Transfer from other comprehensive income (Realised profits)	333.61	-
Add/Less: Appropriations		
Share Capital Expenses	-16.4	-
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-	-12.46
	-627.88	-530.94
Total	1072.87	1,266.03

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:

a) 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.

b) 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 twenty one days by such further period as it thinks fit or condone any delay in making such report.

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 recognized 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 utilized 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 declassifiable 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

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Interest on Loans	75.98	55.22
Interest on deposits with bank	96.75	34.89
Total	172.73	90.11

Note No. 21 : Fees and Commission Income

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Income from Application Usage Fee	1,651.70	1,218.26
Income from Loan Related Fees	605.06	308.36
	2256.76	1,526.63
<u>Revenue from contract with customers</u>		
Fees and Commission Income	2256.76	1,526.63
Timing of Revenue Recognition:		
Services transferred at point in time	2256.76	1,526.63
Services transferred over time	-	-

Note No. 22 : Other Operating income

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Bad Debts Recovery	212.54	20.25
Total	212.54	20.25

**Note No. 23 : Other income**

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Interest on Income Tax Refunds	0.56	0.09
Profit on sale of property, plant & Equipment	10.93	-
Other Income	0.23	0.12
Total	11.72	0.22

Note No. 24 : Finance Cost

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
<u>On Financial liabilities measured at amortized cost</u>		
Interest on Borrowings	272.31	84.03
Interest on Lease Liabilities	11.16	11.94
Total	283.47	95.96

Note No. 25: Fees and Commission Expenses

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Loan Collection Fee	366.95	83.85
Total	366.95	83.85

Note No. 26 : Net gain/(Loss) on fair Value Changes*

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		-
(i) On Trading Portfolio		
-Investments	194.01	-
- Derivatives	-	-
-Others	-	-
(ii) On Financial Instruments designated at fair value through profit/loss		
(B) Others (to be specified)		

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Total Net gain/(Loss) on fair value Changes(C)	194.01	-
Fair Value changes:		
-Realised	127.83	-
-Unrealised	66.18	-
Total Net gain/(loss) on fair value changes(D) to tally with (C)	194.01	-
*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.		

Note No. 27 : Impairment on Financial Instruments

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
<u>On Financial instruments measured at amortized cost</u>		
On Loans (Write-Off)	1190.53	670.8
Provisions on Loan	(33.23)	19.39
Total	1157.29	690.19

Note No. 28 : Employee benefits expense

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Salaries, wages and bonus (Including Director Remuneration)	413.72	261.68
Contribution to provident and other funds	32.74	10.71
Gratuity Expenses (Refer Note 35)	6.52	3.94
Staff-Welfare expenses	1.46	2.04
Total	454.44	278.37

Note No. 29 : Depreciation and Amortization Expenses

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Depreciation of Property, Plant and Equipments	37.41	21.82
Amortization of Intangible Assets	26.93	33.66
Depreciation of Right-Of-Use Assets (Refere note no: 10)	15.02	15.02
Total	79.36	70.5

Note No. 30 : Other expenses

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Rent, taxes and energy cost	4.86	3.54
Loan origination expense	75.38	40.14
Business Promotion	269.29	94.93
Legal and professional fee	26.57	27.64
Technology expenses	90.28	100.43
Administrative expenses	29.09	21.05
Repairs and maintenance	5.21	4.54
Communication cost	6.24	2.01
Printing and stationery	1.86	0.87
Director's fees, allowances and expenses	3.00	0.32
Payment to Auditors (Refer note A)	0.75	1.15
Insurance expense	3.28	0.57
Listing and other filing fee	5.22	7.05
Postage and courier	0.04	0.05
Travelling & conveyance expenses	6.99	7.00
Membership fees	1.53	3.28
Bank Charges	0.95	0.35
Other Expenditure	5.84	7.22
Total	536.38	322.14

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
A. Payment to auditor:		
<u>As Auditor:</u>		
Statutory audit	0.75	0.75
Previous year Adjustment	-	0.4
	0.75	1.15

Note No. 31 : Earnings per share(EPS)

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Profits/(Loss) after Tax (A)	-414.14	62.32
Weighted average number of equity shares in calculating basic EPS (B) - In Lakhs	202.22	185.72
Weighted average number of equity shares in calculating diluted EPS (C) - In Lakhs	202.22	185.72
Basic earnings per equity share (in Rupees) (face value of ` 10/- per share (A/B) - In Lakhs	-2.05	0.34
Diluted earnings per equity share (in Rupees) (face value of ` 10/- per share) (A/C) - In Lakhs	-2.05	0.34

