KREON FINNANCIAL™

07.09.2021

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

Dear Sir/Madam,

Sub: Submission of 27th Annual Report – for the FY 2020-21 under Reg. 34(1) of SEBI (LODR Regulation 2015)

Scrip Code-530139

With reference to the above captioned subject and pursuant to Regulation 34(1) of SEBI (LODR Regulation 2015), Please find attached herewith the Annual Report of Kreon Finnancial Services Limited for the Financial Year 2020-21, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Registrar and Transfer Agent/Depositories.

The same is also available on the website of the Company at www.kreon.in

You are requested to take the above on your records and oblige.

Thanking You,
Yours Faithfully,
For **Kreon Finnancial Services Limited**

Vidyalakshmi Rajagopalan
Digitally signed by Vidyalakshmi Rajagopalan
Date: 2021.09.07 12:30:03 +05'30'

Vidyalakshmi R
Company Secretary and Compliance Officer

KREON FINNANCIAL SERVICES LIMITED.
#Old No. 12, New No. 29, Mookathal Street,
Purasawalkkam, Chennai-600007.

CIN:L65921TN1994PLC029317
(Office) 044 - 42138704
info@kreon.in
www.kreon.in

KREON FINNANCIAL™

SERVICES LTD

ANNUAL REPORT

2020 - 2021

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COMPANY SNAPSHOT

Kreon Finnancial Services Limited is a Non- Banking Finance Company and with 20+ years of existence in the financial market.

Our Company has emerged into a state-of-the-art Fintech Company integrating digital technology and industry expertise in the financial market. The above has abetted to develop a pan India market for the financial services provided and has ensured a total geographical coverage with customers from various states in the Country.

The growing adoption and innovation of key tools to aid fintech (INDIA stack, UPI, regulatory changes, etc..) presents a massive opportunity for lenders. This opportunity is compounded by the fact that a large proportion of the population are currently in the process of acquiring credit as first-time borrowers.

KFSL follows the dictum of extending credit where warranted and in our domain of expertise. Risk management to a high degree of efficiency is a core occupant of an NBFC company. Being a company in the business of lending, we ensure that risks are managed effectively. Risks are assessed both internally and externally and therefore, the Company has placed tried and tested risk mitigation policies and structures to successfully manage these risks, such as robust credit models and operational systems.

The process of receivables management is inherently exposed to various risks. To avoid or minimise these risks, debtors are under the Company's surveillance and regular and constant follow-ups for collection are executed. Further, to mitigate the risk of volatile interest rates, KFSL maintains sufficient spreads, offers relatively short tenure loans and periodically resets lending rates from time to time.

The Company has a diversified portfolio of borrowers within its segments of operation. Diversity applied to a very large market size, serves as a very potent protection against market risks that could occur due to various macro developments. However, the Company is constantly alert to changes in the market space and takes pre-emptive and proactive action, from time to time, to ensure that these changes do not impact the operations of the Company.

OUTLOOK

Due to COVID-19's impact on all industries, **including** the lending industry, banks and NBFCs are likely to see an increase in credit costs and non-performing assets ratio, and a steep liquidity crunch. On the outset of lockdown, as a company we took the decision to NOT close our loan book as many financial lenders had, rather to trust in our demographic which was rightfully earnt. Though there was a natural dip in the disbursement of student loans due to the closure of various colleges, and profitability with the moratorium facility provided by the Reserve Bank of India (RBI) to the borrowers, including student borrowers, your company is well prepared with the business continuity and contingency plan and can quickly bounce back post the Covid-19 outbreak slow down and can overcome the impact of this disruption. As the situation moves closer to normalization with lockdown easements across India and globally in the medium term, we have seen a quick bounce back near to our pre-pandemic business levels in the month of February and March '21.

In the current scenario, COVID-19 crisis has outlined the need for digital lending platforms as they are able to even reach the remotest parts of India. As a response to the requirements of current and future borrowers, banks and NBFCs must look holistically at the market and work with government bodies to provide more options for consumers in need.

There is a very huge and potential market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in particular.

The country's demographics and stage of growth suggest that there is a vast unfulfilled demand in finance spaces. Sectors have been financially under-served or, in some ways completely neglected by the formal financial sector. As a result, their development has been overlooked. The situation is fast changing as NBFCs, private banks and private equity have begun to flow into the sectors to tap the vast potential that they offer. They have begun to approach their target customers with innovative and customised lending products. Using alternate and institutional data coupled with leading IT practises, they are also able to overcome issues of the past – such as proof of creditworthiness - that presented hurdles in the past.

The Government and RBI are also making efforts to institute policy reforms that will facilitate leading to these segments, companies that garnered expertise through years of experience will always enjoy a competitive advantage. Implementation of aforementioned policies and reforms by the Government would help the entire sector grow at faster phase.

CORPORATE INFORMATION

Board Of Directors
Mr.Jaijash Tatia, Chairman & Whole Time Director
Ms. Henna Jain, Non-Executive Director
Mr.Subbarayan Ekambaram, Independent Director
Ms.Hemamalini D, Independent Director

Chief Financial Officer
Mrs.Shoba Nahar

Company Secretary & Compliance Officer
Mrs.Vidyalakshmi R

Investor Relations
Mrs.Vidyalakshmi
Old no.12, New No. 29, Mookathal Street,
Purusawalkkam, Chennai-600007
CIN #: L65921TN1994PLC029317
Contact: 044-42138704
Email id: info@kreon.in

Audit Committee Chairman and Members
Mr.Subbarayan Ekambaram, Chairman
Mr.JaijashTatia, Member
Ms.Hemamalini D, Member

Nomination and Remuneration Committee Chairman and Members
Mr.Subbarayan Ekambaram, Chairman
Ms. Henna Jain, Member
Ms.Hemamalini D, Member

Stakeholder Relationship Committee Chairman and Members
Mr.Subbarayan Ekambaram, Chairman
Ms. Henna Jain, Member
Ms.Hemamalini D, Member

Registered Office Address
Old no.12, New No. 29, Mookathal Street,
Purusawalkkam, Chennai-600007
CIN #: L65921TN1994PLC029317
Contact: 044-42138704
Email id: info@kreon.in
Website : www.kreon.in
Udhyog Aadhar (MSME)#: TN02E0193443

Statutory Auditor
M/s. J V Ramanujam& Co, Chartered Accountants
F1, Lakshmi, New # 56, Old # 28, 3rd Main Road,
Raja Annamalaipuram, Chennai-600028

Internal Auditor
M/s. R. Baskaran& Co , Chartered Accountants
28 Chamiers Road, 3rd Floor, Sai Muthu Siva Apartments, Nandanam, Chennai 600035

Secretarial Auditor
M/s. Lakshmmi Subramanian & Associates
"Murugesa Naicker Office Complex", No.81,
Greams Road, Chennai-600006

Listed on Stock Exchange
Bombay Stock Exchange

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

List of Banking Relationships
HDFC Bank Limited
YES Bank Limited
ICICI Bank Limited
State Bank of India

KREON FINNANCIAL SERVICES LIMITED

CIN: L65921TN1994PLC029317
Regd.Office: Old No. 12, New.No. 29, Mookathal Street,
Purasawalkkam, Chennai-600007.
Telephone +91 44 4213 8704,
Website- www.kreon.in ; E-Mail: info@kreon.in

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of Kreon Finnancial Services Limited will be held on Thursday, 30th September, 2021 at 11:00 AM **through Video Conferencing** or **Other Audio Video Means** to transact the following business:

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Old No.12, New No.29, Mookathal Street, Purusawalkkam, Chennai-600007 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

Item No.1 – Adoption of Audited Financial Statements for the year ended 31st March 2021

To consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March 2021 and the Reports of the Board of Directors ("The Board") and Auditors thereon and other attachments as applicable.

Item No.2 – Re-appointment of Mr.JaijashTatia, Director liable to retire by rotation

To appoint a Director in place of Mr.JaijashTatia (DIN # 08085029), who retires by rotation and being eligible, offers himself for re-appointment.

Item No.3 – Re-appointment of Ms. Henna Jain Director liable to retire by rotation

To appoint a Director in place of Ms. Henna Jain (DIN # 08383395), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

Item No.4 – To approve the revised terms of existing Loan borrowed by the Company from M/s. Opti Products Private Limited in accordance with the provisions of Companies Act, 2013

To consider and if thought fit, to pass the following Resolution, with or without modification as a ***Special Resolution***:

"**RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions of Companies Act 2013, the terms of loan agreement against existing loan borrowed from M/s. Opti Products Private Limited alongwith interest accrued amounting to Rs. 3,64,34,119/- be and is hereby revised to contain the terms of borrowing as defined in the explanatory statement in detail including the terms for conversion into securities as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to negotiate and finalize the terms with the lenders and to sign requisite documents as may be found necessary, modify or amend the documents wherever necessary and do all such other acts, deeds, things and undertakings as may be necessary for giving effect to the above resolution."

Item No.5 – To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013

To consider and if thought fit, to pass the following Resolution, with or without modification as a ***Special Resolution***:

"RESOLVED THAT without prejudice to the borrowing power given by the Shareholders under Section 180(1)(c) of the Companies Act, 2013 to the Board/Committee of the Company, pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and rules made there under (including any statutory modifications, clarifications, exemptions or re-enactment thereof, from time to time), and subject to rules, regulations, guidelines, notifications and circulars, if any, issued in this regard by the Reserve Bank of India under the Reserve Bank of India Act, 1934 and the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such applicable laws, rules, regulations, guidelines, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot, in one or more tranches secured or unsecured, redeemable, Non–Convertible Debentures ("Debentures") including but not limited to Subordinated/ Senior, Rated/ Unrated, Listed/ Unlisted, Debentures, Bonds, and/or other debt securities, etc.,on private placement basis, during the period of one year from the date of passing of the special resolution by the Members, for an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores only) on such terms and conditions and at such times as may be decided by the Board to such person(s), including but not limited to one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be, or such other person(s) as the Board may decide, however, that the aggregate amount of funds to be raised by issue of Debentures and other debt securities etc. shall not exceed the overall amount of borrowing of Rs. 50 Crores (Rupees Fifty Crores only) as may be approved by the Members under the provisions of section 180 of the Act.

RESOLVED FURTHER THAT the Board of Directors be and is here by authorized to negotiate and finalize the terms with the lenders and to sign requisite documents as may be found necessary, execute, modify or amend the documents wherever necessary and do all such other acts, deeds, things and undertakings as may be necessary for giving effect to the above resolution."

Place : Chennai
Date :02nd September 2021

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/
Vidyalakshmi R
Company Secretary

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Bodies Corporate whether Company or not, which are Members may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A copy of authority letter/resolution authorizing the same should be deposited with the Company/ RTA/ Scrutinizer atleast 7 days before the AGM.
3. If you have any queries or issues regarding attending AGM through the link, you may contact Mr.Manish Shah on 9324659811 or write an email to support@purvashare.com
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to 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 this AGM.
8. Electronic copy of the Annual Report for 2020-21 is being sent to all the members whose email ID's are registered with the RTA/Depository Participants for communication purposes.
9. The copies of the Annual Report will also be made available on Company's website at www.kreon.in and at the Registered Office of the company for inspection during normal business hours on working days and also on the website of the stock exchange where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com.
10. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of the Director seeking re- appointment at the AGM is furnished as an annexure to the Notice. The concerned Director has furnished consent/ declaration for his appointment as required under the Companies Act, 2013.
11. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed in the Annual General Meeting held on 27.09.2017.
12. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer

Books of the Company will remain closed from 24.09.2021 to 30.09.2021 (both days inclusive) for the purpose of 27th AGM.

13. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least 7 days in advance of the Meeting so that the information required can be readily made available at the Meeting.
14. **Updating of Members' Details**
    To support the **"Green Initiative",** Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively. Our Registrar and Share Transfer Agents, M/s. PurvaSharegistry (India) Pvt. Ltd., has provided the facility of easy updation of Email id and phone numbers. We urge the shareholders to update the same by clicking the following link https://www.purvashare.com/email-and-phone-updation/ to ensure any further communications in a timely, faster and easier manner. The shareholders are requested to co-operate and support and do the needful at the earliest. Members holding shares in physical/demat form are requested to submit these additional details to RTA in the prescribed form.
15. **Members are requested to:**
    a) Intimate to our RTA M/s. PurvaSharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near LodhaExcelus, Lower Parel, Mumbai-400011, changes, if any, in their registered addresses, at an early date, in case of Shares held in physical form;
    b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialized form;
    c) Quote their folio numbers/Client ID/DP ID in all correspondence; and
    d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
16. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020 , Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 physical attendance of the Members to the EGM/AGM venue is not required and kindly note that company is exempted from sending physical copies of notice and annual report to shareholders for this year.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER

In case of members receiving e-mail:

(i) The voting period begins on **27.09.2021 at 09:00 A.M and ends on 29.09.2021 at 05:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23.09.2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Log on to the e-voting website www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vii) Now, fill up the following details in the appropriate boxes:

	For Members Holding Shares in Demat Form	For Members holding Shares in Physical Form
PAN*	Enter Your 10 Digit alpha – numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)	
DOB#	Enter The Date of Birth as recorded in your Demat account or in the Company records for the said Demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat account or Folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN Field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on <Company Name> on which you choose to vote.

(xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If the Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA at support@purvashare.com with a copy to company mail id info@kreon.in.

ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA at support@purvashare.com with a copy to company mail id info@kreon.in.

iii. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

ii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@kreon.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@kreon.in. These queries will be replied to by the company suitably by email.

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

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

i. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.

ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.

NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

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

iii. After receiving the login details a Compliance User should be created using the admin login and

password. The Compliance User would be able to link the account(s) for which they wish to vote on.

iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@kreon.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

vii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available atwww.evotingindia.com, under help section or write an email tohelpdesk.evoting@cdslindia.comor call 1800225533.

GENERAL INSTRUCTIONS

i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or to the Company's Registrar and Share Transfer Agent.

ii. M/s. Purva Sharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near Lodha Excelus, Lower Parel, Mumbai-400011 is the Company's Registrar and Share Transfer Agent (RTA) for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in dematerialized form, Members may send requests or correspond through their respective Depository Participants.

iii. Members are requested to register / update their email ID's and addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in physical form, in their own interest, are requested to dematerialize their shares to avail the benefits of electronic trading/holding and to facilitate share transfer.

iv. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.

THE COMPANY HAS APPOINTED M/S. LAKSHMI SUBRAMANIAN & ASSOCIATES, PRACTICING COMPANY SECRETARY, CHENNAI, TO ACT AS SCRUTINIZER FOR CONDUCTING THE ELECTRONIC VOTING PROCESS IN A FAIR AND TRANSPARENT MANNER.

The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through e-voting in the presence of two witnesses not in the employment of the Company and make, not later than three working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, and submit it to the Chairman or a person authorized by him in writing who shall counter-sign the same.

Thereafter, the Chairman or the person authorized by him in writing shall declare the result of the voting forthwith. The results declared along with the scrutinizer's report will be placed on the Company's website www.kreon.in and the results shall also be communicated to the Stock Exchange where the shares of the Company are listed.

