KREON FINNANCIAL™

04.09.2020

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 26th Annual Report - 2019-2020 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 2019-2020, 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**

KREON FINNANCIAL SERVICES LTD., CHENNAI

SHARANYA B
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

ANNUAL REPORT
2019-2020



KREON®
FINNANCIAL
SERVICES LTD

CORPORATE SNAPSHOT

Yet we know all along that once it is reached, we will definitely be setting our sights further… towards reaching the next milestone and then the next.

Over the past 24 years, Kreon Finnancial Services Limited has come a long way. Rather than a single journey, it has been a series of journeys, every single one of which ends with us crossing a milestone, which then becomes the starting point of a fresh adventure.

We constantly endeavour to live up to expectations, surpassing them and setting ourselves higher targets and goals. On our journeys, we are always alert to follow cautions that make the journey safe and fruitful. Rather than chase reckless growth, we pursue long- term and sustainable growth that is characterised by quality. And it is precisely this – not just growth per se, but quality growth that makes Kreon Finnancial Services Limited distinct and different.

As we stand on the quarter century of our existence, we look back at the road we have traversed so far, with PRIDE. The journey of many milestones has left us with happy experiences and valuable learnings.

More importantly, we look at the road ahead with excitement. And as we set our sights on the next milestone, we feel confident that we will seek out and CROSS many more on our journey into the future

PORTRAIT OF KFSL

KFSL has been engaged in specialized retail financing services for over two decades. The Company's inception dates back to 1994, when it was registered with the Reserve Bank of India as an NBFC.

Catering to the financial needs of society, KFSL offers a range of retail financing products for personal, Commercial Loans and now has entered into the Students Loan Community. With a presence across India, the Company provides credit solutions for both the formal and informal sectors.

With its network of as at end March 2020, KFSL caters to over 6000 clients on PAN India Basis, in an endeavour to fulfil its quest to take top-class services to the doorstep of the people of India. These touch points are spread across the all states of India.

Targeting a significant market share of the financial services space, KFSL has been putting in place systems and processes that enable the Company to expand its distribution and assess various perspectives of credibility, in the absence of proper and systematic credit documents, including creditworthiness through other channels, thus tapping the emerging opportunity by extending financial services to underpenetrated regions.

WHAT MAKES US WHO WE ARE AND WHAT DO WE WANT TO BE!

For close to two and a half decades, since our inception, we have seen economic sweet spots and times of despair. We have witnessed market upcycles and downturns. We have lived through phases when liquidity was tight and thrived when markets were awash with funds.

Through it all, we have followed a single code:

"Excellence Through Endeavours'"

This dictum has been our guiding light in tough times and our sail when tailwinds have propelled us forward. Every thought and action, every strategy and tactic and every intent and initiative that we take emanates from this deeply embedded belief.

We pride ourselves for having followed the path of quality growth. We do not perceive our clients as borrowers but rather as consumption aspirants. We appreciate that their need for capital must be met both adequately and in a timely manner, on fair terms, if they must carry the investment and consumption stories forward. This has driven us to craft our baseline philosophy of ensuring that we extend credit where it is due.

We are constantly alert to emerging trends as well as the unique and evolving needs of our clients and we consider remodeling our lending products and processes to meet the credit requirements of our customers in depth and detail, ensuring an efficient last mile delivery of credit.

We endeavour to partner with our clients, not just as their lenders but as credit worthiness builders. Towards this end, we help them to craft and create the best credit worthiness depending on their credit history with us, rather than just disbursing a loan. This approach stands us in good position for the long term as our success lies in their successes; and together we can and we will succeed.

We also treat our people as stakeholders rather than employees as we acknowledge that they are truly the force that drives KFSL from one milestone to the next. We aim to infuse a culture of proprietorship amidst our people and empower them with the ownership to contribute and lead, irrespective of where they belong within the geography and hierarchy. We seek to foster a strong sense of belonging which invokes in them a deep commitment to the Company and a firm responsibility towards all stakeholders. This culture at KFSL, which rests on ethics and integrity, is ingrained in every employee, with a shared vision and goal todeliver.