Note No. 32 : Expenditure in foreign currency(accrual basis)

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Technology Cost including software subscriptions and Infrastructure Usage	82.78	28.53
Total	82.78	28.53

**Note No. 33 : Gratuity and other post-employment benefit plans**

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:		
i. Funded status of the plan		
Present value of unfunded obligations	27.75	13.41
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Defined Benefit Liability/(Assets)	27.75	13.41
ii. Profit and loss account for the period		
Service cost:		
Current service cost	5.58	3.75
Past service cost	-	-
loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.94	0.19
Total included in 'Employee Benefit	-	-
Total included in 'Employee Benefit Expenses/(Income)	6.52	3.94
iii. Other Comprehensive Income for the period		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	40	0.32
Due to change in demographic assumption	3.22	-
Due to experience adjustments	4.19	6.56
Return on plan assets excluding amounts included in interest income	-	-
Amounts recognized in Other Comprehensive (Income) / Expense	7.82	6.88
iv. Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	13.41	2.59
Transfer in/(out) obligation	-	-
Current service cost	5.58	3.75
Interest cost	0.94	0.19
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	0.4	0.32

(Rs.in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
Due to change in demographic assumption	3. 22	-
Due to experience adjustments	4.19	6.56
Past service cost		
Closing Defined Benefit Obligation	27.75	13.41
v. Reconciliation of Net Defined Benefit Liability/(Assets)		
Net opening provision in books of accounts	13.41	2.59
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	6.52	3.94
Amounts recognized in Other Comprehensive (Income) / Expense	7.82	6.88
	27.75	<u>13.41</u>
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	27.75	13.41

Note No. 34 : Related party disclosures

A) Names of the Related parties and Related party relationship

Relationship	Name of the Party
Key Management Personnel	Jaijash Tatia, MD W.e.f 01-09-2024 (Erstwhile WTD)
	Henna Jain, WTD W.e.f 01-09-2024, (Erstwhile Non- Executive Director)
	Shoba Nahar, CFO
	Vidyalakshmi, Compliance Officer & CS (Date of Cessation 15-04-2025) Niharika Goyal, Compliance Officer & CS (W.e.f 16-04-2025)
Relative of Key Management Personnel*	NIL
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:**

(Rs.in Lakhs)

Particulars	Enterprises over which KMPs and their relatives can exercise significant Influence		Relative of Key Managerial Personnel		Key Managerial Personnel		Total	
	3/31/2025	3/31/2024	3/31/2025	3/31/2024	3/31/2025	3/31/2024	3/31/2025	3/31/2024
Remuneration								
- Jaijash Tatia	-	-	-	-	5.00	5.00	5.00	5.00
- Shoba Nahar	-	-	-	-	5.00	1.25	5.00	1.25
- Henna Jain	-	-	-	-	5.00	-	-	-
- Vidya Lakshmi R	-	-	-	-	0.85	0.58	-	0.58
Loan Balance								
- Jaijash Tatia	-	-	-	-	-	-	-	-
- Ashram Online.com Ltd	130.19	129.14	-	-	-	-	130.19	129.14
- Opti Products P Ltd. (Outstanding to be converted to CCPS)	300.00	364.34	-	-	-	-	300.00	364.34
- Tatia Global Venture Ltd.	691.89	259.5	-	-	-	-	691.89	259.5
Salary advance								
- Shoba Nahar	-	-	-	-	-	10.00	-	10.00

c) Transactions with Related parties during the year:

(Rs.in Lakhs)