Place : Chennai
Date : 02nd September 2021

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/-
Vidyalakshmi R
Company Secretary

ANNUAL GENERAL MEETING INFORMATION AT A GLANCE

27th ANNUAL GENERAL MEETING	
Day & Date	Thursday, the 30th September ,2021
Time	11.00 A.M
Venue	**through Video Conferencing** or **Other Audio Video Means** from the Registered Office of the Company situated at Old No.12, New No.29, Mookathal Street, Purusawalkkam, Chennai-600007
Financial year	2020-2021.
Listed on Stock Exchange	BSE Limited (BSE); Scrip Code : 530139
International Securities Identification Number (ISIN)	**INE302C01018**
Date of Book Closure	24.09.2021 to 30.09.2021 (Both days inclusive)
Cut-off date for E-voting	**23.09.2021 (Thursday)**
Voting Start Date & Time	**Monday, 27.09.2021 at 09:00 A.M**
Voting End Date & Time	**Wednesday, 29.09.2021 at 05:00 P.M**
E-voting website	www.evotingindia.com
Name, address and contact details of e-voting service provider and Registrar and Transfer Agent	Mr.Manish Shah 9324659811 M/s. Purva Sharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near Lodha Excelus, Lower Parel, Mumbai-400011 support@purvashare.com

ANNEXURE TO THE NOTICE

ADDITIONAL INFORMATION ON THE DIRECTOR RECOMMENDED FOR REAPPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the director	Mr.JaijashTatia
Date of Birth	05/10/1992
DIN	08085029
Date of appointment	01/04/2018
Relationship with other directors	Relative of Ms.Henna Jain(Director)
Expertise in specific Function Area	Specializing in Risk Management with Financial Accounting
Qualification	BA in Business Management with Financial Economics
Chairmanship/Directorship of other companies (excluding foreign companies and section 8 companies) as on 31.03.2021	NIL
Committee positions held in other companies as on 31.03.2021 **Audit committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	9,98,000 Shares of Rs.10/-each (of which 3,75,000 Shares at Face value of Rs. 10/- each and a premium of Rs. 10/- allotted at the Board meeting dated 02nd September 2021)

Name of the director	Ms.Henna Jain
Date of Birth	23/11/1994
DIN	08383395
Date of appointment	22/03/2019
Relationship with other directors	Relative of Mr.Jaijash Tatia(Whole-Time Director)
Expertise in specific Function Area	Specializing in Operations and Marketing
Qualification	MA Economics and International Relations
Chairmanship/Directorship of other companies (excluding foreign companies and section 8 companies) as on 31.03.2021	NIL
Committee positions held in other companies as on 31.03.2021 **Audit committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	NIL

By Order Of The Board
For Kreon Finnancial Services Limited

Place : Chennai
Date : 02nd September 2021

Sd/-
Vidyalakshmi R
Company Secretary

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

Item No. 4: To approve the revised terms of existing Loan borrowed by the Company from M/s. Opti Products Private Limited in accordance with the provisions of Companies Act, 2013

The Company has an outstanding amount of Rs. 3,64,34,119/- as loan along with interest accrued due to M/s. Opti Products Private Limited as on date. The Board of Directors, in order to enrich the net worth, at their Meeting held on 2nd September, 2021, has decided to amend the terms of the loan agreement to provide a clause to convert the said loan along with interest accrued into such number of securities as may be defined under the Act on such terms and conditions as may be mutually agreed between the Company and M/s. Opti Products Private Limited.

The terms and conditions to be included in the loan agreement are set out hereunder:

i. However, an option is also given to the Lender, subject to the consent of the Borrower and compliance of Companies Act and the rules framed thereunder (as amended from time to time),to convert the above loan along with cumulative interest at any time before such repayment of loan, in to such number of securities as may be defined under the Act and as per the terms and conditions mutually to be agreed between the borrower and the lender. The detailed terms of conversion shall be as mutually agreed between the borrower and lender at the time of above conversion upto the limits permissible under the provisions of the Companies Act or any other regulations as applicable.

ii. Upon such conversion, the loan amount repayable after the date of conversion shall stand reduced proportionately to that extent of the loan amount along with interest so converted and the balance amount shall remain repayable as on that date.

iii. Pursuant to the exercise of the Conversion Right, the Lenders shall have the right to sell, assign or otherwise dispose of their shareholding in the Company to any Person including foreign entities at their discretion, as per the applicable laws.

iv. The price of conversion shall be determined on the date of conversion which shall not be less than the face value of the company or value arrived as per applicable laws, whichever is higher.

The Board of Directors recommends the Special Resolution set out in Item No.4 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 4 of the Notice, except to the extent of their shareholding in the Company, if any.

Item No. 5: To consider and approve the issuance of Non-Convertible Debentures, in one or more series/tranches pursuant to Section 42 of the Companies Act, 2013

The Board of Directors in order to broaden resources for business operation of the Company, has decided to invite subscription for secured/unsecured Non-Convertible Debentures (NCDs), in one or more series /tranches on private placement basis, subject to approval of the shareholders. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of interest rate/effective yield determined, based on market conditions prevailing at the time of the issue.

The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 (2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, a Company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a special resolution for each of the offers or invitations. However, pursuant to second proviso of said rule 14 (2) an offer or invitation for non-convertible debentures the special resolution passed only once in a year is sufficient for all the offers or invitations for debentures during the year.

Accordingly, without prejudice to the borrowing power given/to be given by the shareholders under Section 180 (1)(c) of the Companies Act, 2013, as per the provisions of Section 42 and 71 of the Companies Act, 2013 read with the relevant Rules made there under, as amended, and subject to other relevant rules, regulation, guidelines, and directions issued by Reserve Bank of India and Securities and Exchange Board of India the approval of the Members is being sought by way of a Special Resolution, to enable the Company to offer or invite subscriptions for Non-Convertible Debentures on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 5, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board of Directors recommends the Special Resolution set out in Item No. 5 of the accompanying notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is /are concerned or interested, in any manner in the passing of proposed Resolution set out at Item No. 5 of the Notice, except to the extent of their shareholding in the Company, if any.

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/-
Vidyalakshmi R
Company Secretary

Place : Chennai
Date : 02nd September 2021

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th ANNUAL REPORT on the business and operations of your company and the Audited Financial Statements together with the Auditors Report for the year ended 31st March 2021.

FINANCIAL RESULTS

(Rupees in Thousands)

	Year ended on 31st March 2021	Year ended on 31st March 2020
Income from operations	17166.95	10,453.13
Profit/(Loss) before depreciation, Interest	(1280.83)	(37,313.45)
Interest	3391.09	4,333.46
Depreciation	737.02	1,183.80
Profit/(Loss) before tax	(5408.94)	(42,830.71)
Prior period tax	(533.31)	405.08
Provision for tax	-	-
Deferred tax	(56.21)	(260.61)
Profit/(Loss) after tax	(4819.41)	(42,975.19)
Other Comprehensive Income ('OCI')	5353.09	(1252.24)
Total Comprehensive Income	533.68	(44227.43)

COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

As per the national lockdown directives, starting from 24th March, 2020, Work from Home (WFH) initiatives were activated. Post relaxations and unlocking, the operations resumed on a phased manner commencing from 18th May 2020, following all necessary precautions.

BUSINESS PERFORMANCE

The revenue of the Company is Rs.17166.95 (in Thousands) (P.Y. Rs. 10,453.13 in Thousands) earned towards revenue from operations and other income. During the year under review, the Company has made a loss (after tax) of Rs. 4819.41 (in Thousands) for the Financial Year 2020-2021 as compared to loss (after tax) of Rs.42,975.19 for the Financial Year 2019-2020.

While profitability of operations have not been impacted by Covid-19 pandemic, overall volumes of student loans have decreased as a result of the lockdown and the nature of our borrowers. A slight fall is expected in the disbursement of student loans as colleges continue to remain closed. The Company has, through these volatile times, actively disbursed loans amounting to Rs. 7.34 crores during the lockdown period to college students through its financial inclusion app StuCred with the general uptick in the months of February and March '21 showing cause for optimism.

During this period, StuCred has made numerous improvements to its platform to ensure a better, faster, cheaper product for its customers. The changes have included, 1) New and improved UI/UX for the application, 2) Development of Alumni Loans to extend the customer life cycle, 3) Addition of banking payment gateway to reduce average transaction cost to 1/3rd of the cost involved, 4) Developed additional options for repayment to our customers by impending multiple extension options 5) Default

penalty for late payments, 6) Implementation and launch of scratch cards which help in customer retention and durability.

Going by the market trend, the company expects an increase in demand for its loans once colleges are reopened and appropriate measures are taken to satisfy the projected rise in demand.

CHANGE IN NATURE OF BUSINESS

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

CAPITAL STRUCTURE

The paid up share capital as on 31st March, 2021 is Rs.10,06,10,000. No additions or alterations were made during the year ended 31st March 2021. However the Capital structure is revised post the Balance sheet date which is disclosed in detail in this report.

DIVIDEND

The available resources are being conserved for survival and future operations, hence no dividend is being proposed for the Financial Year 2020-21.

TRANSFER TO RESERVES

Due to loss, the Company has not transferred any amount to the General Reserve.

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

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in MGT-9 is annexed as part of this report, vide "**ANNEXURE - I**".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Since the Company is Non-Banking Financial Company registered with the RBI, the disclosures pertaining to Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable.

PUBLIC DEPOSITS

Your Company, being a Non-Deposit taking NBFC, has complied with all applicable Regulations of the Reserve Bank of India (RBI). As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

CORPORATE SOCIALRESPONSIBILITY (CSR)

Your Company has always responded in a prudent manner in protecting the environment in which it operates. During the year, for your Company, provisions as to Corporate Social Resposibilty is not applicable.

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

All Contracts / Arrangements / Transactions entered by the Company during the financial year with Related Parties were in ordinary course of business and on arm's length basis. Particulars of such Related Party Transactions is described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as **"ANNEXURE - II".** The board has approved a ***Policy for Related Party Transactions*** which has been hosted on the website of the Company http://www.kreon.in/wp-content/uploads/2020/07/Policy-on-Related-Party-Transaction.pdf.There were no materially significant Related Party Transactions entered into by the company during the year under review, which may have potential conflict with the interest

of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Directors with the company during the year under review.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

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

DIRECTORS KEY MANAGERIAL PERSONNEL

Directors of the Company as on date as follows:

S.NO	NAME AND DIN	DESIGNATION
1	Mr.JaijashTatia ; (DIN: 08085029)	Whole-Time Director
2	Ms. Henna Jain ; (DIN: 08383395)	Non- Executive Director
3	Ms.Hemamalini D ; (DIN: 02914395)	Independent Director
4	Mr.Subbarayan Ekambaram ; (DIN: 01186153)	Independent Director
5	Mrs.Shoba Nahar	Chief Financial Officer
6	Ms.Sharanya B(Resigned on 05.01.2021)	Company Secretary
7	Mrs.Vidyalakshmi R(Appointed w.e.f 10.03.2021)	Company Secretary

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company, Ms.Sharanya B, Company Secretary & Compliance Officer has resigned on 05.01.2021 and Mrs.Vidyalakshmi R was appointed as new Company Secretary & Compliance Officer of the Company w.e.f 10.03.2021, based on the recommendation of Nomination and Remuneration Committee.

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

In terms of Section 152 of the Companies Act 2013, Ms. Henna Jain, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

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

The Company's Policy relating to appointment of Directors, payment of Managerial Remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. **"ANNEXURE - III".**

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

Due to the outbreak of Covid-19 pandemic, the primary focus of Kreon Finnancial Services Limited (KFSL) has been on employee safety and safeguarding the business interests of our customers. In accordance with the national lockdown directives, starting from March 24, 2020, Work from Home (WFH) initiatives were activated. May 2020 onwards, according to the guidelines issued by Ministry of Health and Family welfare, few of the staffs were working on need basis, to stay compliant, after adopting all the necessary precautions within the work area. KFSL acknowledges the indomitable efforts, commitment and spirit extended to the Company, by the Employees.

Due to the various external factors, the cash flow of the company was considerably curtailed. There was a dip in the disbursement of student loans due to the closure of various colleges besides the moratorium facility provided by the Reserve Bank of India (RBI) to the borrowers, including student borrowers, restricted the business and cash flow of the company considerably.

Due to this economic stress, the Company was left with no other alternative but to reduce the monthly salaries of the employees as per the below tabulated salary slabs, from April 2020 to September 2020 **rather than** terminate as done by various other institutions:

SALARY SLAB (PER MONTH)	METHOD OF DEDUCTION
0 – 30000	No deductions
30000 – 50000	15% on the monthly gross
50000 – 100000	25% on the monthly gross
Above 100000	30% on the monthly gross
CXO's/Management	100% deductions

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

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

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, and that of its Committee, Chairperson and individual Directors. Inputs were received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

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

CRITERIA ADOPTED FOR EVALUATION

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other Directors', not by the Director being evaluated. The Board shall also review the manner in which ID's follow guidelines of professional conduct.

(i) Performance review of all the Non Independent Directors of the company on the basis of the activities undertaken by them, expectation of Board and level of participation;
(ii) Performance review of the Chairman of the Company in terms of level of competence of Chairman in steering the Company;
(iii) The review and assessment of the flow of information by the Company to the Board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
(iv) The review of the performance of the Directors individually, its own performance as well as evaluation of working of its Committees shall be carried out by the Board;
(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

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

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the

SEBI Listing Regulations.

STATUTORY AUDITORS

At the 23rd Annual General Meeting held on 27th September, 2017, the members had appointed M/ s J. V. Ramanujam& Co, Chartered Accountants (Firm Registration No. 02947S) as Statutory Auditors for a term of five years beginning from the conclusion of the 23rd AGM till the conclusion of the 28th AGM.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and J.V.Ramanujam& Co, Chartered Accountants (Firm Registration No. 02947S), will continue to act as auditors of the Company till the conclusion of the 28th AGM. The Board of Directors have adopted the Auditors Report as issued by the Statutory Auditor.

COMMENT ON STATUTORY AUDITOR'S REPORT

With reference to the remarks made by statutory auditors, in the Independent Auditor's report for the Financial Year ended 31st March 2021, with respect to overstatement of interest, the Company had taken reasonable efforts to intimate to the debtors as to the increase in interest rates and the confirmation statements could not be placed in time due to Covid-19 scenario. However the confirmation statements were presented to the Auditors on a later date.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, to undertake the secretarial audit of the company. The Secretarial Audit Report issued for the FY 2020-21 by the secretarial auditor, Mr. P.S. Srinivasan, Associate partner M/s. Lakshmmi Subramanian & Associates Practicing Company Secretaries bearing (CP No. 3122 ; ACS No. 1090) is annexed herewith as "**ANNEXURE - V**".

COMMENT ON SECRETARIAL AUDITOR REPORT

With Reference to the remarks made by the secretarial auditor, Mr. P.S. Srinivasan, Associate partner M/s. Lakshmmi Subramanian & Associates Practicing Company Secretaries bearing (CP No. 3122), in the Secretarial Audit Report, the remarks are self explanatory.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

FRAUDS REPORTED BY THE AUDITOR

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments that would affect the financial position of the Company from the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Directors Report except as mentioned here below:

SHARE CAPITAL

The members vide postal ballot resolution dated 13th April 2021 and 7th June 2021, approved the reclassification of Authorised Share Capital of the Company. The Authorized share Capital was reclassified from Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10 (Rupees Ten only) each of the Company to Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 1,50,00,000 (OneCores Fifty Lakhs)Equity Shares of Rs. 10 (Rupees Ten only) each of the Company and 50,00,000 (Fifty Lakhs) Compulsory Convertible Preference Shares of Rs. 10 (Rupees Ten only) and there is no other change in the Share capital.

ISSUE OF SHARES ON PREFRENTIAL BASIS

The members vide postal ballot resolution dated 13th April 2021 and 7th June 2021 approved for issue of shares on preferential basis by conversion of Loan into Equity/Compulsory Convertible Preference Shares subject to in-principle approval for listing of shares from the BSE. The BSE vide its letter dated 12th August 2021 issued the in-principle approval. Further the Company, at its Board meeting dated 2nd September, 2021 alloted shares of 3,75,000 equity shares of Rs. 10/- each at a premium of Rs. 10/-each to Mr.JaijashTatia aggregating to Rs. 75,00,000/- and 6,20,000 8.25% Compulsorily Convertible Preference Shares ("CCPS") of face value of Rs. 10/- each aggregating to Rs. 62,00,000 /- convertible into 3,10,000 equity shares of Rs. 10/- at a premium of Rs. 10/- to M/s Jinpaad Developer Private Limited, on preferential basis for consideration other than cash.

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.

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

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk Management Committee is applicable to top 500 listed entities determined on the basis of market capitalization, as at the end of the Immediate Previous Financial Year. Your Company doesn't have to comply with the same but provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

As required by Schedule V of the SEBI (LODR) Regulations, 2015, Auditor's Certificate on Corporate Governance as certified by J.V.Ramanujam& Co are annexed as **"ANNEXURE - VII"** to this Report confirming compliances with the conditions of Corporate Governance.

BOARD MEETINGS HELD DURING THE YEAR

The Board met 9 times during the financial year under review, the details of which are given in the Corporate Governance Report, vide **"ANNEXURE - VI".** The intervening gap between the Meetings was within the period prescribed under the companies act, 2013

CERTIFICATE OF CHIEF FINANCIAL OFFICER

The Chief Financial Officer of the Company has certified to the Board on Financial Statements and other matters pertaining to Financial Year ended 31st March 2021, in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015, which is annexed as **"ANNEXURE - VIII"** to this Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Certificate of Non-Disqualification of Directors (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the year ending 31.03.2021 has been obtained from M/s. AXN Prabhu& Associates, Mr. AXN Prabhu, practising company secretary, C.P #11440 ; Membership No. 3902 which is annexed as "**ANNEXURE - IX"** to this report.