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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 Finnancial Officer
Ms. Shoba Nahar

Company Secretary & Compliance Officer
Ms. Sharanya B

Investor Relations
Ms. Sharanya B
Old no.12, New No. 29, Mookathal Street,
Purusawalkkam, Chennai-600007
CIN #: L65921TN1994PLC029317
Contact: 044-48676773
Email id: info@kreon.in

Audit Committee Chairman and Members
Mr. Subbarayan Ekambaram, Chairman
Mr. Jaijash Tatia, 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: 044-48676773
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
Purva Sharegistry (India) Pvt. Ltd
Unit No-9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Near Lodha Excelus,
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 48676773,
Website- www.kreon.in ; E-Mail: info@kreon.in

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Kreon Finnancial Services Limited will be held on Monday, 28th September, 2020 at 10:00 AM **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 to transact the following business:

ORDINARY BUSINESS

Item No.1 – Adoption of Audited Financial Statements for the year ended 31st March 2020

To consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March 2020 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. Jaijash Tatia, Director liable to retire by rotation

To appoint a Director in place of Mr. Jaijash Tatia (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.

Place : Chennai
Date : 03rd September 2020

By Order Of The Board
For Kreon Finnancial Services Limited
Sd/-
Sharanya B
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 2019-20 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 21.09.2020 to 28.09.2020 (both days inclusive) for the purpose of 26th 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. Purva Sharegistry (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. Purva Sharegistry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Near Lodha Excelus, 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 INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER

In case of members receiving e-mail:

(i) The voting period begins on **25.09.2020 at 09:00 A.M and ends on 27.09.2020 at 05:00P.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 **21.09.2020** 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 reach directly the Company selection screen. However, members holding shares in demat form will now reach '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 print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If 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 (P.OA) 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 at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or 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 : 03rd September 2020

By Order Of The Board
For Kreon Finnancial Services Limited
Sd/-
Sharanya B
Company Secretary

ANNEXURE TO THE NOTICE

ADDIITONAL 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. Jaijash Tatia
Date of Birth	05/10/1992
DIN	08085029
Date of Appointment	01/04/2018
Relationship With Other Directors	Son of Mr. Bharat Jain Tatia (Promoter)
Expertise in Specific Function Area	Specializing in Risk Management and Financial Accounting
Qualification	BA in Business management with Financial Econimics
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) as on 31.03.2020	NIL
Committee Positions held in other companies as on 31.03.2020 **Audit Committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	6, 23,300 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	M.A Economics and International Relations
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) as on 31.03.2020	NIL
Committee Positions held in other companies as on 31.03.2020 **Audit Committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	NIL

Place : Chennai
Date : 03rd September 2020

By Order Of The Board
For Kreon Finnancial Services Limited
Sd/-
Sharanya B
Company Secretary

StuCred®
REAL-TIME STUDENT CREDIT

StuCred is the digital lending division of Kreon Finnancial Service Limited (KFSL) - starting operations in October'18. StuCred empowers college students with formal financial inclusion & financial flexibility. What's great about this is that it not only helps students get cash when/where they need, but also instills in them a sense of responsibility to repay and a good habit that is essential in their future.

OUR BUSINESS



StuCred provides "Instant, Interest Free Loans" to college students through app based lending.

Entire process is done seemly through the app, from document verification to linking the bank account. Even availing & repaying the loans are done through the app.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 26th 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 2020.

FINANCIAL RESULTS

(Rupees in Thousands)

	Year ended on 31st March 2020	Year ended on 31st March 2019
Income from operations	10,453.13	38,122.26
Profit/(Loss) before depreciation, Interest	(37,312.91)	6,786.16
Interest	4,333.46	2,727.10
Depreciation	1,183.80	1,379.02
Profit/(Loss) before tax	(42,830.71)	2,680.04
Prior period tax	405.08	-
Provision for tax	-	5.15
Deferred tax	(260.61)	(91.84)
Profit/(Loss) after tax	(42,975.19)	2,256.24
Other Comprehensive Income ('OCI')	(1252.24)	(3104.71)
Total Comprehensive Income	(44227.43)	(-848.46)

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 on standalone basis is Rs.10,453.13 (in Thousands) (P.Y. Rs. 38,122.26, 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. 42,975.19 (in Thousands) for the Financial Year 2019-2020 as compared to profit (after tax) of Rs.2,256.24 for the Financial Year 2018-2019.