Particulars	Enterprises over which KMPs and their relatives can exercise significant Influence		Relative of Key Managerial Personnel		Key Managerial Personnel		Total	
	3/31/2025	3/31/2024	3/31/2025	3/31/2024	3/31/2025	3/31/2024	3/31/2025	3/31/2024
Remuneration								
- Jaijash Tatia	-	-	-	-	60.00	60.00	60.00	60.00
- Shoba Nahar	-	-	-	-	26.25	15.00	26.25	15.00
- Henna Jain	-	-	-	-	35.00	-	35.00	-
- Vidya Lakshmi R	-	-	-	-	7.67	7.03	7.67	7.03
Salary advance								
- Shoba Nahar	-	-	-	-	-	10.00	-	10.00
Loan Borrowings								
- JaijashTatia	-	-	-	-	-	10.00	-	10.00
- Tatia Global Venture Ltd.	400.00	47.50	-	-	-	-	400.00	47.50
Loan Repayments								
- Jaijash Tatia	-	-	-	-	-	51.60	-	51.60
- Ashram Online.com Ltd	-	30.00	-	-	-	-	-	30.00
- Opti Products P Ltd.	64.34	-	-	-	-	-	64.34	-
- Tatia Global Venture Ltd.	-	50.00	-	-	-	-	-	50.00
- Jinpaad Developers P Ltd.	-	-	-	-	-	-	-	-
Share Warrants Receipts								
- Jaijash Tatia	-	-	-	-	-	287.59	-	287.59
- Henna Jain	-	-	-	-	-	291.37	-	291.37
Warrants conversion to Equity Shares								
- JaijashTatia	-	-	-	-	-	426.09	-	426.09
- Henna Jain	-	-	-	-	-	487.20	-	487.20
Interest Expenses								
- Ashram Online.com Ltd	14.10	12.93	-	-	-	-	14.10	12.93
- Opti Products P Ltd.	-	-	-	-	-	-	-	-
- Tatia Global Venture Ltd.	58.21	22.46	-	-	-	-	58.21	22.46

**Note No. 35 : Asset Classification as per RBI Norms:**

(Rs.in Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	For the Year Ended March 31, 2025					For the Year Ended March 31, 2024				
		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
Performing Assets											
Standard Assets	Stage 1	2,805.45	6.95	2798.5	6.95	-	2,142.63	5.36	2,137.27	5.36	-
Non-Performing Assets (NPA)											
a) Sub-Standard	Stage 2	192.58	19.26	173.32	19.26	-	533.11	53.31	479.8	53.31	-
b) Doubtful - upto 1 year (Unsecured)	Stage 3*	1190.53	1190.53	-	1190.53	-	675.81	675.81	-	675.81	-
1 to 3 Years	Stage 3	-	-	-	-	-	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-	-	-	-	-	-
Sub-Total for Doubtful		1190.53	1190.53	-	1190.53	-	675.81	675.81	-	675.81	-
c) Loss Assets	Stage 3	-	-	-	-	-	-	-	-	-	-
Sub-Total for NPA		1,383.11	1209.78	173.32	1209.78	-	1,208.92	729.12	479.8	729.12	-
Total	Stage 1	2,805.45	6.95	2,798.50	6.95	-	2,142.63	5.36	2,137.27	5.36	-
	Stage 2	192.58	19.26	173.32	19.26	-	533.11	53.31	479.8	53.31	-
	Stage 3	1190.53	1190.53	-	1190.53	-	675.81	675.81	-	675.81	-

* 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. 36 :

The Company "Kreon Financial Services Limited" has complied with the various requirements prescribed by Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

(A) Capital Adequacy Ratio

(Rs.in Lakhs)

Particulars	Numerator (Rs.in Lakhs)	Denominator (Rs.in Lakhs)	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Capital to risk-weighted assets ratio (CRAR*)	2943.24	6504.08	45.25%	50.42%
Tier I CRAR	2943.24	6504.08	45.25%	50.42%
Tier I CRAR*		6504.08	0.00%	0.00%

NOTE

*Tier II is not applicable on the company.

*CRAR = (Tier I Capital + Tier II Capital) / Risk-Weighted Assets.

- Minimum capital ratio consisting of Tier I and Tier II capital of not less than 15 percent of aggregate risk weighted assets on- balance sheet only as the company has no any risk adjusted value of off- balance sheet items.

- The Tier I capital at any point of time, shall not be less than 10%

(B) Calculation of Gross NPA %

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Gross Loans & Advances	2998.03	2766.18
Gross Non -Performing Assets	192.58	533.11
Gross NPAs as a percentage of Gross advances	6.42%	19.27%

NOTE: Gross NPA % = ((Gross NPAs / Gross Advances)) × 100

C) Calculation of Net NPA %

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Gross Loans & Advances	2998.03	2766.18
Less: Provision	26.21	58.89
Gross NPAs as a percentage of Gross advances	2971.82	2707.29
Gross Non-Performing Assets (Gross NPA)	192.58	533.11
Less: Provision	26.21	58.89
Net NPA	166.38	474.22
Net NPA %	5.60%	17.52%

NOTE: Net NPA % = ((Gross NPAs - Provisions) / Net Advances) × 100

(D) Total Provision As per RBI Regulation

(Rs.in Lakhs)

	% o % of Provision	Amount as of 31-03- 2025	Amount as of 31-03- 2024	Provision as on 31-03- 2025	Provision as on 31-03- 2024
Standard Assets	0.25%	2805.45	2233.07	6.95	5.58
Sub-Standard Assets	10.00%	192.58	533.11	19.26	53.31
		2998.03	2766.81	26.21	58.89

The extant NPA classification norm stands changed to the overdue period of more than 90 days for applicable NBFCs. A glide path is provided to applicable NBFCs to adhere to the 90 days NPA norm as under :-



NPA Norms Timeline	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
> 90 days	By March 31, 2026

Note No. 37 : Contingent Liabilities and Commitments

(Rs.in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Forfeited Amounts *	16.25	16.25
	16.25	16.25

* 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, 2025 and March 31, 2024.