STATUTORY COMPLIANCE

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

RBI GUIDELINES

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the FY 2020-21, Forex outflow on purchase of / subscription to software – Rs. 955.04 (in thousands). During the period 2019-20, there was an outflow of Rs. 2,587.62 (in thousands).

MATERIAL ORDER PASSED REGULATORS / COURTS / TRIBUNALS

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

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

Your Company has a Policy for prevention of Sexual Harassment at workplace and copy of the same has been disclosed on the Company's website www.kreon.in, which aims at prevention of harassment

of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

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

I. Sr Lead - HR – Mr.Pradeep kumar S
II. Cofounder& Director – Mr. Jaijash Tatia
III. Director – Ms. Henna Jain
IV. Chief Financial Officer – Mrs. Shoba Nahar |

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

POLICY ON VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of its Board and its Powers) Rules, 2014 and in accordance with Regulation 22 of SEBI (LODR) Regulations, 2015 the Company has an established Policy on Vigil Mechanism for Directors / Employees and other stakeholders of the Company to report concerns about unethical behaviors, actual or suspected fraud, or violation of the Company's Code of conduct or ethics policy. The policy also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the Management about the grievances or violation of the Company's Code of Conduct. The policy is disclosed on the Company's websitehttp://www.kreon.in/wp-content/uploads/2020/07/Vigil-Mechanism-or-Whistle-Blower-Policy.pdf.

POLICIES

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

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

OTHER DISCLOSURES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

Act, 2013:

a. that in the preparation of the Annual Financial Statements for the year ended 31st March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b. that such Accounting Policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;

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

d. that the Annual Financial Statements have been prepared on a going concern basis;

e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.

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

ACKNOWLEDGEMENT

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

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

I 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."

Best wishes

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/-	**Sd/-**
JaijashTatia	**Henna Jain**
Whole time Director	**Director**
(DIN: 08085029)	**(DIN: 08383395)**

Place : Chennai
Date : 02nd September 2021

ANNEXURE - I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2021

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS

1	CIN #	L65921TN1994PLC029317
2	Registration Date	23/11/1994
3	Name of the Company	Kreon Finnancial Services Limited
4	Category/Sub-category of the Company	Company limited by shares
5	Address of the Registered office & contact details	Old No. 12, New.No. 29, Mookathal Street, Purasawalkkam, Chennai-600007. Ph: 044-42138704 E-mail: info@kreon.in , Website: www.kreon.in
6	Whether listed company	Yes (Bombay Stock Exchange)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**M/s PurvaSharegistry (India)Pvt Ltd** No.9,Shiv Shakti Ind.Estate, J.R.Boricha Marg, Lower Parel (E), Mumbai - 400011 Ph: 022-23018261/022-23016761, Fax: 022-2301 2517 E-mail: support@purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sl No	Name and Description of main products / no. Services	NIC code of the Product/service	% to total turnover of the company
1	The Company is mainly engaged into retail lending business, comprising of individual, corporate and Students Loan. The Company has 01 branch and is catering to more than 15000 students with centralized credit and back office system at Central Processing Unit at Head Office, Chennai	649	100% to total turnover of the Company.

III. PARTICUALRS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

IV. SHAREHOLDING PATTERN

i. Category-wise Shareholding (equity share capital breakup as percentage of total equity)

Category of Shareholders	Category of Shareholders at the beginning of the year (as on 01.04.2020)				No. of shares held at the end of the year (as on 31.03.2021)				%Change in shareholding during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
a) Individual/HUF	0	16,78,469	16,78,469	16.68	0	16,78,469	16,78469	16.68	0.00
b) Central/State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	9,52,700	19,50,000	29,02,700	28.85	9,52,700	19,50,000	29,02,700	28.85	0.00
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	**9,52,700**	**36,28,469**	**45,81,169**	**45.53**	**9,52,700**	**36,28,469**	**45,81,169**	**45.53**	**0.00**
(2) FOREIGN	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)	**9,52,700**	**36,28,459**	**45,81,169**	**45.53**	**9,52,700**	**36,28,469**	**45,81,169**	**45.53**	**0.00**
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify) - Alternate Investment Funds	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) NON INSTITUTIONS									
a) Bodies Corporate									
i) Indian	81,500	18,51,052	19,32,552	19.21	80,500	18,52,852	19,33,352	19.21	0.01
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto `2 lakhs	13,68,800	6,64,132	20,32,932	20.21	10,91,700	6,65,404	17,57,104	17.46	-2.74
ii) Individuals Shareholders holding Nominal Share Capital in excess of `2 lakhs	96,300	8,26,786	9,23,086	9.17	96,300	11,77,285	12,73,585	12.65	3.48
c) Other (specify)									
i. Trust									
ii. Hindu Undivided Family	0	90,311	90,311	0.90	0	15,540	15,540	0.15	-0.75
iii. Non Resident Indians (Non Repat)	-	-	-	-	-	-	-	-	-
iv. Non Resident Indians (Reapt)	0	500250	5,00,250	4.97	0	5,00,250	5,00,250	4.97	0.00
v. Clearing Member	0	700	700	0.01	0	0	0	0.00	0.00
vi. NBFC's registred with RBI									
SUB TOTAL (B) (2) :	**15,46,600**	**39,33,231**	**54,79,831**	**54.47**	**12,68,500**	**42,11,331**	**54,79,831**	**54.47**	**0.00**
TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)	**15,46,600**	**39,33,231**	**54,79,831**	**54.47**	**12,68,500**	**42,11,331**	**54,79,831**	**54.47**	**0.00**
TOTAL (A) + (B)	**24,99,300**	**75,61,700**	**1,00,61,000**	**100.00**	**22,21,200**	**78,39,800**	**1,00,61,000**	**100.00**	0.00
(C)SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL (A) + (B) + (C)	**24,99,300**	**75,61,700**	**1,00,61,000**	**100.00**	**22,21,200**	**78,39,800**	**1,00,61,000**	**100.00**	**0.00**

ii. Shareholding of Promoters

Sl.No	Name of the Shareholder	Shareholding at the beginning of the year (as on 01st April, 2020)			Shareholding at the end of the year (as on 31st March, 2021)			% Change in Shareholding during the Year
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Mr.Jaijash Tatia	623300	6.20	0	623300	6.20	0	0
2.	Mrs.Chandrakantha Tatia	504850	5.02	0	504850	5.02	0	0
3.	Mr. Bharat Jain Tatia	550219	5.47	0	550219	5.47	0	0
4.	Mr.Pannalal Tatia	100	0.00	0	100	0.00	0	0
5.	Ashram Online.Com Ltd	952700	9.47	9.47	952700	9.47	9.47	0
6.	Tatia Global Vennture Ltd	1950000	19.38	0	1950000	19.38	0	0

iii. Changes in Promoter's Shareholding (please specify, if there is no change)

Sl. No	Particulars	Shareholding at the beginning of the year (as on 01st April, 2020)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**Mr.Jaijash Tatia**				
	At the beginning of the year	623300	6.20	623300	6.20
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	623300	6.20	623300	6.20
2.	**Mrs.ChandrakanthaTatia**	-			
	At the beginning of the year	504850	5.02	504850	5.02
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	504850	5.02	504850	5.02
3.	**Mr. Bharat Jain Tatia**				
	At the beginning of the year	550219	5.47	550219	5.47
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	550219	5.47	550219	5.47
4.	**Mr.Pannalal Tatia**				
	At the beginning of the year	100	0.00	100	0.00
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	100	0.00	100	0.00
5.	**M/s. Ashram Online.Com Ltd**				
	At the beginning of the year	952700	9.47	952700	9.47
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	952700	9.47	952700	9.47
6.	**M/s. Tatia Global Vennture Ltd**				
	At the beginning of the year	1950000	19.38	195000	19.38
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1950000	19.38	195000	19.38

iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters & holders of GDRS & ADRS) : NIL

v. Shareholding of Directors & KMP

Sl. No	Particulars	Shareholding at the beginning of the year (as on 01st April, 2020)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**Mr.JaijashTatia**				
	At the beginning of the year	623300	6.20	623300	6.20
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	623300	6.20	623300	6.20
2.	**Ms. Henna Jain**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3.	**Mrs.Shoba Nahar**				
	At the beginning of the year	21500	0.21	0.21	21500
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	21500	0.21	0.21	21500
4.	**Ms.Sharanya B**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	**Mrs.Vidyalakshmi R**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	-	7,29,78,307	-	7,29,78,307
ii) Interest due but not paid	-	36,31,297	-	36,31,297
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	**-**	**7,66,09,604**	**-**	**7,66,09,604**
Change in Indebtedness during the Financial Year				
- Addition	-	1,33,17,733	-	1,33,17,733
- Reduction	-	1,47,87,632	-	1,47,87,632
Net Change	**-**	**(14,69,899)**	**-**	**(14,69,899)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	-	7,51,39,705	-	7,51,39,705
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**7,51,39,705**	**-**	**7,51,39,705**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Manager/MD/Whole-Time Director :

Amount in Rs.

Particulars of Remuneration	Mr.JaijashTatia, WTD	MD	Manager
1. Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	11,73,790/-	-	-
b. Value of Perquisites U/S 17(2) of the Income Tax Act, 1961	-	-	-
c. Profits in Lieu of Salary U/S 17(3) of the Income Tax Act, 1961	-	-	-
2. Stock Option-	-	-	-
3. Sweat Equity-	-	-	-
4. Commission			
- As % of profit	-	-	-
- Others (specify)	-	-	-
5. Others (Fee for attending Board Meetings)			
- Sitting Fee	8,000/-	-	-
- PF	10800/-	-	-
GROSS TOTAL	**11,92,590/-**	**-**	**-**

b. Remuneration to other Directors

Amount in Rs.

Particulars of Remuneration	Mr.Subbarayan Ekambaram, Independent Director	Mr.Hemamalini, Independent Director	Mr. Henna Jain, Non-Executive Director
1. Fee for attending Board and Committee Meetings	7,000/-	8,000/-	8,000/-
2. Commission	-	-	-
3. Others (please specify)	-	-	-
TOTAL	**7,000/-**	**8,000/-**	**8,000/-**

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Amount in Rs.

Particulars of Remuneration	Mrs.Shoba Nahar, Chief Financial Officer	Ms. .Sharanya B, Company Secretary (Resigned on. 05.01.2021)	Mrs.Vidyalakshmi R, Company Secretary (Appointed w.e.f. 10.03.2021)
1. Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	67,163/-	3,96,080/-	25,844/-
b. Value of Perquisites U/S 17(2) of the Income Tax Act, 1961	-	-	-
c. Profits in Lieu of Salary U/S 17(3) of the Income Tax Act, 1961	-	-	-
2. Stock Option-	-	-	-
3. Sweat Equity-	-	-	-
4. Commission			
- As % of profit	-	-	-
- Others (specify)	-	-	-
5. Others			
- PF	7,920	15,600	1,800
- ESI	798	-	-
GROSS SALARY	**75,881/-**	**4,11,680/-**	**27,644/-**

VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES :

There are no penalties/ punishment/ compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or any other Officers in default, if any, during the year.

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/-	**Sd/-**
JaijashTatia	**Henna Jain**
Whole time Director	**Director**
(DIN: 08085029)	**(DIN: 08383395)**

Place : Chennai
Date : 02nd September 2021

ANNEXURE - II

FORM NO. AOC - 2

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

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

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

S.No.	Particulars	Relationship
1	JaijashTatia	KMP
2	Bharat Jain Tatia	Relatives of KMP
3	Hitesh V Shah	Relatives of KMP
4	Parul S Shah	Relatives of KMP
5	Jinpaad Developers Private Limited	Enterprises over which KMPs and their relatives can exercise significant influence
6	Ashram Online.Com Limited	-do-
7	Tatia Global Vennture Ltd	-do-
8	Opti Products Pvt. Ltd.	-do-

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

3. **Details of transactions at arm's length basis with Related Parties during the FY 2020-2021**

S.No	Name	Nature of contracts/arrangements/transactions	Relationship	Duration, if any	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Transactions during the year 2020-21 (Amount in Lakhs)
1	Mr. Bharat Tatia	Relative of KMP	Rent Payment	1 year	-	31/07/2020	-	3.00
2	M/s Ashram Online.Com Ltd	Enterprises over which KMPs and their relatives can exercise significant influence	Interest Paid/ Payable	1 year	-	31/07/2020	-	11.82
3			Loans Taken	1 year	-	31/07/2020	-	0.20
4			Loan Re-payment	1 year	-	31/07/2020	-	14.95

5	M/s Tatia Global Vennture Ltd	Enterprises over which KMPs and their relatives can exercise significant influence	Interest Paid/ Payable	1 year	-	31/07/ 2020	-	20.43
6			Loans Taken	1 year	-	31/07/ 2020	-	3.65
7			Loan Re-payment	1 year	-	31/07/ 2020	-	88.45
8	M/s Opti Products Pvt. Ltd	Relatives of KMP/ Enterprises over which KMPs and their relatives can exercise significant influence	Loans Taken	1 year	-	31/07/ 2020	-	36.50
9			Loan Re-payment	1 year	-	31/07/ 2020	-	23.10
10	Mr.JaijashTatia	Promoter/Director /KMP	Loan Borrowing	1 year	-	31/07/ 2020	-	63.10
11			Loan Re-payment	1 year	-	31/07/ 2020	-	16.32

By Order Of The Board
For Kreon Finnancial Services Limited

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

Sd/-
Henna Jain
Director
(DIN: 08383395)

Place : Chennai
Date : 02nd September 2021

ANNEXURE - III

REMUNERATION POLICY

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

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

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

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

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

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

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

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

Qualification:

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

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

Criteria for appointing a Director:

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

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

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

ANNEXURE - IV

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

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

A. The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
B. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of remuneration / Sitting Fees of each director to the median remuneration of employees of the company for the Financial Year 2020-21:

Sl. No	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr.JaijashTatia	Whole-Time Director	Remuneration	4.155:1
2.	Ms. Henna Jain	Non-Executive Director	Sitting Fees	0.003:1
3.	Ms.Hemamalini	Independent Director #	Sitting Fees	0.008:1
4.	Mr Subbarayan Ekambaram	Independent Director#	Sitting Fees	0.008:1

2. The Percentage increase in remuneration / sitting fees of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2020-21:

Sl. No	Name	Designation	Nature of Payment	% Increase in remuneration/ Sitting fee
1.	Mr.JaijashTatia	Whole-Time Director	Remuneration	NIL
2.	Ms. Henna Jain	Non-Executive Director	Sitting Fees	NIL
3.	Ms.Hemamalini	Independent Director #	Sitting Fees	NIL
4.	Mr Subbarayan Ekambaram	Independent Director #	Sitting Fees	NIL
5.	Mrs.ShobaNahar	Chief Financial Officer	Remuneration	NIL
6.	Ms.Sharanya B Resigned on 05.01.2021	Company Secretary and Compliance Officer	Remuneration	NIL
7.	Mrs.Vidyalakshmi R Appointed w.e.f 10.03.2021	Company Secretary and Compliance Officer	Remuneration	NIL

 # Independent Director are paid fixed sitting fees, amount of the same is not changed during the year.

3. The percentage increase in the median remuneration of employees in the financial year
4. The number of permanent employees on the rolls of the company: 26 employees
5. Average percentile increase 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:
   The Managerial remuneration has not increased in the current year. Annual increments, if any, are

decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

Information as per Rule 5(2) of the companies (appointment and Remuneration of Managerial Personnel) Rules, 2014:

List of top ten employees in terms of remuneration drawn as on 31.03.2021:

Sl. No.	Name of the Employee	Designation	Remun-eration [in lakh]	Nature of Employment	Employ-ment	Date of commence ment of employment	Age	Last employment	No. of equity shares of the company held by the employee	Relative of any director
1.	JaijashTatia	Director	1,184,590	Onroll		01.04.2018	26	NIL	623300	Yes
2.	Rajesh Kumar	Full Stack Developer	15,98,900	Onroll	B.Tech - 3 yrs	06.09.2017	28	IOT programming	NIL	No
3.	Rajesh TN	Scrum Manager	11,48,500	Onroll	BE 16 yrs	06.01.2020	45	Smacar Solutions Pvt Ltd	NIL	No
4.	Yuktesh B	Sr UI UX Designer	1,079,300	Onroll	BCS 8 yrs	30.01.2020	31	Rage Communicati ons	NIL	No
5	David kumar	Sr Android Developer	10,05,006	Onroll	MCA 8 Yrs	24.02.2020	30	Oasys Cybernetics	NIL	No
6	Sakthivel	Sr Front End Developer	6,86,400	Onroll	B Tech 10 Yrs	12.02.2020	35	BankBazaar.c om	NIL	No
7	Yogeetha	Project Manager	6,12,498	Onroll	BE 10 Years	02.03.2020	34	HCL	NIL	No
8.	Yaswanth Reddy	Quality Assurance Tester	3,67,190	Onroll	MBA - 11.5 yrs	04.07.2018	34	Aspire Systems P Ltd	NIL	No
9	Sanjeev Kumar	Senior Manager - Digital Media and Customer Support	2,46,531	Onroll	MBA - 8.2 yrs	30.04.2018	38	Sprinklr solutions pvt ltd	NIL	No
10	Jaidev Menon	Head of Business Development	84,000	Onroll	MBA 11 yrs	26.08.2019	34	Codum Technologies LLP	NIL	No

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

By Order Of The Board
For Kreon Finnancial Services Limited

Sd/- **Sd/-**

Place : Chennai
Date : 02nd September 2021

JaijashTatia
Whole time Director
(DIN: 08085029)

Henna Jain
Director
(DIN: 08383395)

ANNEXURE - V

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To,
The Members
Kreon Finnancial Services Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019(Regulation 24A of SEBI(LODR)).