Profitability of operations has not been impacted by Covid-19 pandemic. However, profits have come down due to sharp decline in volume of student loans disbursed. Though there is a dip in the disbursement of student loans as the colleges continue to remain closed, once colleges reopen (between September 2020 to December 2020, according to the present indications), the company expects the volumes to reach pre-lockdown levels and grow further.

CHANGE IN NATURE OF BUSINESS

The Company is operating as 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, 2020 is Rs.10,06,10,000. No additions or alterations were made during the year.

DIVIDEND

The available resources are being conserved for survival and future operations, hence no dividend is being proposed for the Financial Year 2019-20.

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.

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.

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

The Statutory Auditor's Report does not contain any qualification, reservations or adverse remarks.

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 2019-2020 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 - III**".

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 company has taken the corrective measures during the current financial year.

FRAUDS REPORTED BY THE AUDITOR

During the Year under review, no frauds were reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board.

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

The Company has received declarations from Mr. Subbarayan Ekambaram and Ms. Hemamalini, Independent Directors of the Company that they meet with the criteria of Independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and Reg. 25 (8) & (9) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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, thereby restricting 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 till date:

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

Apart from this there have been no material changes and commitments that would affect 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.

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

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

Forex outflow on purchase of / subscription to software – Rs. 2,587.62 (in thousands). During the period 2018-19, there was an outflow of Rs. 1525.15 (in thousands).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always responded in a responsible manner to the environment in which it operates. During the year, for your Company, CSR is not applicable.

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 -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 were done by the entire board of directors which includes –

a. Performance of the directors; and
b. Fulfillment 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.

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.

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 he below tabulated salary slabs, from April 2020 till date:

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 - V".**

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 proper system of internal financial control which is commensurate with size and nature of Business. Even, the Board has 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors of the Company as on date as follows:

S.NO	NAME AND DIN	DESIGNATION
1	Mr. Jaijash Tatia ; (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	Ms. Shoba Nahar	Chief Financial Officer
6	Ms. Nutika Jain (Resigned w.e.f 31.10.2019)	Company Secretary
7	Ms. Sharanya B (Appointed w.e.f 29.01.2020)	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. Nutika Jain, Company Secretary & Compliance Officer has resigned w.e.f 31.10.2019 and Ms. Sharanya B was appointed as new Company Secretary & Compliance Officer of the Company w.e.f 29.01.2020, based on the recommendation of Nomination and Remuneration Commiitee.

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.

BOARD MEETINGS HELD DURING THE YEAR

The Board met 5 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

STATUTORY COMPLIANCE

The Company has been adopting the polices 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 SECRETARIALSTANDARDS

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.

MATERIAL ORDER PASSED REGULATORS / COURTS / TRIBUNALS

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

REPORT AND CERTIFICATE 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.

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, 2020, 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 31.03.2020 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.

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 endeavors 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 behavior.

The Company has 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 – Pradepkumar S
II. Cofounder& Director - Jaijash Tatia | jaijash@stucred.com
III. Director - Henna Tatia | henna@stucred.com
IV. Chief Financial Officer – Shoba Nahar | shoba@stucred.com

During the Financial year under review, there was one meeting of the Committee held on 30.05.2019 and there were no cases reported during the year under review 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 website http://www.kreon.in/wp-content/uploads/2020/07/Vigil-Mechanism-or-Whistle-Blower-Policy.pdf.

POLICIES

The Board of Directors of the Company 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

DISCLOSURE FOR MAINTENANCE OF COST RECORDS

The provision of Application of Cost Record in Compliance of Companies (Accounts) Rules, 2014 & in respect of section 148(1) of the Companies Act, 2013 is not applicable to the Company.

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, 2020, 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, 2020 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 more than one million customers across all area under 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/-
Jaijash Tatia
Whole time Director
(DIN: 08085029)