38.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, 2025 and March 31, 2024.

39. 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, 2025 and March 31, 2024.

38. 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, 2025 and March 31, 2024.

41. 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, 2025 and March 31, 2024.

42. Borrowings from Banks and Financial Institutions on the basis of Current Assets (Working Capital Funds)

The company doesn't have any borrowings from banks or financial institutions in the financial years ended March 31, 2025 and March 31, 2024.

43. Details of Willful Defaulter

The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025 and March 31, 2024.

44. 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, 2025 and March 31, 2024.

45. 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, 2025 and March 31, 2024. No charges or satisfactions are

yet to be registered with ROC beyond the statutory period.

46. Compliance with number of layers of companies:

The Company has no subsidiaries for the financial years ended March 31, 2025 and March 31, 2024.

47. 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.

48. 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, 2025 and March 31, 2024.

49. 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.

50. Scheme of Arrangements

The company doesn't have any scheme of arrangements to disclose during the financial years ended March 31, 2025 and March 31, 2024.

51. Utilization 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 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.

52. FINANCIAL RATIOS:

(Rs.in Lakhs)

Ratios	Numerator	Denomenator	Mar 31, 2025	Mar 31, 2024	Variance (%)	Reason*
Current Ratio	6,168.50	3,417.07	1.81	1.69	7%	NA
Debt-Equity Ratio	3,165.86	3,095.08	102.29	85.05	20%	NA
Debt Service Coverage Ratio	-425.07	3,165.86	-13.43	8.71	-254%	Significant variance is due to change in bad debts policy during the year which has resulted in higher write-off of loans.



(Rs.in Lakhs)

Ratios	Numerator	Denominator	Mar 31, 2025	Mar 31, 2024	Variance (%)	Reason*
Return on equity ratio	(414.14)	3,095.07	-13.38	2.45	-646%	Significant variance is due to change in bad debts policy during the year which has resulted in higher write-off of loans.
Net profit ratio	(414.14)	2,664.57	-15.54	3.85	-504%	Significant variance is due to change in bad debts policy during the year which has resulted in higher write-off of loans.
Return on capital employed ratio	-135	6,260.92	-2.16	2.96	-173%	Significant variance is due to change in bad debts policy during the year which has resulted in higher write-off of loans.

*Reasons are provided for variance more than 25%.

53.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.2998.03 Lakhs and Rs.2766.18 Lakhs as of March 31, 2025 and March 31, 2024 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

54. 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, 2025 and March 31, 2024. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current year.

55. Events after the reporting date:

There have been no events after the reporting date.

56. Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

57. 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 No. 0161565

Sd/-
CA Darpan Kumar
Partner
Membership. No: 235817
UDIN: 25235817BMJLND2492

Place: Chennai
Date: 16.05.2025

On behalf of the Board of Directors
For **Kreon Financial Services Limited**

Sd/-
Jaijash Tatia
Managing Director
DIN: 08085029

Sd/-
Shoba Nahar
Chief Financial Officer

Sd/-
Henna Jain
Joint Managing Director
DIN: 08383395

Sd/-
Niharika Goyal
Company Secretary
M.No: A61428



NOTICE OF 31st ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (the “AGM”) of the Members of Kreon Financial Services Limited (the “Company”) will be held on Friday, August 29, 2025 at 11:00 AM through Video Conferencing (VC) for which purpose the Registered Office of the Company situated at No. 26, 22nd Street, Rathinam Nagar, Thiruvannamiyur, Chennai, Tamil Nadu, India, 600041 shall be considered as deemed venue for the 31st AGM, to transact the following business(es):

ORDINARY BUSINESS(ES)

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon and if thought fit, to pass the following resolution, with or without modification(s), as an **ORDINARY RESOLUTION**.

“RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 including the Audited Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2025, together with the schedules and notes annexed and the reports of the Board of Directors and Independent Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted.”

2. DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mrs. Henna Jain (DIN: 08383395), who retires by rotation and being eligible, offers herself for re-appointment, and if thought fit, to pass the following resolution, with or without modification(s), as an **ORDINARY RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with rules made thereunder, Mrs. Henna Jain (DIN: 08383395), who retires by rotation and being eligible offers

herself for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS(ES)

1. AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and alter the object clause of the Memorandum of Association and if thought fit, to pass the following resolution, with or without modification(s), as a **SPECIAL RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with applicable rules and regulations made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, recommendation of Board of Directors in its meeting dated July 25, 2025 and subject to such approvals, permissions and sanctions of the Registrar of Companies, Appropriate Authorities, Departments or Bodies to the extent necessary, consent of the Members of the Company be and are hereby accorded for effecting alteration in the existing Object Clause of the Memorandum of Association (the “MOA”) of the Company in the following manner:

Clause III sub-clause A paragraph 6 be altered by inserting sub-paragraph (d) after sub-paragraph (c) as follows:

To carry on the business of Payment Aggregator and Payment Gateway as per the definitions specified by the Reserve Bank of India and providing associated services and solutions, to engage in the business of providing payment collection services in any form to any government/semi government, company, organization, institution, trust, society, firm, individual etc. from their customers, service users and end users, to undertake the designing and development of payment systems and/or applications software either for own use or on any behalf or for sale, providing Information Technology services including but not limited to any type of electronic transactions like Netbanking, UPI, E-wallet, EMI OR e-purse transactions or debit/credit card transactions or any other payment modes through internet/mobilephones or Point of Sales terminals

(POS/MPoS) or any wireless or any other devices, and the provision of any of the foregoing services and/or solutions to various parties in India and abroad.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above resolution.”

4. APPOINTMENT OF SECRETARIAL AUDITOR

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (the “SEBI Listing Regulations”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the approval and recommendations of the Audit Committee and Board of Directors and subject to receipt of such

other approvals, consents and permissions as may be required, M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Peer Review Certificate No. 6608/2025, COP:3122), be and is hereby appointed as the Secretarial Auditors of the Company for an initial term of up to five consecutive years to hold office from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to be held in the calendar year 2030, to conduct Secretarial Audit of the Company in terms of Section 204 of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations, for the period beginning from the financial year 2025-26 till the financial year 2029-30, at such remuneration as may be mutually agreed upon between the Board (based on the recommendation(s) of the Audit Committee) and the Secretarial Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected there with or incidental thereto.”

By and on behalf of the Board of Directors
For Kreon Financial Services Limited

Place: Chennai
Date: 25.07.2025

Sd/-
Niharika Goyal
Company Secretary
ACS: 61428

**NOTES:**

1. In compliance with the Ministry of Corporate Affairs (the 'MCA') circulars dated April 08, 2020, April 13, 2020, May 05, 2020, September 25, 2023, and September 19, 2024, physical attendance of the Members to the AGM venue is not required and AGM can be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Hence, Members can attend and participate in the 31st AGM through VC and Members joining through VC shall be reckoned for the purpose of quorum under Section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-Voting.

2. Pursuant to the MCA Circular No.14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for 31st AGM. Hence, the proxy form is not annexed in the Notice. However, pursuant to the provisions of Sections 112 and 113 of the Act, the Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC and participate and cast their votes through e-Voting. In this regard, the Body Corporates are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney (POA) authorizing their representative(s) to attend the meeting and vote on their behalf through e-Voting. The said resolution/letter/POA shall be sent by the Body Corporate through its registered e-mail address to the Company Secretary at cs@kreon.in with a copymarked to <https://evoting.purvashare.com/>.

3. In compliance with MCA Circular No. 20/2020 dated May 05, 2020, SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report FY 2024-25) and Notice of 31st AGM are being sent in electronic mode to Members whose email ID is registered with the 1.Company or the Depository Participant(s) (the 'DP') as on Friday, August 01, 2025, and to all other persons so entitled.

4. A letter providing web-link of annual report has been sent to the physical shareholders and

shareholders without email addresses.

5. The proceedings of 31st AGM shall be deemed to be held at the Registered Office of the Company situated at No. 26, 22nd Street, Rathinam Nagar, Chennai, Tamil Nadu, 600041, India.

6. The Members can join the 31st AGM, through VC 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 will be made available for 1000 Members on first come first served basis. However, this number does not include the large shareholders i.e., Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman 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.

7. The relevant explanatory statement pursuant to Section 102 of the Act in respect of the special businesses set out in the Notice is annexed hereto.