(a) all the documents and records made available to us and explanation provided by Kreon Finnancial Services Limited ("the Listed Entity"),
(b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
(c) website of the listed entity,
(d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Kreon Finnancial Services Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
(c) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 as amended from time to time;
(d) The Securities And Exchange Board Of India (Registrars to An Issue And Share Transfer Agents) Regulations, 1993 as amended from time to time;

We hereby report that

a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except to the extent of observations noted in this report.
b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
c. There were no actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder except as mentioned specifically in the 24A report submitted to the stock exchange and forming a part of this report

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

(i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India as amended from time to time.

In our opinion and as identified and informed by the Management, the following laws are specifically applicable to the Company:

1. Reserve Bank of India Act, 1934
2. Guidelines, directions and instructions issued by the RBI through notifications and circulars relating NBFC.
3. Non-banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 and circulars relating to Non-Banking Financial Institutions as on 31st March, 2021

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

a. There has been delay in filing of certain forms with Registrar of Companies including the Form AOC-4.
b. There was no qualified Company Secretary as Compliance officer from closing hours of 5th January, 2021 to 9th March, 2021. However Company has appointed a qualified Company Secretary as a Compliance Officer with effect from 10th March, 2021.
c. The Company`s Promoter shareholding is not 100% in dematerialized Form.Shares held by promoters are under the custody of Income Tax Department to the extent of 9,52,700 shares being 9.47%

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

1. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time;
6. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, the Company has an adequate monitoring systems including for RBI Compliances and the same is monitored by the Key managerial personnel wherever applicable.

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

We further report that

The company is well constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

1) Company has registered itself under UDYOG ADHAAR SCHEME of MSME registration and obtained certificate on 3rd June 2020.
2) Company has received a letter dated 10th September 2020 from Reserve Bank of India (RBI) for fall in Net Owned Funds (NOF). Reply made by Company to RBI on 22nd September

2020 with a commitment to comply with all the norms of RBI and improve the NOF as required.

3) The Company has issued a Postal ballot notice on 3rd March, 2021 for approval of shareholders to consider reclassification of Authorized Share Capital of Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity shares of Rs.10/- (Rupees Ten only) each and 5,00,000 (Fifty Lakhs) Preference Shares of Rs.100/- (Rupees Hundred only) and for further issue of shares. However, the resolutions passed with respect to issue of shares were withdrawn for revision of postal ballot notice as per observations raised by BSE.

3. Appointment of Mrs. R Vidyalakshmi as Company Secretary w.e.f 10th March 2021.

Events reported after the end of financial year and before signing of this report.

a. The Company has issued a Postal ballot notice on 7th May, 2021 for approval of shareholders to supersede and modify the resolutions passed on 13th April, 2021 for issue of the shares as per BSE observations and further reclassification of Authorized Share Capital as Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity shares of Rs.10/- (Rupees Ten only) each and 50,00,000 (Fifty Lakhs) Preference Shares of Rs.10/- (Rupees Ten only).
b. Company has amended the Capital Clause of Memorandum of Association.
c. Company is in process of Converting Loan into equity and waiting for the BSE approval on same.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-
P.S.Srinivasan
Partner
ACS No. 1090 ;
C.P.No. 3122
UDIN:A001090C000666744

Place: Chennai
Date: 21.07.2021

ANNEXURE – A

To,
The Members
Kreon Finnancial Services Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-
P.S.Srinivasan
Partner
ACS No. 1090 ;
C.P.No. 3122
UDIN:A001090C000666744

Place: Chennai
Date: 21.07.2021

ANNEXURE –VI

REPORT ON CORPORATE GOVERNANCE

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

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Kreon Finnancial Services Limited(the 'Company' or KFSL) for FY2020-21.This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of RBI for Non–Banking Financial Companies (the 'NBFC Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying withthe statutory and regulatory requirements stipulated in the applicable laws.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

KFSL believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers.
KFSL's philosophy on Corporate Governance is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also dwells deeper into the ethical leadership and stability. The Company's Code of Conduct for Directors and Senior Management, robust Board governance processes and strong audit mechanisms reflects our commitment to good Corporate Governance framework in all facets of procedures and reporting systems with strong emphasis on transparency, accountability and integrity.
Good Corporate Governance practices enhances long term Shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company.

GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

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

COMMITTEES OF THE BOARD

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

COMPOSITION AND CATEGORY OF DIRECTORS.

The Board is broad based and consists of eminent individuals from Industrial, Managerial, Financial and Marketing background with considerable expertise and experience to guide the management in the operations of the company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Company has a diversified Board with judicious combination of Executive and Non-Executive Directors. As at 31st March, 2021, the Board comprised of one Executive Director (whole time Director), three Non-Executive Directors, two out of three Non-Executive Directors are Independent

Directors. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015).

The names and categories of the Directors on the Board, and the number of directorships, committee chairmanship(s) / membership(s) held by them in other public companies and number of shares held by them as on 31st March, 2021 are given herein below:

Sl No	Name of the Directors	Category	Date of appointment / Re appointment	No. of Directorship in other Public Companies *	No. of Committee Positions held in other Public Companies**		No. of Shares held in the Company
					Chairman	Member	
1	Mr.JaijashTatia (DIN #08085029)	Whole-Time Director	01.04.2018	-	-	-	6,23,300
2	Ms. Henna Jain (DIN #08383395)	Non- Executive Director	22.03.2019	-	-	-	NIL
3	Ms.Hemamalini (DIN #02914395)	Non- Executive Independent Director	31.03.2010	1	-	-	100
4	Mr.Subbarayan Ekambaram (DIN #01186153)	Non- Executive Independent Director	02.07.2003	-	-	-	100

*** Excluding Directorship in Kreon 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.**

NOTES:

1. The Independence of a Director is determined by the criteria stipulated under Regulation 16 (1)(b) of SEBI LODR Regulations, 2015 and Section 149 (6) of the Companies Act, 2013.
2. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
3. None of the Directors on the Board hold directorship in more than 20 Companies or more than 10 public Companies whether listed or not. Necessary disclosures regarding Directorship positions in other Companies as on 31st March, 2021 have been made by the Directors.
4. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees pursuant to Regulation 26 of the SEBI LODR Regulations, 2015 across all public companies, whether listed or not, in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2021 have been made by the Directors.
5. None of the Directors of the Company are holding position of Independent Director in more than seven listed companies.
6. Mr.JaijashTatia and Ms. Henna Jain are related to each other.
7. Details of Directors re-tiring or being re-appointed at the ensuing Annual General Meeting have been furnished in the Notice convening the Annual General Meeting of the shareholders along with their brief profiles.

BOARD MEETINGS

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

During the year under review, Board of Directors of the Company met 9 times, viz 30th June 2020, 31st July 2020, 3rd September 2020, 15th September 2020, 12th November 2020, 5th January 2021, 12th February 2021, 3rd March 2021 and 26th March 2021 and the Meetings were convened as per the provisions of the Act. The necessary quorum was present for all the meetings. The gap between any two Board Meetings did not exceed 120 days as mandated under Section 173 of the Companies Act, 2013 and Regulation 17 (2) of the Listing Regulations. The conduct of Board Meetings is in compliance with the applicable provisions of the Companies Act, 2013 and Secretarial Standards on Meetings of the Board of Directors issued by the Institute of the Company Secretaries of India.

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

Name of Directors	No. of Board Meetings held during the year 2020-2021	No. of Board Meetings attended during the year 2020-2021	Attended the previous AGM (YES or NO)
Mr.JaijashTatia	9	9	YES
Mr.Subbarayan Ekambaram	9	8	YES
Ms.Hemamalini	9	9	YES
Ms. Henna Jain	9	9	YES

LIST OF MATRIX/CHART OF SPECIAL SKILL

Sl No	Name of the Directors	Skills/Expertise Identified by the Board	Specialization
1	Mr.JaijashTatia	• Integrity, • Ability to function as Team, • Leadership Quality, • Commitment • Future Vision & Innovation	Mr.JaijashTatia is a business graduate from Regents University, London, specializing in Financial Economics and Business Management consisting of various courses including Asset Management and Risk Management. He has undergone various additional modules such as, Managerial and Financial Accounting and Statistics at City University, London, United Kingdom. The Company is benefited from the knowledge and expertise of Mr.Jaijash Tatia.
2	Mr.Subbarayan Ekambaram		Mr.Subbarayan Ekambaram has more than four decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is having rich experience in Finance sector. He has substantial exposure to financial services. He possesses all skills & expertise as required for the growth of the Company in future. The Company is benefited from the valuable experience, knowledge and Expertise of Mr.Subbarayan Ekambaram
3.	Ms.Hemamalini		Ms.Hemamalini is having vast experience in Finance sector for past 10 years. She is very dedicated towards her role & responsibilities. She is having good exposure in the Finance sector. During a career span of so many years, she has successfully established and led many innovative

			services which have led the organization growth.(i.e created value in the organization)
4.	Ms. Henna Jain		Ms. Henna Jain, a flourishing young entrepreneur, she has been one of the team members at the helm of StuCred since August 2017, and has been positively contributing to the areas of marketing and business operations. She holds an MA (Hons) International Relations and Economics from University of St Andrews, Scotland. In an effort to constantly expand her knowledge and expertise, she has completed 3 advanced level online courses in Marketing, specialising in Social Media Marketing from Northwestern University, USA.

INDEPENDENT DIRECTORS AND EVALUATION OF DIRECTORS AND THE BOARD:

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

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

A separate meeting of Independent Directors was held on 30.12.2020 to review the performance of Non-Independent Directors and Board as whole.

FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The regular meeting of the Independent Directors is being held to discuss about the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at http://www.kreon.in/wp-content/uploads/2020/07/Familiarization-Programme-for-Independent-Directors.pdf.

COMMITTEES OF BOARD

The Board has constituted sub-committees to deal with specific areas and activities which concern the Company and requires a closer view. The Board Committees are formed with the approval of the Board and function under their respective Charters which defines the scope, powers and composition of the Committee. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take

necessary steps to perform its duties entrusted by the Board. As at 31st March, 2021, we have three Sub-Committees of the Board as under:

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

AUDIT COMMITTEE

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

1. To monitor and provide an effective supervision of the Management's financial reporting processes to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the Director's Responsibility Statement forming part of the Board's report in terms of clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013,
   b. compliance with listing and other legal requirements relating to financial statements,
   c. disclosure of related party transactions, if any
   d. qualifications in the draft audit report,
   e. Reviewing with the management, the unaudited / audited quarterly, half yearly and annual financial statements along with Limited Review Reports and Auditor's report before submission to the Board for approval,
4. Review of internal audit function, adequacy of internal control systems, vigil mechanism, whistle blower mechanism and enterprise risk management.

The Audit Committee, apart from looking into matters as are specifically referred to it by the Board of Directors, also looks into the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing requirements. The Audit Committee comprises of 3 Directors of which 2 are Independent Directors. The Chairperson of the Audit Committee is an Independent Director. All members of the Audit Committee are financially literate and one half of the members have expertise in accounting and financial management.

During the year under review, the Committee met five times, viz. 31.07.2020, 15.09.2020, 12.11.2020, 12.02.2021 and 03.03.2021 with necessary quorum and the gap between any two meetings did not exceed 120 days. The constitution of the Committee and the attendance of each member of the Committee as on 31st March, 2021 are given below:

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

Name	Position	Category	Meetings Held	Meetings Attended
Mr.Subbarayan Ekambaram	Independent Director	Chairman	5	5
Mr.JaijashTatia	Whole-time Director	Member	5	5
Ms.Hemamalini	Independent Director	Member	5	5

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

The Company Secretary & Compliance Officer acts as the Secretary to the Committee. The minutes of the Audit Committee meetings had been circulated periodically to the Board for its discussion and further noting thereof. The Chairman of the Audit Committee was present at the 26th Annual General Meeting held on 28th September, 2020.

STAKE HOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Terms of Reference.

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

The Stakeholder Relationship Committee consists of three Directors of which two are Independent Directors. During the year under review, the Committee met four times, viz. 15.06.2020, 30.09.2020, 30.12.2020 and 30.03.2021 with necessary quorum and the gap between any two meetings did not exceed 120 days. The constitution of the Committee and the attendance of each member of the Committee as on 31st March, 2021 are given below:

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

Name	Position	Category	Meetings Held	Meetings Attended
Mr.Subbarayan Ekambaram	Independent Director	Chairman	4	3
Mr. Henna Jain	Promoter- Non- Executive Director	Member	4	4
Ms.Hemamalini	Independent Director	Member	4	4

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

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

Name of the delegated authority	Description of the delegated Authority	Address	Contact No	Email id
Mrs.Vidyalakshmi R	Company Secretary and Compliance officer	Old no.12, New No. 29, Mookathal Street, Purusawalkkam, Chennai-600007	044-42138704	info@kreon.in
PurvaSharegistry (India) Pvt. Ltd	Registrar and Share Transfer Agents	Unit No-9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near LodhaExcelus, Lower Parel (East), Mumbai – 400 011	022-23018261	support@purvashare.com

Complaints received and redressed during the year

During the financial year the company had not received any complaint from the investors and hence there was no complaint pending at the end of the year.

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

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the year, under review the Nomination and Remuneration Committee met 2 times as follows on 1st July 2020 and 8th March 2021 for recommending to the Board, appointment of Mrs.Vidyalakshmi R, as Company Secretary and Compliance officer of the Company.

The Nomination and Remuneration Committee consists of three Directors of which two are Independent Directors. The constitution of the Committee and the attendance of each member of the Committee as on 31st March, 2021 are given below:

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

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

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

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

b. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors. Criteria for making payment, if any, to Non- Executive Directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the company's website http://www.kreon.in/wp-content/uploads/2020/07/Criteria-for-making-payment-to-Non-Executive-Directors.pdf.

NOTES:

1. The Independent Directors are paid fixed sitting fees i.e. Rs.1000/- per Board meet. During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under;

Sr.No	Name	Rs.
1.	Mr.Subbarayan Ekambaram	8,000/-
2.	Ms.Hemamalini	9,000/-

2. The remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board or Members. Executive Director is also paid Sitting Fee of Rs. 9,000/- towards attending Board Meeting during the Financial year 2020-2021.
3. No other performance linked incentives or any other fees are paid to any of the Directors.
4. The Company has not entered into any Service Contract with the Directors, except agreement with Mr.JaijashTatia who is the Whole-time Director of the Company.
5. The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.
6. The Company does not pay any severance fees to any of the Directors.
7. The Independent Director shall not be entitled to participate in the Stock option scheme, if any introduced by the Company.

GENERAL BODY MEETINGS:

Date and time of the General Meetings held during the last three years till 31st March, 2020.