8. 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 during the AGM.

9. All documents referred to in the Notice can be obtained for inspection through secured mode by writing to the Company at cs@kreon.in till the date of the Meeting.

10. During the 31st AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be available for inspection by writing an email at cs@kreon.in.

11. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, August 23, 2025, to Friday, August 29, 2025, (both days inclusive) for the purpose of the 31st AGM.

12. The Board of Directors have appointed

M/s. Lakshmmi Subramanian and Associates, Practicing Company Secretaries, Chennai as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

13. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), relevant SEBI/MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 31st AGM. For this purpose, the Company has entered into an agreement with Purva Shareregistry (India) Private Limited (the 'Purva'), for facilitating e-Voting, as the authorized agency. The facility of casting votes by Members using remote e-Voting or e-Voting on the date of the 31st AGM will be provided by Purva.

14. In line with MCA Circulars, the Notice calling the 31st AGM has been uploaded on the website of the Company at www.kreon.in. The Notice can also be accessed from the website of the Bombay Stock Exchange Limited at www.bseindia.com and also disseminated on the website of Purva at <https://evoting.purvashare.com/>.

15. The 31st AGM shall be convened through VC in compliance with applicable provisions of the Act read with MCA Circulars and therefore, the route map and attendance slip are not annexed to the Notice.

16. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company at www.kreon.in.

17. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed form duly filled in to RTA. Members interested in obtaining a copy of the Nomination Form may write to the Company Secretary at cs@kreon.in.

18. All grievances connected with the facility for e-Voting or attending the 31st AGM may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Shareregistry (India) Private Limited,

Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or write an email to evoting@purvashare.com or contact at 022-49614132, 022-49700138 or 022-35220056.

INSTRUCTIONS AND OTHER INFORMATION RELATING TO E-VOTING

1. The e-voting period commences from Tuesday, August 26, 2025 at 9:00 AM IST and ends on Thursday, August 28, 2025 at 5:00 PM IST. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The remote e-Voting module shall be disabled thereafter by Purva.

2. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / Beneficial Owner List maintained by the Depositories as on the cut-off date, i.e., Friday, August 22, 2025 (the "cut-off date").

3. Shareholders whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-Voting or e-Voting during the 31st AGM. A person who is not a Member as on the cut-off date should treat this Notice only for information purpose

4. Any person who becomes a Member of the Company after dispatch of Notice and hold shares as on the cut-off date, may obtain the user ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if a Member is already registered with CDSL for remote e-Voting, then existing user ID and password can be used for casting the vote.

5. The Scrutinizer shall, immediately after the conclusion of voting at the 31st AGM, unblock the votes cast during the AGM and votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against and provide it, not later than two working days from the conclusion of the 31st AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same.

6. The results, along with the Scrutinizer's Report, shall be declared within two working days and shall be placed on the Company's website at



www.kreon.in and communicated to the Bombay Stock Exchange Limited where the shares of the Company are listed.

INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM AND JOINING THE MEETING THROUGH VC/OAVM

1. Shareholders who already voted through remote e-Voting prior to the meeting date would not be entitled to vote again during the 31st AGM.

2. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the SEBI Listing Regulations, listed entities are required to provide remote e-Voting facility to its Shareholders, in respect of all resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level. Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

To increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE (CDSL/NSDL)

AND PHYSICAL MODE

I. Individual Shareholders holding securities in demat mode with CDSL

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 <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System / My easi.

2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider ('ESPs') for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, a link is provided to access the system of all ESPs i.e. CDSL/NSDL/KARVY/LINKTIME/PURVA so that the user can visit the ESPs website directly.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.

4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page or click on <https://evoting.cdslindia.com/Evoting/Evotinglogin>. The system will authenticate the user by sending OTP on registered mobile number and email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all ESPs.

II. Individual Shareholders holding securities in demat mode with NSDL

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: <https://eservices.nsdl.com> 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 1.during the remote e-Voting period or joining virtual meeting and voting during the meeting.

2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS "Portal or click at [https://eservices.nsdl.com/SecureWeb/IdeasDirect Reg.jsp](https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp).

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> 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., Iyour 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 and voting during the meeting.

III. Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting 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 website after successful authentication, wherein you can see e-Voting feature. Click on Company name or ESP name and you will be redirected to ESP's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve user ID or password, are advised to use 'Forget User ID and Forget password' option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL OR 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 helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

IV. Shareholders other than individual shareholders holding in demat form and Physical Shareholders

1.The Shareholders should log on to the e-Voting website <https://evoting.purvashare.com>.