Details of General Meeting	Date	Time	Venue
24th AGM FY : 2017-'18	27.09.2018	09.00 AM	No.81 B, Ambattur Industrial Estate, Chennai – 600058
25th AGM FY 2018-'19	26.09.2019	11.00 AM	Old No 12, New No 29, Mookathal Street, Chennai – 600007
26th AGM FY 2019-'20	28.09.2020	10.00 AM	Old No 12, New No 29, Mookathal Street, Chennai – 600007

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

At the 24th Annual General Meeting held on 27.09.2018:

1. Re-Appointment of Independent Directors of the Company
2. Appointment of JaijashTatia as the Director of the Company
3. Appointment of JaijashTatia as the Whole-Time Director of the Company for a period of Five Years from 01.04.2018 to 31.03.2023 for remuneration.
4. Increase in the borrowing powers

At the 25th Annual General Meeting held on 26.09.2019:

1. Appointment of Henna Jain as the Non Executive Director of the Company.
2. Approval for payment of remuneration to Shri. JaijashTatia, Wholetime Director for the remaining tenure of service

At the 26th Annual General Meeting held on 28.09.2020:

NIL

POSTAL BALLOT

No Special Resolutions were passed through the postal ballot in the Financial Year 2020-21.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the director	Mr.JaijashTatia
Date of Birth	05/10/1992
DIN	08085029
Date of appointment	01/04/2018
Relationship with other directors	Relative of Ms. Henna Jain (Director)
Expertise in specific Function Area	Specializing in Risk Management With Financial Accounting
Qualification	BA in Business Management with Financial Economics
Chairmanship/Directorship of other companies (excluding foreign companies and section 8 companies) as on 31.03.2021	NIL
Committee positions held in other companies as on 31.03.2021 **Audit committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	6,23,000 Shares of face value of Rs.10/-each

Name of the director	Ms. Henna Jain
Date of Birth	23/11/1994
DIN	08383395
Date of appointment	22/03/2019
Relationship with other directors	Relative of Mr. Jaijash Tatia(Whole-Time Director)
Expertise in specific Function Area	Specializing in Operations and marketing
Qualification	MA Economics and International Relations
Chairmanship/Directorship of other companies (excluding foreign companies and section 8 companies) as on 31.03.2021	NIL
Committee positions held in other companies as on 31.03.2021 **Audit committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	NIL

MEANS OF COMMUNICATION

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

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

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

27th Annual General Meeting:

Day & Date	Thursday, the 30th September ,2021
Time	11.00 A.M
Venue	**through Video Conferencing** or **Other Audio Video Means** from the Registered Office of the Company situated at Old No.12, New No.29, Mookathal Street, Purusawalkkam, Chennai-600007
Financial year	2020-2021.
Date of Book Closure	24.09.2021 to 30.09.2021 (Both days inclusive)
Listed on Stock Exchange	BSE Limited (BSE); Scrip Code : 530139
International Securities Identification Number (ISIN)	**INE302C01018**
Outstanding GDR/ADR /Warrants or any convertible instruments	NIL

LISTING OF EQUITY SHARES

The Company's shares are listed in the Bombay Stock Exchange. The Company has established connectivity with both depositories, NSDL and CDSL**.** The company has paid the Annual Listing Fees for the Financial Year 2020-2021, to BSE Ltd within the stipulated time. The Company has also paid the custodian fees for the Financial Year 2020-2021 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

BSE Stock Code: 530139

ISIN No. INE302C01018

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Trading in company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through its RTA, whereby the investors have the option to dematerialize their shares with either of the depositories. 77.92% of the Company's paid up Equity Share Capital has been dematerialized upto 31st March 2021.

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2021:

Slab of Shareholding	No. of Shareholders	% of Holders	Amount of Shares (in Rs)	% of Shares
Upto 5000	2038	74.46	4147860	4.12
5001 – 10000	327	11.95	2750810	2.73
10001 – 20000	181	6.61	2816720	2.80
20001 – 30000	64	2.34	1633420	1.62
30001 – 40000	25	0.91	890290	0.88
40001 – 50000	23	0.84	1085760	1.08
50001 – 100000	40	1.46	2795020	2.78
1,00,001 & ABOVE	39	1.42	84490120	83.98
TOTAL	**2737**	**100.00**	**100610000**	**100.00**

SHAREHOLDING PATTERN AS ON 31st MARCH, 2021:

Category	Total Shares	% to Equity
Promoters	45,81,169	45.54
Financial Institutions/ Banks	-	-
Central/State Governments	-	-
Non- Institutional Individuals	30,30,689	30.13
Non-Resident Indians	5,00,250	4.97
Bodies Corporates	19,33,352	19.22
Resident Individuals		
HUF	15540	0.15
Trust	-	-
Others	-	-
TOTAL	**1,00,61,000**	**100**

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and paid-up capital is in agreement with the aggregate of the number of shares in dematerialized form held with NSDL and CDSL and the number of shares in physical form.

REGISTRAR AND TRANSFER AGENT

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

PurvaSharegistry (India) Pvt. Ltd
Unit No-9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Near LodhaExcelus,
Lower Parel (East), Mumbai – 400 011
Contact : 022-23018261

E-Mail id :support@purvashare.com

SHARE TRANSFER SYSTEM

All the physical transfers of shares are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchange under Regulation 40(10) of the Listing Regulations. Pursuant to SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

ENCUMBERED SHARES

SL No	Name	Category	Shareholding	% of holding
1	Ashram Online.com Limited	Promoter	952700	9.47

MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd during the financial year 2020-'21 are given below:

Month	High Price	Low Price
April	5.66	5.66
May	-	-
June	-	-
July	6.23	5.65
August	-	-
September	5.40	3.75
October	3.80	3.70
November	3.80	3.80
December	4.25	3.19
January	4.62	3.98
February	7.49	4.41
March	6.79	6.79

OTHER DISCLOSURES:

COMPLIANCE WITH THE ACCOUNTING STANDARDS

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

COMPLIANCE WITH LISTING REGULATIONS

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

CORPORATE GOVERNANCE REQUIREMENTS

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

CFO CERTIFICATION:

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

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

PREVENTION OF INSIDER TRADING

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on a need basis. The policy is available on our websitehttp://www.kreon.in/wp-content/uploads/2020/07/Code-for-prevention-of-insider-trading-in-the-securities.pdf.

DISCLOSURE OF MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

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

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

WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated whistle blower policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of the company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Management / Audit Committee. The whistle blower policy is displayed on the Company's web-site http://www.kreon.in/wp-content/uploads/2020/07/Vigil-Mechanism-or-Whistle-Blower-Policy.pdf.

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

Sr.	Particulars	Regulation Number	Compliance status (Yes/No)
1	Independent directors have been appointed in terms of specified criteria of independence and or eligibility	16(1)(b) & 25(6)	Yes
2	Board composition	17(1)	Yes
3	Meeting of board of directors	17(2)	Yes
4	Review of compliance reports	17(3)	Yes
5	Plans for orderly succession for appointments	17(4)	Yes
6	Code of conduct	17(5)	Yes
7	Fees or compensation	17(6)	Yes
8	Minimum information	17(7)	Yes
9	Compliance certificate	17(8)	Yes
10	Risk assessment and management	17(9)	Yes
11	Performance evaluation of independent directors	17(10)	Yes
12	Composition of audit committee	18(1)	Yes
13	Meeting of audit committee	18(2)	Yes
14	Composition of nomination and remuneration committee	19(1) & (2)	Yes
15	Composition of stakeholder relationship committee	20(1) & (2)	Yes
16	Composition and role of risk management committee	21(1),(2),(3),(4)	NA

17	Vigil mechanism	22	Yes
18	Disclosure of shareholding by non-executive directors	-	Yes
19	Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
20	Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	Yes
21	Approval for material related party transactions	23(4)	Yes
22	Composition of board of directors of unlisted material subsidiary	24(1)	NA
23	Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
24	Maximum directorship and tenure	25(1) & (2)	Yes
25	Meeting of independent directors	25(3) & (4)	Yes
26	Familiarization of independent directors	25(7)	Yes
27	Memberships in committees	26(1)	Yes
28	Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes
29	Disclosure of shareholding by non-executive directors	26(4)	Yes
30	Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes

By Order Of The Board
For Kreon Finnancial Services Limited

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

Sd/-
Henna Jain
Director
(DIN: 08383395)

Place : Chennai
Date : 02nd September 2021

WHOLE-TIME DIRECTOR'S DECLARATION ON CODE OF CONDUCT

To,
The Shareholders of Kreon Finnancial Services Limited

I, JaijashTatia, Whole-Time Director of the Company, in terms of relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) 2015, hereby certify that Board of Directors has laid down a code of conduct for its Board Members and Senior Management Personnel of the Company and they has affirmed compliance with the said code of conduct.

Sd/-
JaijashTatia
Whole-Time Director
(DIN: 08085029)

Place : Chennai
Date: 02nd September 2021

ANNEXURE - VII

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members of
Kreon Finnancial Services Limited

We have examined the compliance conditions of Corporate Governance by Kreon Finnancial Services Limited for the year ended on 31st March, 2021 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2020 to 31st March 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to explanation given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J V Ramanujam& Co
Chartered Accountants
FR.No. – 002947S

Sd/-
J VedanthaRamanujam
Partner
M.No. 022188

Place: Chennai
Date: 28th June 2021

DECLARATION

I, JaijashTatia, Whole-Time Director of Kreon Financial Services Limited hereby declare that as of 31st March, 2021, all the Board Members and Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Management Personnel laid down by the Company.

For and on behalf of
Kreon Finnancial Services Limited
Sd/-
JaijashTatia
Whole-Time Director
DIN No. 08085029

Place: Chennai
Date: 28th June 2021

ANNEXURE - VIII

CERTIFICATION FROM CHIEF FINANCIAL OFFICER

To,
The Board of Directors
Kreon Finnancial Services Ltd

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

(a) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2021 and to the best of my knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and Regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 31st March 2021 which are fraudulent, illegal or violative of the company's code of conduct.

(c) I accept the responsibility for establishing and maintaining internal controls system and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have indicated to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken to rectify those deficiencies.

DECLARATION

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

(i) That there was no significant changes in internal control over financial reporting during the year;

(ii) That there was no significant changes in accounting policies during the year except for the changes that have been disclosed in the notes to the financial statements; and

(iii) There were no instances of significant fraud of which I have become aware of and the involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Kreon Finnancial Services Limited**

Sd/-
Shoba Nahar
Chief Financial Officer

Place: Chennai
Date: 28th June 2021

ANNEXURE - IX

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
Old No.12, New No.29, Mookathal Street,
Purasawalkkam, Chennai-600007

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 **Old No.12, New No.29, Mookathal Street, Purasawalkkam, Chennai-600007,** (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, 2021 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.

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

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

For AXN Prabhu& Associates

Sd/-
AXN Prabhu Practising Company Secretary
M No. 3902; C.P No. 11440
UDIN: F003902C000814613

Place: Chennai
Date: 02nd September 2021

MANAGEMENT DISCUSSION AND ANALYSIS

KREON FINNANCIAL SERVICES LIMITED-AN OVERVIEW

Kreon Finnancial Services Limited is a Non- Banking Finance Company and with reforms being expected in the NBFC sector, the company is now poised to grow, building a reputation of quality, craftsmanship and expertise. Your Company which started as a conventional lending Company is evolving into a state-of-the-art Fintech Company.

Your Company is dedicated towards creating an open credit and financial services platform through Technology innovations by providing consumers and small businesses with convenient inclusive financial services. This philosophy originated from 20+ years of practice since the establishment of our financial business, as well as in realizing the realities of inclusive financial services in India.

Your Company leverages cutting edge technologies to engineer lending products as the basis for providing financial services to the public. With the help of India Stack, UPI, rapid user verification, facial recognition and big data analytics, benefits of seamless access to Financial Services and it anticipates there appears to be huge potential for growth. We have identified an extremely large market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in particular. The Company continues to pursue the strategy of being multi locational, thus giving the distinct edge from the risk management and scalability perspective. The focus of the product is to cater to all segments, which is the key driver of our economy.

THE COVID-19 PANDEMIC

The COVID-19 pandemic is a once in a lifetime occurrence that has brought with it unimaginable suffering to people, businesses and the economy. At the outset of the pandemic and nationwide lockdowns to curtail the transmission of disease, it was natural to expect great stress to the global economy akin to levels not seen since the Great Depression which could have long-lasting economic impact.

The continuing rapid spread of COVID-19 pandemic, emergence of new variants of the virus and the subsequent restrictions/control measures announced by the respective State Governments are the events which have continued till the date of the announcement of financial results of the Company. These uncertainties may adversely impact the Company's business operations in the future period.

INDIAN FINANCIAL SERVICES INDUSTRY

The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Financial inclusion drive by RBI has expanded the target market to semi-urban and rural areas. NBFCs especially those catering to the urban and rural poor have a complimentary role in the financial inclusion agenda of the country. Financial services sector is assured to grow with the back of rising incomes, significant government attention and the increasing pace of digital adoption.

Since the last decade, the NBFC sector has held critical importance in the Indian Financial Services sector. The main objective of NBFCs has been serving the underserved segment of the Indian economy such as MSME, microfinance and other retail segments. Over the past few years, NBFCs have undergone a significant transformation and today they form an important component of India's financial system. NBFCs are harnessing technology to reinvent traditional business models and offer loans in a faster, customised and more convenient way to the underbanked population of India.

INTERNAL CONTROL SYSTEM AND ADEQUACY

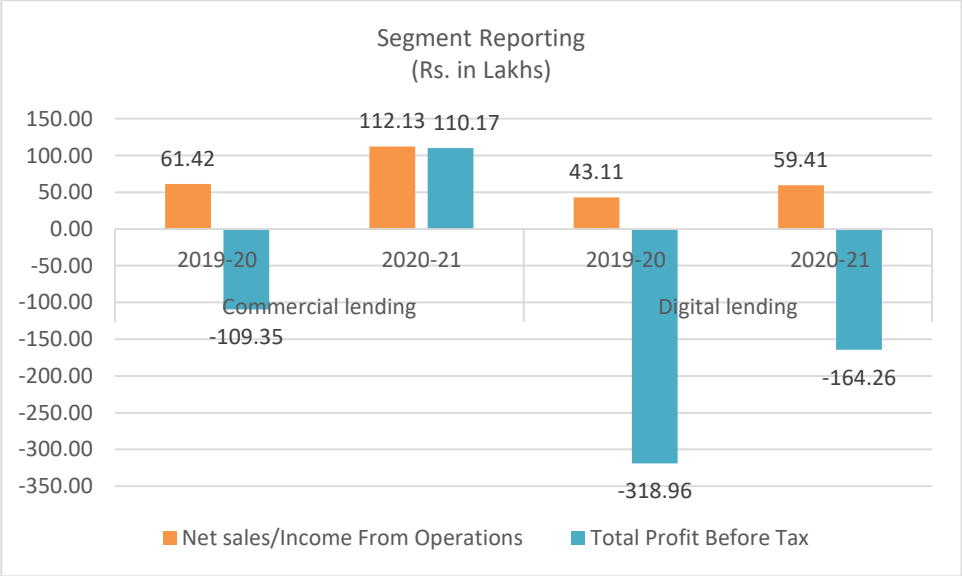
Your Company constantly strives to improve its internal control systems and operational efficiencies to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The top management and the Audit Committee of the Board review the findings and recommend to the Board, improvement on the same and to enhance the quality of its portfolio still further. Realizing that the impact of internal risks are as important to action as external risk, the internal control at KFSL is a constantly-evolving process.

Other significant internal controls at KFSL comprises of constant monitoring of operational expenditure with an endeavour to lower costs through better efficiencies and economies of scale, rather than just focusing on curtailing the expenditure. The adequacy of internal controls and their execution are driven by an ethos of constantly endeavouring to improve.

SEGMENT WISE PERFORMANCE

The details with regard to segment wise performance of the Company are as mentioned below. The company being in the initial years of Digital lending platform has incurred loss which will be overcome in the forthcoming years.

				(Rs. in Lakhs)
	Commercial lending		Digital lending	
Particulars	**2019-20**	**2020-21**	**2019-20**	**2020-21**
Net sales/Income From Operations	61.42	112.13	43.11	59.41
Total Profit Before Tax	-109.35	110.17	-318.96	-164.26
Total Segment Assets	828.42	800.66	181.15	192.07
Total Segment Liabilities	788.48	778.31	33.59	21.59



FINANCIAL REVIEW

The following table presents the Company's standalone abridged financials position for the financial year 2020-21:

KFSL's Consolidated Performance Highlights, FY 2020-21
• Number of new loans booked: 46807 • Total income: increased by 64.23% to 171.67 Lakhs • Total operating expenses (Opex): de-grew by 57.63% to 225.76 Lakhs. • Profit before tax (PBT): Loss decreased by 87.37% to -54.09 Lakhs. • Profit after tax (PAT): Loss decreased by 88.78% to -48.19 Lakhs.

RISK MANAGEMENT

Your Company, is exposed to various risks that are an inherent part of any financial service business. Traditionally, credit, operational and liquidity risks have always been seen as the top tier risks. However given the evolving landscape, risks around digital lending and information security would also form an integral aspect of risk management. The Company's risk management framework is well dimensioned and managed based on a clear understanding of various risks, disciplined risk assessment, measurement procedures and continuous monitoring. The Board of Directors has awareness on all risks assumed by the Company. These risks have the potential of impacting the financial strength, operations and reputation of your Company. Keeping this in mind, your Company has a Board approved Risk Management Framework in place.

Your company is committed towards creating an environment of increased risk awareness at all levels. It also aims at constantly upgrading the appropriate security measures, including cyber security measures, to ensure avoidance and mitigation of various risks and achieve an optimised balance of return

DIGITAL LENDING

Digitalisation will increasingly become a key differentiator for customer retention and service delivery, hence, digitalisation of the entire customer lifecycle will be the most sought after goal. In view of this digital lending platforms are set to gain huge prominence as we navigate towards a post pandemic era.

Your company has taken various steps on its journey towards digital lending and the loan application process to make informed credit decisions at the initial stage itself through various tools like CRM, Rule Engine, Bureau Integration, Deviations Management etc. This has resulted in higher productivity, lower overhead costs and swift processes, thus, enabling a seamless journey for the customer and leading to financial inclusion. Controls have been laid down through document management, workflow engine, roles and login restrictions to control the risks emanating out of digital lending. With the objective to minimize risk in collection and recovery, analytics and reporting systems have been used to identify defaulters, tracking on-ground collections team and quick reporting. Early Warning system, Behavioural Analysis, End to End Business Reporting have been set up to maintain healthy asset quality with optimal risk-reward considerations.

SWOTANALYSIS

STRENGTHS	• Distinguished financial services provider, with local talent catering to students community • Vast distribution network with coverage of almost all the states in the Country • Simplified and prompt loan request appraisals and speedy disbursements. • Product innovation and superior delivery. • Innovative resource mobilization techniques and prudent fund management practices.
WEAKNESS	• Regulatory restrictions – continuously evolving government regulations may impact operations. • Uncertain economic and political environment.
OPPORTUNITIES	• Demographic changes and under penetration. • Large untapped rural and urban markets. • Use of digital solutions for business/collections.
THREATS	• High cost of funds. • Increased risk of Non-Performing Assets (NPAs) due to global economic outlook. • Competition from other NBFCs and banks.

SEAMLESS CUSTOMER SERVICE DURING COVID

KFSL's Credit-lending processes marked a defining trend being fully digital during the pandemic. With an increased focus on providing its customers with a seamless experience, the Company is pushing the pedal on quicker loan application processes and swift disbursals. KFSL and its employees efficiently serviced its customers in spite of remote working.

The teams ensured timely collection and disbursement of loans. The front-end and back-end systems were strengthened to improve credit quality and minimize losses due to default.

HUMAN RESOURCES:

Your Company believes that its people are its most important asset, and works with a clear plan for capitalizing and building upon their capabilities. KFSL competes on the strength of its people; employees who are united by the core values of pride, integrity, discipline and ambition, and thrive in the climate of the 'Right People for the Right Culture'.

Your Company believes that building individual capabilities with focus and direction and leveraging them in a structured manner through job rotation builds up organisational capability. It encourages employees who have demonstrated the right capability, the right attitude and the desire to 'Step Up'. As part of its strategy to groom talent who are future-ready, cross-functional movements are encouraged and they are up-skilled through 'Education, Exposure and Experience'. KFSL is an equal-opportunity employer, where meritocracy is the norm, and helps build a forward-looking organisation that can deal with the ever-changing business landscape.

STATUTORY COMPLIANCE:

Your Company ensures compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of RBI for Non–Banking Financial Companies (the 'NBFC Regulations'), as applicable to the Company.

CAPITAL AND LIABILITY MANAGEMENT

The Company in tandem with its philosophy of pursuing the mission of "Excellence through Endeavours" will strive their best to maximize the shareholders' value.

Your Company works towards maximizing returns on capital employed through an efficient capital management strategy. It ensures that this strategy is within the guidelines laid down by the RBI from time to time and conforms to them. KFSL constantly endeavours to enhance its capital management practices towards strengthening its balance sheet.

Your Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. KFSL could raise the required resources from various banks and financial institutions comfortably.

Indian financial system went through a tough period during the previous financial year. Due to its financial rectitude, KFSL could navigate through these tough times.

With its stringent internal systems and processes, KFSL considers liability management as a priority. It is the cornerstone on which it has achieved strong performance in the past and created a good reputation for itself of reliability and rectitude. It constantly endeavours to leverage its strong reputation and fund management experience and expertise to deliver benefits for its clients and gains for its stakeholders.

CAUTIONARY STATEMENT

This Report is based on the current situation, past experience and information available to the Company about its various businesses and assumptions regarding economic and industrial scenario, Governmental and other regulatory policies. The Performance of the Company is, to a great extent, dependent on these factors. The future performance may be materially influenced by the changes in any of these factors, which are beyond the control of the Company and may affect the views expressed in or perceived from this Report. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.

INDEPENDENT AUDITORS' REPORT

To the Members of KREON FINNANCIAL SERVICES LIMITED

Qualified Opinion

We have audited the accompanying standalone financial statements of Kreon Financial Services Limited, Chennai, which comprise the Balance Sheet as at March 31, 2021, 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, except for the possible effects of matter included in basis for qualified opinion paragraph below, 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, 2021; and its Loss, Total Comprehensive Income, the changes in Equity, and Cash Flows for the year ended on that date.

Basis for Qualified Opinion

The Company has increased Interest rate on loans given, from 12% to 24% for 3 borrowers resulting in increase of Interest Income by Rs.35.29 Lakhs for the financial year. However, we were not provided with any document(s) evidencing concurrence from the borrowers. Hence, in our opinion,

(i) the same results in overstatement of Interest Income to that extent, Loss after Tax is understated to that extent, Total Comprehensive Income of Rs.5.34 Lakhs would have been a Loss of Rs.29.95 Lakhs, and Loans (Financial Assets) are overstated to the same extent for the year ended 31.03.2021.

(ii) the same results in overstatement of Interest Income to that extent, Profit after Tax is overstated to that extent, Total Comprehensive Income is overstated to that extent, and Loans (Financial Assets) are overstated to the same extent for the Quarter ended 31.03.2021.

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

Key Audit Matters

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

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is no material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance 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.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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, 2016 ("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) 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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".

g) 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 on its financial position in its standalonefinancial 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.

for J.V. Ramanujam & Co.
Chartered Accountants
FRN No.02947S

Sd/-
Sri Narayana Jakhotia
Partner
M.No.233192
UDIN: 21233192AAAABJ4859

Place: Chennai
Date: June 28, 2021

"Annexure A" to Independent Auditors' Report

(Referred to in Paragraph 1 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, 2021)

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 ofPPE 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.

ii) There are no inventories in the company during the year.

iii) According to the information given to us, the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii) (a), (iii) (b) and (iii)(c) of Paragraph 3 of the Order are applicable to the Company.

iv) The Company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

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, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including 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 as applicable to it.
(b) 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, 2021 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues with respect to Excise Duty, and Sales Tax which has not been deposited with the appropriate authorities on account of any dispute.

viii) 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.

ix) Based on our audit procedures and according to the information and explanations given to us, the Company did not raise any money by way of further public offer (including debt instruments) and Term Loans during the year.

x) 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, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii) In our Opinion, the company is not a Nidhi Company. Therefore clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, and therefore clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) In our opinion and according to the information and explanations given to us, the Company is carrying on the business of NBFC and is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has duly registered with RBI and complied with the applicable regulations in this regard.

for J.V. Ramanujam & Co.
Chartered Accountants
FRN No.02947S
Sd/-

Place: Chennai
Date: June 28, 2021

Sri Narayana Jakhotia
Partner
M.No.233192
UDIN: 21233192AAAABJ4859

"ANNEXURE B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kreon Finnancial 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 Finnancial Services Limited ("the Company") as of March 31, 2021 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, 2021, 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 J.V. Ramanujam & Co.
Chartered Accountants
FRN No.02947S

Sd/-
Sri Narayana Jakhotia
Partner
M.No.233192
UDIN: 21233192AAAABJ4859

Place: Chennai
Date: June 28, 2021

KREON FINNANCIAL SERVICES LTD

#29, Mookathal Street, Purasawalkkam, Chennai - 600 007
CIN: L65921TN1994PLC029317

BALANCE SHEET AS AT 31st MARCH 2021

(Rs. in Thousands)

	Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	3	12,835.81	6,327.83
	Bank balances other than Cash and Cash Equivalents		506.04	664.64
(b)	Receivables		-	-
(c)	Loans	4	67,430.77	83,791.93
(d)	Investments	5	10,746.69	4,061.69
(e)	Other Financial assets	6	1,395.07	1,827.82
(f)	Non-Current Asset			
	-held for sale (others)	7	460.17	460.17
(2)	**Non-financial Assets**			
(g)	Current Tax Assets (Net)	8	1,442.36	1,402.18
(h)	Property, Plant and Equipment	9	1,155.72	1,880.53
(i)	Intangible Assets under development	9A	3,300.28	-
	Total Assets		**99,272.89**	**100,416.79**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Other Payables			
	(i) total outstanding dues of micro enterprises and smal enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,059.47	2,468.11
(b)	Borrowings (Other than Debt Securities)	10	75,139.71	76,609.60
(c)	Other financial liabilities	11	1,329.84	2,037.74
(2)	**Non-Financial Liabilities**			
(a)	Deferred Tax Liabilities (Net)	12	815.40	(539.44)
(b)	Other non-financial liabilities	13	645.16	1,091.14
(3)	**EQUITY**			
(a)	Equity Share capital	14	100,610.00	100,610.00
(b)	Other Equity (Refer statement on Changes to Equity)		(81,326.68)	(81,860.36)
	Total Liabilities and Equity		**99,272.90**	**100,416.79**

Notes 1 to 31 which includes Significant Accounting Policies and Basis of Preparation form part of these financial statements.

For and on behalf of the Board

Sd/-
JAIJASH TATIA
Whole Time Director
DIN. 08085029

Sd/-
HENNA JAIN
Director
DIN. 08383395

Sd/-
SHOBA NAHAR
CFO

Sd/
VIDYALAKSHMI R
Company Secretary

Place: Chennai
Date: 28.06.2021

As per our Report of even date

For J V Ramanujam & Co
Chartered Accountants
FRN 002947S

Sd/

CA SRI NARAYANA JAKHOTIA
Partner
M No 233192

KREON FINNANCIAL SERVICES LTD

#29, Mookathal Street, Purasawalkkam, Chennai - 600 007 CIN: L65921TN1994PLC029317

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(Rs. in Thousands)

	Particulars	Note No.	2020-21	2019-20
	Revenue from operations			
(i)	Interest Income	15	11,207.27	6,060.17
(ii)	Fee Income		5,941.21	4,310.93
(iii)	Dividend Income		5.38	7.00
(I)	**Total Revenue from operations**		**17,153.86**	**10,378.10**
(II)	Other Income (to be specified)	16	13.09	75.03
(III)	**Total Income (I+II)**		**17,166.95**	**10,453.13**
	Expenses			
(i)	Finance Costs	17	3,391.09	4,333.46
(ii)	Employee Benefits Expenses	18	12,423.13	18,923.61
(iii)	Depreciation, amortization and impairment		737.02	1,183.80
(iv)	Bad Debts		-	11,197.80
(v)	Others expenses	19	6,024.66	17,645.17
(IV)	**Total Expenses (IV)**		**22,575.89**	**53,283.84**
(V)	Profit / (loss) before exceptional items and tax (III-IV)		(5,408.94)	(42,830.71)
(VI)	Exceptional items		-	
(VII)	Profit/(loss) before tax (V -VI)		(5,408.94)	(42,830.71)
(VIII)	**Tax Expense:** (1) Current Tax		-	-
	(2) Prior Period Tax (includes Short Provision made in earlier years)		(533.31)	405.08
	(3) Deferred Tax		(56.21)	(260.61)
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		(4,819.41)	(42,975.19)
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII)	**Profit/(loss) for the period (IX+XII)**		**(4,819.41)**	**(42,975.19)**
(XIV)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss: Remeasurement of the net defined benefit liability / asset, net		79.15	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(20.58)	-
	Subtotal (A)		**58.57**	**-**
	(B) (i) Items that will be reclassified to profit or loss: Profit on valuation of shares	5	6,685.00	(1,439.23)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(1,390.48)	186.99
	Subtotal (B)		**5,294.52**	**(1,252.24)**
	Other Comprehensive Income (A + B)		**5,353.09**	**(1,252.24)**
(XV)	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		533.68	(44,227.43)
(XVI)	**Earnings per equity share (for continuing operations)**			
	Basic (Rs.)		(0.48)	(4.27)
	Diluted (Rs.)		(0.48)	(4.27)
(XVII)	**Earnings per equity share (for discontinued operations)**			
	Basic (Rs.)			
	Diluted (Rs.)			
(XVIII)	**Earnings per equity share (for continuing and discontinued operations)**			
	Basic (Rs.)		(0.48)	(4.27)
	Diluted (Rs.)		(0.48)	(4.27)

For and on behalf of the Board

Sd/-
JAIJASH TATIA
Whole Time Director
DIN. 08085029

Sd/-
HENNA JAIN
Director
DIN. 08383395

Sd/-
SHOBA NAHAR
CFO

Sd/
VIDYALAKSHMI R
Company Secretary

Place: Chennai
Date: 28.06.2021

As per our Report of even date

For J V Ramanujam & Co
Chartered Accountants
FRN 002947S

Sd/
CA SRI NARAYANA JAKHOTIA
Partner
M No 233192

KREON FINNANCIAL SERVICES LIMITED

Old No. 12, New No.29, Mookathal Street, Purasawalkkam, Chennai - 600 007.
CIN: L65921TN1994PLC029317

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31|03|2021

(Rs. in Thousands)

A. CASH FLOW FROM OPERATING ACTIVITIES	**No**	**As at 31st March 2021**	**As at 31st March 2020**
Net Profit before tax		(5,408.94)	(42,830.71)
Adjustments for :			
OCI- Actuarial Gain		79.15	-
Depreciation		737.02	1,183.80
Finance Costs		3,315.49	4,333.46
		(1,277.28)	**(37,718.54)**
Operating Profit before working Capital Changes			
Adjustments for:			
Decrease / (Increase) in Loans		16,361.16	(7,254.25)
Decrease / (Increase) in non-financial assets		(40.18)	403.76
Increase / (Decrease) in Other non-financial liabilities		(445.98)	627.67
Decrease / (Increase) in other financial assets		432.76	(957.60)
Increase / (Decrease) in Other payables		(408.64)	(1,078.94)
Increase / (Decrease) in other financial Liabilities		(707.90)	935.41
Cash Flow From Operating activities		**13,913.94**	**(45,042.48)**
Finance Costs paid		(3,315.49)	(495.01)
Income Tax (paid) / Refund		533.31	(405.08)
Net Cash from Operating Activities	**(A)**	**11,131.76**	**(45,537.50)**
B.CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(12.20)	(616.87)
Payment towards intangible assets under development		(3,300.28)	
Cash Flow From Investment Activities	**(B)**	**(3,312.48)**	**(616.87)**
C.CASH FLOW FROM FINANCE ACTIVITIES			
Proceeds/(Repayment) from Borrowings (Net)		(1,469.90)	42,538.87
Investment in Bank Deposits		-	(57.39)
Redemption of Bank Deposits		158.60	-
Cash Flow From finance Activities	**(C)**	**(1,311.30)**	**42,481.48**
Increase / (Decrease) in cash and cash equivalent (A+B+C)		**6,507.99**	**(3,672.89)**
Cash and cash Equivalents as at the beginning of the year		6,327.82	10,000.71
Cash and cash Equivalents as at the end of the year		12,835.80	6,327.82
Net Increase/(Decrease) in Cash Balances		**6,507.99**	**(3,672.89)**

For and on behalf of the Board

Sd/-
JAIJASH TATIA
Whole Time Director
DIN. 08085029

Sd/-
HENNA JAIN
Director
DIN. 08383395

Sd/-
SHOBA NAHAR
CFO

Sd/
VIDYALAKSHMI R
Company Secretary

Place: Chennai
Date: 28.06.2021

As per our Report of even date

For J V Ramanujam & Co
Chartered Accountants
FRN 002947S

Sd/
CA SRI NARAYANA JAKHOTIA
Partner
M No 233192

M/s. KREON FINNANCIAL SERVICES LTD

#29, Mookathal Street, Purasawalkkam, Chennai - 600 007
CIN: L65921TN1994PLC029317

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital **(Rs. in Thousands)**

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
100610.00	0.00	100610.00

(Rs. in Thousands)

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2020	2,102.11		27,097.50	(106,703.02)	(4,356.95)	(81,860.36)
Total Comprehensive Income/Loss				(4,819.41)	5,353.09	533.68
Transfer to General Reserve	-				-	-
Balance as at March 31, 2021	2,102.11	-	27,097.50	(111,522.43)	996.15	(81,326.68)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2019	2,102.11		27,097.50	(63,727.83)	(3,104.71)	(37,632.93)
Total Comprehensive Income/Loss	-			(42,975.19)	(1,252.24)	(44,227.43)
Transfer to General Reserve	-			-	-	-
Balance as at March 31, 2020	**2,102.11**	**-**	**27,097.50**	**(106,703.02)**	**(4,356.95)**	**(81,860.36)**

For and on behalf of the Board

Sd/-
JAIJASH TATIA
Whole Time Director
DIN. 08085029

Sd/-
HENNA JAIN
Director
DIN. 08383395

Sd/-
SHOBA NAHAR
CFO

Sd/
VIDYALAKSHMI R
Company Secretary

Place: Chennai
Date: 28.06.2021

As per our Report of even date

For J V Ramanujam & Co
Chartered Accountants
FRN 002947S

Sd/
CA SRI NARAYANA JAKHOTIA
Partner
M No 233192

(Rs. in Thousands)

Note 3: Cash and cash equivalents	**As at 31st March 2021**	**As at 31st March 2020**
(i) Cash on hand	34.53	186.02
(ii) Balances with Banks (of the nature of cash and cash equivalents)	12,801.29	3,366.69
(iii) Cheques, drafts on hand	-	2,775.12
Total	**12,835.81**	**6,327.83**

(Rs. In Thousands)

Note 4: Loans	**As at 31st March 2021**	**As at 31st March 2020**
Carried at amortised cost		
Loans Payable on demand *	68,050.20	84,982.70
Less :Provision for NPA *considered at 10% of loans overdue for more than 6 months for current year* *considered at 100% of loans overdue for more than 6 months for prev year*	460.83	981.50
Less :Provision for Standard Assets *made @ 0.25% on loan book of Rs. 65,684.87 thousand, considered good*	158.61	209.27
Total	**67,430.77**	**83,791.93**

*Unsecured loans advanced within India to private sector entities including individuals, private and public limited companies.