2. Click on "Shareholder/Member" module.

3. Now enter your User ID
For CDSL: 16 digits beneficiary ID;
For NSDL: 8 Character DP ID followed by 8 Digits Client ID;





Shareholders holding shares in physical form should enter EVENT Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVENT is 8, then User ID is 8001***.

4. If you are holding shares in demat form and had logged on to www.evotingindia.com or www.evoting.nsdl.com and voted on an earlier e-Voting of any company, then your existing password is to be used.

5. If you are a first-time user, follow the steps given below:

For Shareholders other than individual shareholders holding in demat form and physical shareholders	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository/Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction.

A. After entering these details appropriately, click on “SUBMIT” tab.

B. Shareholders holding shares in physical form will then directly reach the Company selection screen.

C. For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

D. Click on the EVENT NO. for “Kreon Financial Services Limited” on which you choose to vote.

E. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO/ABSTAIN” for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the resolution, option NO implies that you dissent to the resolution and ABSTAIN implies that you are not voting either for or against the resolution.

F. Click on the “NOTICE FILE LINK” if you wish to view the Notice.

G. 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.

H. Once you “CONFIRM” your vote, you will not be allowed to modify your vote.

V. Non - Individual Shareholders and Custodians - Remote Voting

1. Non-Individual Shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://evoting.purvashare.com> and register themselves in the “Custodians / Mutual Fund” module.

2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@purvashare.com.

3. 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.

4. 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.

5. 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 if they have voted from individual tab and not uploaded same in the Purva e-Voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS WHOSE EMAIL ID / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. **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@purvashar.com with a copy to Company at cs@kreon.in.

2. **For Demat Shareholders:** Please update your email ID and mobile number with your respective Depository Participant (DP).

3. **For Individual Demat Shareholders:** Please update your email ID and mobile number with your respective DP which is mandatory while e-Voting and joining virtual meetings through Depository.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E -VOTING DURING THE MEETING

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. of the Company will be displayed after successful login as per the instructions mentioned above for remote e-Voting.

3. Shareholder who have voted through remote e-Voting, shall be eligible to attend the AGM but not be eligible to vote during the AGM.

4. Shareholders are encouraged to join the meeting through laptops/lpads for better experience. Further, the shareholders will be required to allow camera and use internet with good speed to avoid any disturbance during the meeting.

5. Please note that participants connecting from mobile devices / tablets / laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views or ask questions during the AGM, may register themselves as a speaker by sending their request in advance at least seven days prior to the date of AGM mentioning their name, demat account number/folio number, email id, mobile number at cs@kreon.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@kreon.in. These queries will be replied to by the Company suitably by email.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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.

9. Votes cast by the shareholders through the e-voting available during the AGM but not participated in the meeting through VC/OAVM facility, shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

GENERAL INSTRUCTIONS

1. As per Regulation 40 of the SEBI 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 ('DP').

2. Members are requested to register/update their email ID and addresses in respect of shares held in dematerialized form with their respective DP and in respect of shares held in physical form with the Company's 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.

3. Purva Sharegistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Near Lodha Excelus, Lower Parel, Mumbai, Maharashtra - 400 011 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, the Members may send requests or correspond through their respective DPs.

4. 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 RTA for consolidation of such folios into one to facilitate better services.

5. 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 the DP for dematerialising the said securities. Form ISR-4 is available on the website of RTA.

6. 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 the Company's RTA at support@purvashare.com in case the shares are held in physical form, quoting their folio number.

7. SEBI vide its Circulars dated July 31, 2023, and August 4, 2023, read with Master Circular dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

By and on behalf of the Board of Directors
For Kreon Financial Services Limited

Place: Chennai
Date: 25.07.2025

Sd/-
Niharika Goyal
Company Secretary
ACS: 61428

ANNEXURES TO THE NOTICE

ADDITIONAL INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE RE-APPOINTED

(As per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings)