Note 5: Investments at Fair Value through Other Comprehensive Income					
					(Rs. in Thousands)
	31.03.2021			31.03.2020	
I. Equity Instruments- Quoted	**Qty**	**Market Value**	**Cost**	**Qty**	**Market Value**
Apollo Hospital Ltd	20	58.06	21.25	20	22.76
Arihant foundation ltd	11	0.19	0.52	11	0.1672
Beckon Inds ltd	500	0.10	0.0950	500	0.0950
BGR energy Ltd	1	0.04	0.1022	1	0.0210
Cals Refineries Ltd	150,000	15.00	15.00	150,000	15.00
Cera Sanitarwar	2	7.81	6.89	2	4.62
CNI Research Ltd	1,000	1.71	2.76	1,000	1.76
Dabur India Ltd	200	108.14	65.40	200	90.05
DLF Limited	11	3.16	2.22	11	1.51
GMR Infrastructure Ltd	10	0.24	0.1700	10	0.1625
Gokul Agro Resources Ltd	1	0.02	-	1	0.0082
Gokul Refoil Ltd	1	0.02	0.0130	1	0.0086
GVK Power & Infrstucture Ltd	10	0.02	0.1704	10	0.0222
IFICI Ltd	15,200	182.86	300.20	15,200	61.56
J I K Industries Ltd	210	0.11	0.1200	210	0.0525
K.S.oil	1,000	0.00	-	1,000	-
Karturi Global Ltd	1,110	0.30	-	1,110	0.22
King fisher Airline ltd	24,200	0.00	-	-	-
Kohinoor Food ltd	10	0.07	0.62	10	0.0624
Lovable Lingerie Ltd	10	0.81	1.75	10	0.39
Marg Ltd	10	0.06	0.1180	10	0.0639
Medione global Entertainment Ltd	1	0.01	0.0050	1	0.0050
MRF Ltd	1	82.22	72.30	1	58.24
Munoth Financial Ltd	100	1.93	0.77	100	1.02
ONGC Ltd	60	6.13	7.11	60	4.10
Page Insustries Ltd	10	303.36	226.85	10	169.28
Power Soft Ltd	400	0.00	-	-	-
Reliance Com Ltd	10	0.02	0.2180	10	0.0066
Reliance Industries Ltd	4	8.01	0.88	4	4.45
Reliance power Ltd	25	0.00	-	-	-
Rupa Company ltd	100	30.77	37.26	100	11.66
Rural Electrification Ltd Rec	6	0.80	0.3750	6	0.53
Sesa Sterlite Ltd/ VedantaLtd	10	2.29	2.78	10	0.65
Shree Asthivinayak Ltd	100	0.08	0.0810	100	0.0810
Spicejet ltd	3,600	250.20	450.54	3,600	132.84
TT Ltd	500	22.50	40.98	500	13.48
Tata Investments Ltd	10	10.36	7.39	10	6.63
Tata Teleservices Ltd	113	1.59	0.62	113	0.2034
Tatia Global Vennture Ltd	12,381,985	8,915.03	6,190.99	12,381,985	2,971.68
The Ramco Cements	500	501.58	113.83	500	257.20
Timbor Home Ltd	500	1.11	1.11	500	1.11
Vijayshanthi Builders ltd	61,010	230.01	1,034.12	61,010	230.01
Total A	**12,643**	**10,746.69**	**8,605.60**	**12,618**	**4,061.69**
Profit on Equity Instruments - Other Comprehensive Income		**6,685.00**			
Note : All Investments are in India					

(Rs. in Thousands)

Note 6: Other Financial Assets	As at 31st March 2021	As at 31st March 2020
(i) Rent Deposits	165.00	165.00
(ii) Telephone Deposit	1.50	1.50
(iii) GST Input	1,060.15	1,442.03
(iv) Advances to Vendors	168.42	219.29
Total	**1,395.07**	**1,827.82**

(Rs. in Thousands)

Note 7: Non-Current Asset held for sale	As at 31st March 2021	As at 31st March 2020
(i) Held for sale- Bullion	460.17	460.17
Total	**460.17**	**460.17**

Bullion is measured at lower of cost amount and fair value.
Fair value as at 31.03.2021 - Rs.1542.38 thousands

(Rs. in Thousands)

Note 8: Current Tax Assets (Net)	As at 31st March 2021	As at 31st March 2020
(i) Income Tax Refund Due	701.92	700.26
(ii) TDS Receivable	740.43	701.92
(iii) Provision for Taxation	0.00	0.00
Total	**1,442.36**	**1,402.18**

Note 9: Property, Plant & Equipment					
The changes in carrying value of Property, Plant & Equipment for the year ended 31 March 2021 are as follows:					**(Rs. in Thousands)**
Particulars	**Furniture & Fittings**	**Motor Car**	**Office Equipment**	**Computer & Peripherals**	**Total**
Gross Carrying value as at 01 April 2018	64.04	3,019.47	-	44.95	3,128.46
Add: Additions	35.37	-	322.61	1,459.80	1,817.78
Less: Deletions	-	-	-	-	-
Gross carrying value as at 31 March 2019	**99.41**	**3,019.47**	**322.61**	**1,504.75**	**4,946.24**
Add: Additions	63.99	-	24.62	528.26	616.87
Less: Deletions	-	-	-	-	-
Gross carrying value as at 31 March 2020	**163.40**	**3,019.47**	**347.23**	**2,033.01**	**5,563.10**
Add: Additions	12.20	-	-	-	12.20
Less: Deletions	-	-	-	-	-
(A) Gross carrying value as at 31 March 2021	**175.60**	**3,019.47**	**347.23**	**2,033.01**	**5,575.31**
Accumulated Depreciation/amortisation and impairment					
Accumulated Depreciation as at 31 March 2018	14.69	1,084.76	-	20.30	1,119.75
Depreciation for the year	14.58	604.21	25.35	734.88	1,379.02
Accumulated Depreciation on Deletions	-	-	-	-	-
Accumulated Depreciation as at 31 March 2019	29.27	1,688.97	25.35	755.18	2,498.77
Depreciation for the year	28.83	414.97	55.26	684.74	1,183.80
Accumulated Depreciation on Deletions	-	-	-	-	-
Accumulated Depreciation as at 31 March 2020	58.10	2,103.94	80.61	1,439.92	3,682.57
Depreciation for the year	28.24	285.92	48.26	374.60	737.02
Accumulated Depreciation on Deletions	-	-	-	-	
(B) Accumulated Depreciation as at 31 March 2021	86.34	2,389.86	128.87	1,814.52	4,419.59
Net Carrying amount					
Carrying value as at 31 March 2019	70.14	1,330.50	297.26	749.57	2,447.47
Carrying value as at 31 March 2020	105.30	915.53	266.62	593.09	1,880.53
(C) Carrying value as at 31 March 2021 (A-B)	**89.26**	**629.61**	**218.36**	**218.50**	**1,155.72**

Note 9A: Intangible Assets under development	**As at 31st March 2021**	**As at 31st March 2020**
Product under development *	3,300.28	-
Total	**3,300.28**	-

*Digital Lending Division has started developing a new platform for offering loans through an `app'. Rs.3300.28 thousands represent all the directly attributable costs of this product development, in terms of Ind AS 38

		(Rs. in Thousands)
Note 10: Borrowings other than debt securities	**As at 31st March 2021**	**As at 31st March 2020**
Carried at Amortised Cost		
Unsecured Demand Loans from Related Parties in India	75,139.71	76,609.60
Total	**75,139.71**	**76,609.60**
Note: All these loans are for a tenor of one year and are renewable. Two of company's loan creditors viz. Jinpaad Developers Private Ltd and Opti Products Private Ltd have decided to covert their loan outstandings as at February 2021 into shares and have also decided to waive the interest due for the current year (FY 2020-21) amounting to Rs. 5,172.66 and consequently no interest is provided for the loans from these parties in FY 2020-21.		

		(Rs. in Thousands)
Note 11: Other Financial Liabilities	**As at 31st March 2021**	**As at 31st March 2020**
1. Provisions		
(i) Salary Payable	1,095.81	1,729.21
(ii) Audit Fees Payable	25.00	25.00
(iii) Liability for Expenses	209.04	283.53
Total	**1,329.84**	**2,037.74**

		(Rs. in Thousands)
Note 12: Deferred Taxes	**As at 31st March 2021**	**As at 31st March 2020**
(i) Deferred Tax Liability		
Impact of difference depreciation charged for financial reporting, against the tax calculations	(325.91)	(309.95)
Impact of difference on account of appreciation of Share Investments	1,203.49	(186.99)
Impact of difference on account of Gratuity Valuation	(82.75)	(42.50)
Impact of difference on account of Gratuity Valuation	20.58	-
Total	**815.40**	**(539.44)**

		(Rs. in Thousands)
Note 13: Other Non-Financial Liabilities	**As at 31st March 2021**	**As at 31st March 2020**
(i) Provision for Gratuity Benefits Liability	239.13	163.46
(ii) TDS Payable	304.18	661.07
(iii) GST Payable	23.14	149.75
(iv) EPF Payable	77.35	113.98
(v) ESI Payable	1.36	2.88
Total	**645.16**	**1,091.14**

Note 14: Share Capital

(Rs. in Thousands)

Sr. No	Particulars	As at 31st March 2021	As at 31st March 2020
1	**AUTHORISED CAPITAL**		
	2,00,00,000 Equity Shares of Rs. 10/- each	2,00,000.00	2,00,000.00
		2,00,000.00	2,00,000.00
2	**ISSUED, SUBSCRIBED & PAID UP CAPITAL**		
	10061000 Equity Shares of Rs. 10/- each	1,00,610.00	1,00,610.00
		1,00,610.00	1,00,610.00
	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
	At the beginning of the reporting period	10,061.00	10,061.00
	Issued during the year	-	-
	At the end of the reporting period	10,061.00	10,061.00

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

Name of shareholder	No. of shares held		No. of shares held	
	As at 31.03.2021	% of holding	As at 31.03.2020	% of holding
Tatia Global Vennture Limited	1,950.00	19.38	1,950.00	19.38
Subh Labh Infrastructure Private Limited	1,759.50	17.49	1,759.50	17.49
Ashram Online.Com Ltd	952.70	9.47	952.70	9.47
Jaijash Tatia	623.30	6.20	623.30	6.20
Bharat Jain Tatia	550.22	5.47	550.22	5.47
Chandrakantha Tatia	504.85	5.02	504.80	5.02
Total	**6,340.57**	**63.03**	**6,340.52**	**63.03**

Statement of Profit & Loss - Notes

Note 15: Financial Receipts On Financial Assets measured at Amortised Cost	**(Rs. in Thousands)**	
Particulars	**2020-21**	**2019-20**
Loans	11,192.09	5,998.38
Deposits with Banks	15.18	61.79
Total	**11,207.27**	**6,060.17**

Note 16: Other Income	**(Rs. in Thousands)**	
Particulars	**2020-21**	**2019-20**
Interest on IT refund	13.09	71.85
Others	-	3.18
Total	**13.09**	**75.03**

Note 17: Finance Costs On Financial Liabilities carried at Amortised Cost	**(Rs. in Thousands)**	
Particulars	**2020-21**	**2019-20**
Interest on		
- Loans	3,225.70	4,061.97
- Others	-	-
Collection Charges	75.60	-
Finance Charges	89.79	271.49
Total	**3,391.09**	**4,333.46**

Note 18: Employee Benefits Expenses	**(Rs. in Thousands)**	
Particulars	**2020-21**	**2019-20**
Salaries and wages	11,776.36	18,038.60
EPF Expenses	426.30	553.99
ESI Expenses	15.77	35.68
Gratuity	154.82	163.46
Staff welfare expenses	49.88	131.89
Total	**12,423.13**	**18,923.61**

Note 19: Other expenses	**(Rs. in Thousands)**	
Particulars	**2020-21**	**2019-20**
Auditor's fees and expenses	30.00	25.00
Communication Costs	44.21	24.72
Customer Care & Compliance Expenses	430.31	402.41
Director's fees, allowances and expenses	31.00	18.00
Insurance	69.78	65.75
Legal and Professional Charges	2,037.69	6,763.67
Listing and Filing Fees	823.21	512.12
Marketing Expenses	1,131.98	3,162.33
Provision for NPA	(520.68)	981.50
Provision for Standard Assets	(50.67)	(279.86)
Rent, taxes and energy costs	337.15	896.84
Repairs and maintenance	113.50	160.37
Postage and Courier	1.37	36.44
Printing and stationery	22.95	93.22
Technology Expenses	1,333.42	3,863.14
Travelling & Conveyance	42.12	285.24
Other expenditure	147.31	634.29
Total	**6,024.66**	**17,645.17**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2021

BRIEF DESCRIPTION OF THE COMPANY AND ITS BUSINESS

KREON FINNANCIAL SERVICES LIMITED is engaged primarily in financing activities along with investing in long term and short term projects, securities, debt related instruments etc. Company is listed at Bombay Stock Exchange Ltd (BSE).

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) (as notified under the Companies (Indian Accounting Standards) Rules, 2015) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

1.2 Use of Estimates**: -** The preparation of the financial statements inconformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 REVENUE RECOGNITION

a. Interest income on the loans granted is recognised on annual accrual basis and when no significant uncertainty as to collectability exists.

b. In respect of other incomes, recognition is made under accrual system.

2.2 PROPERTY, PLANT AND EQUIPMENT, DEPRECIATION & IMPAIRMENT

a. Property, Plant and Equipment are stated at cost of acquisition less depreciation.

b. Depreciation provided on Property, Plant and Equipment on written down value method as per the rates specified in Schedule II of the Companies Act 2013.

2.3 INTANGIBLE ASSETS

Digital Lending Division has started developing a platform for offering loans through an `app' to non-students also, more particularly to the salaried class. As the work being carried out is purely `development' in nature and not falling under the research phase, as per Ind AS 38, all

the directly attributable costs of this product development have been aggregated and shown against 'Intangible assets under development' under in the Balance Sheet.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

2.4 INVESTMENTS

Investment have been revalued on the basis of fair market value at year end as specified under Ind AS and necessary impact has been recorded.
All equity investments are designated at Fair Value through Other Comprehensive Income (FVOCI). The fair value changes on the instrument, excluding dividends, are recognized in the OCI.

2.5 RETIREMENT BENEFITS

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has noobligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense when an employee renders the related service.

Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss when an employee renders the related service.

Gratuity provision for the year is made based on actuarial valuation. Leave encashment is accounted on actual liability basis.

2.6 TAX ON INCOME

a. Tax on income for the current period is determined on the basis of Taxable Income computed in accordance with the provisions of the Income Tax Act 1961.

b. Deferred Tax on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date as per the Ind AS laid down by the Institute of Chartered Accountants of India (ICAI).

2.7 EARNINGS PER SHARE (EPS)

The basic earnings per share have been computed by dividing the net income attributable to equity shareholders by weighted average number of shares outstanding during the year.
The diluted earnings per share have been computed using weighted average number of shares adjusted for effects of all potentially dilutive equity shares.

2.8 IMPAIRMENT OF ASSETS

The Company has carried out a review of assets, other than equity instruments, to determine any indications of impairment as on balance date as required under Ind AS combined with applicable provisions related to Non-Banking Financial Company as specified by Reserve Bank of India. Impairment loss is charged to the Profit and Loss Account in the year in which impairment in value of an asset is noticed. The Impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of recoverable amount. Equity Instruments at FVOCI are not subject to an impairment assessment.

2.9 LEASES

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease team (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed.
The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.10 BUSINESS SEGMENT

The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India.

During year ending 31 March 2021, for management purposes, the Company was organized into two business segments viz.

Commercial Lending Segment- non-digital lending arm of Kreon, and
Digital Lending platform- Catering to advancement of loans to students via StuCred platform.

The company has decided to adopt Segment reporting for its Commercial Lending and Digital Lending Division in line with Ind AS 108 from the current financial year (FY 2020-21).Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a entity as whole basis and are not allocated to operating segments.

Segment wise Revenue, Results, Assets and Liabilities

for the year ended 31st March 2021

(Rs.in Thousands)

Particulars	Current year ended 31.03.2021	Previous year ended 31.03.2020
1. Segment Revenue		
(a) Commercial Lending Division	11,212.65	6,142.19
(b) Digital Lending Division –StuCred	5,941.21	4,310.93
Net sales/Income From Operations	**17,153.86**	**10,453.13**
2. Segment Results (Profit)(+)/ Loss (-) before tax from Each segment)		
(a) Commercial Lending Division	11,016.64	-10,934.69
(b) Digital Lending Division –StuCred	-16,425.457	-31,896.02
Total Profit Before Tax	**-5,408.93**	**-42,830.71**
3. Segment Assets		
(a) Commercial Lending Division	1,45,356.33	1,29,494
(b) Digital Lending Division –StuCred	19,206.72	18,114.82
(c) Inter Segment Assets	-65,290.16	-46,652.44
Total Segment Assets	**99,272.89**	**1,00,956.38**

4. Segment Liabilities		
(a) Commercial Lending Division	77,830.58	78,848.20
(b) Digital Lending Division –StuCred	67,449.16	50011.00
(c) Inter Segment Liabilities	-65,290.16	-46,652.44
Total Segment Liabilities	**79,989.58**	**82,206.76**

2.11 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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

2.12 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Note 20: CAPITAL MANAGEMENT

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The Company's capital management objective is to maximize the total shareholder return by optimizing cost of capital through flexible capital structure that supports growth.

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.

Gearing Ratio:	**Rs. in Thousands**	**Rs. in Thousands**
	March 31, 2021	**March 31, 2020**
Debt	75,139.71	76,609.60
Less: Cash and bank balances	12,835.81	6,327.83
Net debt	**62,303.90**	**70,281.77**
Total equity	19,283.32	18,749.64
Net debt to total equity ratio	**3.23**	**3.77**

Note 21: 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

Loan receivables

Credit risk refers to the risk of default on the receivables to the Company that may result in financial loss. The maximum exposure from loan receivables amounted to Rs. 68,050 thousand as of March 31, 2021 (Rs. 83,792 thousand and Rs.77,027 thousand as of March 31, 2020 and 2019, respectively).

Loans are advanced 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 tenor 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 for one month and can be rolled over on request from the borrower.

Cash and cash equivalents and deposits with banks

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings. Therefore, the risk of default is considered to be insignificant.

SUMMARY OF EXPOSURES TO FINANCIAL ASSETS PROVIDED BELOW:

Financial asset	Exposure as at (Rupees in Thousands)	
	31 March 2021	31 March 2020
Investments	10,746.69	4061.69
Loans	67,430.77	83,791.93
Cash and cash equivalents	12,835.81	6,327.83
FD with Bank	506.04	664.64
Non-Current Asset- held for sale	460.17	460.17
Other Financial Assets	1395.07	1827.82
Total	**93,374.54**	**97,134.07**

Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses

The management has analyzed that the unimpaired amounts that are past due by more than 180 days but is confident that these amounts are good and receivable in full, based on historical payment behavior and extensive analysis of customer credit risk.

In the previous year, for the loans disbursed by the Digital Lending Division, Company had made 100% provision for all the loan accounts which had been classified as Non-Performing Asset (NPA). From this year onwards, provision for such NPAs are made in line with relevant provisioning requirements of RBI. The provision made by the Digital Lending Division this year is Rs. 283.05 thousands. Had the provisioning policy of the previous year been followed an amount of Rs. 2,830.50 thousands would have been provided for. Due to change in accounting policy, the profit of the company for the current year has been increased by Rs. 2,547.45.

The relevant prudential norms of RBI with regard to provisioning of Non-Performing Assets (NPA) of non-deposit taking NBFCs is given below

Classification

- Any loan outstanding for more than 6 months will be treated as NPA
- An NPA account will be considered as sub-standard for a period of 18 months from the date it is classified as NPA.
- A sub-standard asset which remains outstanding for more than 18 months will be treated as Doubtful Asset.

Provisioning

- 10% on the aggregate of `sub-standard' loan accounts
- 100% on the aggregate of `doubtful' loan accounts when there the loan account is not covered by any security

Provision for NPA to the tune of Rs. 283.05 thousand has been recognized during the reporting period in respect of student loan receivables. Provision for NPA to the tune of Rs. 177.78 thousand has been recognized during the reporting period in respect of commercial loan receivables. The same has been calculated on the standard prescribed rate of recognition for loans which are due and unpaid for more than 180 days. For loans given to the Students through the `StuCred' App, the defaulters are being updated as per the terms of contract. Further Provision on Standard assets to the tune of Rs. 158.61 thousand have been considered as well. Excess provision of Rs. 50.67 thousands was reversed during the year.

Ageing analysis of Loan receivables

As a policy, the Company does an ageing analysis of Loans, the details of which is below:

Interval	Ageing as at 31-Mar-21 (in thousands)	Ageing as at 31-Mar-20 (in thousands)
Less than 6 months	65,219.70	84,001.20
More than 6 months	2,830.50	981.50
Total	**68,050.20**	**84,982.70**

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.

Maturities of financial liabilities

The following are the contractual maturities (principal and interest in the case of loan) of non-derivative financial liabilities, based on contractual cash flows:

(Rs.in Thousands)

31st March 2021	Contractual cash flows		
Contractual maturities of financial liabilities	**Carrying amount**	**Less than a year**	**3-4 years**
Loan	75,139.71	-	24,593.09
Trade Payables	2,059.47	2,059.47	-
Total	**77,199.18**	**2,059.47**	**24,593.09**

Out of the above, the company is looking at converting Loan Book of Rs. 50,546.62 (thousands) into Equity and Preference Shares and is taking appropriate measures for the same.

(Rs. In Thousands)

31st March 2020	Contractual cash flows	
Contractual maturities of financial liabilities	**Carrying amount**	**Less than a year**
Loan	76,609.60	76,609.60
Trade Payables	2,468.11	2,468.11
Total	**79,077.72**	**79,077.72**

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 exposures 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.

At the reporting date the interest rate profile of the Company's interest-bearing financial assets is as follows:

(Rs.in Thousands)

Particulars	31-Mar-21	31-Mar-20
Financial Assets	68,050.20	84,983.00
Fixed rate instruments	506.04	665.00
	68,556.24	85,648.00
Financial Liabilities		
Fixed rate instruments		
Borrowings	75,139.71	76,610.00

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised 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.

Note 22: RECEIVABLES AND PAYABLES

The receivables and payables as stated in Current Assets, Loans and Advances and Current Liabilities and in the opinion of the management have a value and realization equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities and doubtful debts has been made by the company.

Note 23: RECEIVABLES UNDER FINANCING ACTIVITY AND PROVISIONING/WRITE-OFF OF ASSETS

Receivables under financing activity represent principal and accrued Interest outstanding at the close of the year but net of amount written off.

The provisioning/write-off on overdue assets is as per the Management estimates, subject to the minimum provision required as per the NBFC Master Directions.

The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates which is disclosed under 'Long-term provisions' in the financial statements. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the NBFC Master Directions.

Contingent provision against standard asset, as required by the NBFC Master Directions, is also made by the Company on the standard assets outstanding which is disclosed under 'Other Non-current Liabilities' in notes to the financial statements.

Note 24: DUES TO SME'S

Management has determined that there were no balances outstanding as at the beginning of the year and transactions entered with micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year were complied with appropriate regulations, based on the information available with the company as at March 31, 2021.

Note 25: DEFINED BENEFIT PLANS (GRATUITY)

The Company got its Provision for Gratuity calculated by Actuaries in consistency with the requirements of Indian Accounting Standard (Ind AS) 19.
The amount provided in Balance Sheet as 'Provision towards Gratuity Benefits Liability' as at 31 March 2021 is Rs. 239.13 thousand.

As per Indian Accounting Standard 19 "Employee Benefits", the Disclosures as defined are given below:

(Rs.in Thousands)

Funded Status of the Plan		
Particulars	**31-Mar-2021 (12 months)**	**31-Mar-2020 (12 months)**
Present value of unfunded obligations	239.13	163.46
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	**239.13**	**163.46**

Profit and Loss account for the period		
Particulars	**31-Mar-2021 (12 months)**	**31-Mar-2020 (12 months)**
Current service cost	143.63	163.46
Interest on obligation	11.19	-
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(79.15)	-
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	**75.67**	**163.46**
Total Charge to P&L	**75.67**	**163.46**

Reconciliation of Defined Benefit Obligation		
Particulars	**31-Mar-2021 (12 months)**	**31-Mar-2020 (12 months)**
Opening Defined Benefit Obligation	163.46	-
Transfer in/(out) obligation	-	-
Current service cost	143.63	163.46
Interest cost	11.19	-
Actuarial loss (gain)	(79.15)	-
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	-	-
Closing Defined Benefit Obligation	**239.13**	**163.46**

Reconciliation of net defined benefit liability		
Particulars	**31-Mar-2021 (12 months)**	**31-Mar-2020 (12 months)**
Net opening provision in books of accounts	163.46	-
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	75.67	163.46
	239.13	**163.46**
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	**239.13**	**163.46**

Bifurcation of Liability		
Particulars	**31-Mar-2021**	**31-Mar-2020**
Current Liability*	0.40	0.28
Non-Current Liability	238.73	163.18
Net Liability	**239.13**	**163.46**

Note 26: FOREIGN CURRENCY TRANSACTION

Forex outflow on purchase of / subscription to software – Rs. 955.04 thousand. During the period 2019-20, there was an outflow of Rs. 2,587.62 thousand.

Note 27: CONTINGENT LIABILITIES AND CAPITAL CONTRACTS

The company as on date have not provided for any contingent liability (Previous Year NIL) and there are no unexecuted capital contracts which are outstanding or remaining to be performed.

Note 28: LEASES

The rental amount payable for the next year is Rs. 3,00,000/-.

Note 29: RELATED PARTY DISCLOSURES

The Company had transactions with the related parties during the year under review at arm's length.

a) **List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:**

Name of the Related Parties and description of the relationship

S.No.	Particulars	Relationship
1	Jaijash Tatia	KMP
2	Bharat Jain Tatia	Relatives of KMP
3	Hitesh V Shah	Relatives of KMP
4	Parul S Shah	Relatives of KMP
5	Jinpaad Developers Private Limited	Enterprises over which KMPs and their relatives can exercise significant influence
6	Ashram Online.Com Limited	-do-
7	Tatia Global Vennture Ltd	-do-
8	Opti Products Pvt. Ltd.	-do-

b) Transactions during the year:

(Rs. in Thousands)

S.No	Name	Nature of Liability	Relationship	2020-21	2019-20
1	Mr. Bharat Tatia	Loan Borrowing	Relative of KMP	-	1,627.50
2		Loan Re-payment		-	1,627.50
3		Interest on Loan		-	27.20
4		Rent Payment		300.00	300.00
5	Mr. Jaijash Tatia	Salary Paid	KMP	1,184.59	2,400.00
6	Ashram Online.Com Ltd	Interest Paid/ Payable/ Received/ Receivable	Relatives of KMP/ Enterprisesover which KMPs and their relatives can exercise significant influence	1182.40	475.22
7	Tatia Global Vennture Ltd			2043.30	1,947.70
8	Jinpaad Developers Private Ltd			-	560.95
9	Hitesh V Shah			-	97.87
10	Parul S Shah			-	98.46
11	Opti Products Private Ltd			-	854.58
12	Ashram Online.Com Ltd	Loans Taken	Enterprisesover which KMPs and their relatives can exercise significant influence	20.00	8,155.00
13	Tatia Global Vennture Ltd			365.00	22,050.00
14	Opti Products Private Ltd			3650.00	39,710.00
15	Tatia Global Vennture Ltd	Rent Payment	Enterprisesover which KMPs and their relatives can exercise significant influence	-	240.00
16	Jaijash Tatia	Loan Borrowing	KMP	6,310	2,095.00
17	Jaijash Tatia	Loan Re-payment	KMP	1,632.50	5,630.00
18	Ashram Online.Com Ltd	Loan Given/ Re-payment	Enterprisesover which KMPs and their relatives can exercise significant influence	1,495.23	370.00
19	Tatia Global Vennture Ltd			8,845.05	2,140.00
20	Opti Products Pvt. Ltd			2,310.00	5,385.00
21	Jinpaad Developers Private Ltd			-	69.80
22	Hitesh V Shah	Loan Re-payment	Relatives of KMP	-	1,255.20
23	Parul S Shah	Loan Re-payment	Relatives of KMP	-	1,255.98
24	Madanlal Nahar	Loan Re-payment	Relatives of KMP	-	579.00
25	Pushpa Devi Nahar	Loan Re-payment	Relatives of KMP	-	579.00

c) Balances as at end of year:

(Rs. in Thousands)

S. No	Name	Nature of Transaction	Relationship	As on 31 March 2021	As on 31 March 2020
1	Opti Products Private Ltd	Loans and Interest Paid/ Payable/ Received/ Receivable	Relatives of KMP/ Enterprisesover which KMPs and their relatives can exercise significant influence	36,434.12	35,094.12
2	Jinpaad Developers Private Ltd	Net Loans Given / (Returned)	Enterprisesover which KMPs and their relatives can exercise significant influence	6,200.00	6,704.86
3	Ashram Online.Com Ltd			7,820.15	8,212.70
4	Tatia Global Vennture Ltd			16,772.93	23,362.93
5	Jaijash Tatia	Interest Free Loan	KMP	7,912.50	3,235.00

Note 30: EARNINGS PER SHARE

(Rs. in Thousands)

Particulars	2020-21	2019-20
Profit after Tax	(4,819.41)	(42,975.19)
No. of Basic Equity Shares	10,061.00	10,061.00
Earnings per share- (Basic & Diluted)	(0.48)	(4.27)
Nominal value of an equity share	10.00	10.00

Note 31: GENERAL

1. The figures for the previous year have been regrouped / reclassified / rearranged wherever necessary with the conformity with the current year figures for facilitating proper comparisons.

2. The company has followed prudential norms, except otherwise stated, prescribed by Reserve Bank of India for Non-Banking Finance Companies-financial statements.

3. The figures have been rounded off to the nearest thousands.

For and on behalf of the Board		**As per our Report of even date**
Sd/- **JAIJASH TATIA** Whole Time Director DIN. 08085029	**Sd/-** **HENNA JAIN** Director DIN. 08383395	**For J V Ramanujam & Co** **Chartered Accountants** **FRN 002947S**
Sd/- **SHOBA NAHAR** CFO	**Sd/** **VIDYALAKSHMI R** Company Secretary	**Sd/** **CA SRI NARAYANA JAKHOTIA** **Partner** **M No 233192**
Place: Chennai Date: 28.06.2021		