Item No.	2
Name of the Director	Mrs. Henna Jain
Date of Birth	23.11.1994
Age	30
DIN	8383395
Nature of Appointment	Director is liable to retire by rotation and being eligible, offers herself for re-appointment.
Date of First Appointment	22.03.2019
Qualification	MBA from Columbia Business School, USA MA in International Relations and Economics from the University of St. Andrews, Scotland
No. of. Shares held	30,00,000 shares having face value of Rs.10/- each
Nature of expertise/experience	Specialization in operations, marketing and overall management of the Company
Terms and conditions of re-appointment and remuneration	There is no change in the terms and conditions since her previous appointment as Joint Managing Director w.e.f 01.09.2024
Relationship with any other Director or KMP	Sister of Mr. Jaijash Tatia (Chairman and Managing Director)
Number of Board Meetings attended during FY 2024-25	5 (100% attendance)
Directorship in other companies & LLPs	NIL
Chairman/Member of the Committees of Company	Member of Stakeholders Relationship Committee
Chairman/Member of the Committee of other Public Limited Companies in which he is a director	NIL
Last approved remuneration drawn	NIL
Names of the listed entities from which the Director has resigned in the past three years	NIL
Brief resume	She is the Co-founder of StuCred, a mobile application that offers instant short-term loans to college students. The platform currently serves approximately 700,000 users and has a presence across nearly 21,000 colleges.



EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

ITEM No. 03 – AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Company proposes to make an application to the Reserve Bank of India (RBI) for obtaining a Payment Aggregator (PA) License in accordance with the applicable guidelines governing the regulation of Payment Aggregators and Payment Gateways. In view of the above, it is considered necessary to amend the Object Clause of the Memorandum of Association (MOA) of the Company to specifically include activities relating to payment aggregation, payment gateway services, and other related digital payment and technology-enabled financial services.

The proposed amendment is intended to facilitate the Company's ability to undertake the business of providing comprehensive online payment solutions, integration with payment gateways, payment collection and processing services, and the development of associated software and applications. It will also enable the Company to offer digital transaction processing through various electronic channels, including but not limited to Net Banking, UPI, debit/credit cards, e-wallets, EMI, Point of Sale (POS/MPoS) devices, and other digital platforms, both in India and abroad. This amendment is necessary to align the Company's constitutional documents with the regulatory requirements and to support its strategic vision of expanding its footprint in the digital payments ecosystem.

Accordingly, the Board of Directors at its meeting held on July 25, 2025, considered and approved the proposal to alter Clause III(A)(6) - Main Objects of the MOA of the Company to include the proposed new object clause, subject to the approval of the Members by way of a special resolution.

A copy of the existing MOA together with the draft of amended MOA reflecting the proposed changes is available for inspection at the Registered Office of the Company during business hours on all

working days up to the date of the 31st AGM and will also be available for inspection during the AGM.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the proposed resolution for approval of the Members to be passed as a **Special Resolution**.

ITEM NO. 04 – APPOINTMENT OF SECRETARIAL AUDITOR

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 (the "Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on July 28, 2025 have approved and recommended the appointment of M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Peer Review Certificate No. 6608/2025, COP:3122) as Secretarial Auditors of the Company for a term of up to 5 (Five) consecutive years to hold office from the conclusion of 31st AGM till the conclusion of 36th AGM of the Company to be held in the calendar year 2030 on following terms and conditions:

A) Term of appointment: Up to 5(Five) consecutive years from the conclusion of 31st AGM till the conclusion of 36th AGM.

B) Proposed Fees: as may be mutually agreed upon between the Board based on the recommendation(s) of the Audit Committee and the Secretarial Auditors of the Company.

Basis of recommendations: The recommendations are based on the fulfilment of the eligibility

criteria and qualification prescribed under the Act and rules made thereunder and SEBI Listing Regulations with regard to the full time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.

Credentials: M/s Lakshmmi Subramanian & Associates, established in 1988 and based in Chennai, is a distinguished firm of Practising Company Secretaries. Peer Reviewed by the Institute of Company Secretaries of India, the firm has a client base of more than 500 body-corporates which include Public Sector undertakings, National and Multi-National Companies, Core Manufacturing Companies, SMEs and other private companies.

M/s. Lakshmmi Subramanian & Associates has given their consent to act as Secretarial Auditor of the Company and confirmed that their aforesaid

appointment (if made) would be within the prescribed limits under the Act and the rules made thereunder and SEBI Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act and the rules made thereunder and Regulation 24A of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and other relevant applicable SEBI Circulars issued in this regard.

None of the Director(s) or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the proposed resolution for approval of the Members to be passed as an **Ordinary Resolution**.

By and on behalf of the Board of Directors
For Kreon Financial Services Limited

Sd/-
Niharika Goyal
Company Secretary
ACS: 61428

Place: Chennai
Date: 25.07.2025



Notes

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[illegible]



Kreon Finnancial Services Limited

No.26, 22nd Street, Rathinam Nagar, Thiruvanmiyur, Chennai, Tamil Nadu, 600041

Ph:(044)426-966-34 E-mail: info@kreon.in