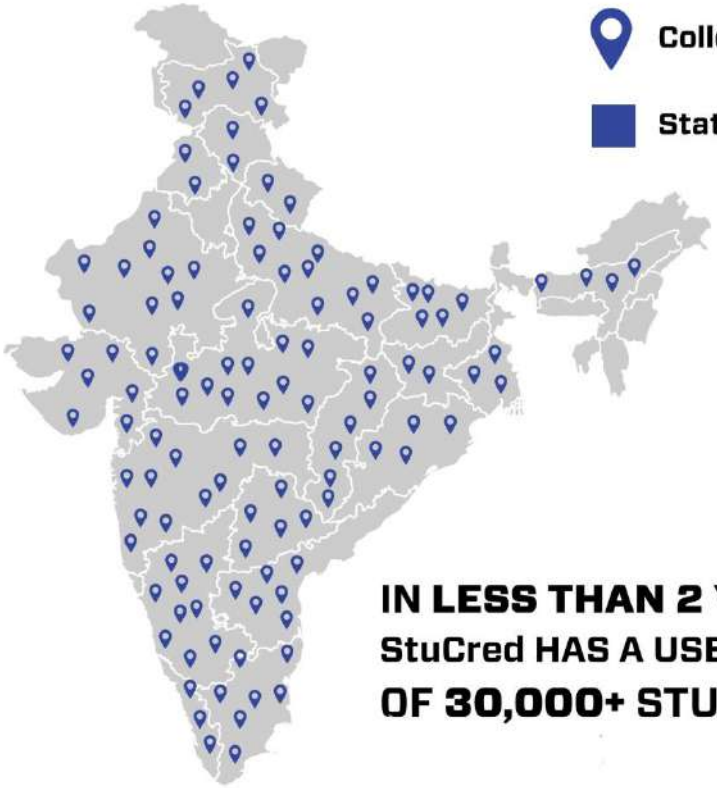
Sd/-
Henna Jain
Director
(DIN: 08383395)

Place : Chennai
Date : 03rd September 2020

OUR VISION

The student community in India is powering up and we want to be the force behind them. We want to be the ones that took a chance on the entrepreneurs designers & lawyers of tomorrow by helping them today

STUCRED IS CURRENTLY ACTIVE AT 300+ COLLEGES INCLUDING IITs, IIMs, NITs AS WELL AS MANY OTHER LEADING PRIVATE COLLEGES IN INDIA



Colleges Active On StuCred

States With StuCred Users

IN LESS THAN 2 YEARS,
StuCred HAS A USER BASE
OF 30,000+ STUDENTS

ANNEXURE - I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020
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: 044-48676773 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 Purva Sharegistry (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 6000 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 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				%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**	**36,28,459**	**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	18,52,676	19,34,176	19.22	81,500	18,51,052	19,32,552	19.21	0.02
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto `2 lakhs	13,71,700	6,74,610	20,46,310	20.34	13,68,800	6,64,132	20,32,932	20.21	0.13
ii) Individuals Shareholders holding Nominal Share Capital in excess of `2 lakhs	96,500	8,65,137	9,61,637	9.56	96,300	8,26,786	9,23,086	9.17	0.38
c) Other (specify)									
i. Trust									
ii. Hindu Undivided Family	0	36558	36,558	0.36	0	90,311	90,311	0.90	-0.53
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	900	900	0.01	0	700	700	0.01	0.00
vi. NBFC's registred with RBI									
SUB TOTAL (B) (2) :	**15,49,700**	**39,30,131**	**54,79,831**	**54.47**	**15,46,600**	**39,33,231**	**54,79,831**	**54.47**	**0.00**
TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)	**15,49,700**	**39,30,131**	**54,79,831**	**54.47**	**15,46,600**	**39,33,231**	**54,79,831**	**54.47**	**0.00**
TOTAL (A) + (B)	**25,02,400**	**75,58,590**	**1,00,61,000**	**100.00**	**24,99,300**	**75,61,700**	**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)	**25,02,400**	**75,58,590**	**1,00,61,000**	**100.00**	**24,99,300**	**75,61,700**	**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, 2019)			Shareholding at the end of the year (as on 31st March, 2020)			% 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	504800	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, 2019)		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. Chandrakantha Tatia**	-			
	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, 2019)		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.	**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.	**Ms. 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. Nutika Jain**				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	**Ms. Sharanya B**				
	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	-	2,89,29,782	-	-
ii) Interest due but not paid	-	13,02,505	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	**-**	**3,02,32,287**	**-**	**-**
Change in Indebtedness during the Financial Year				
- Addition	-	6,98,12,521	-	-
- Reduction	-	2,34,35,204	-	-
Net Change	**-**	**4,63,77,317**	**-**	**-**
Indebtedness at the end of the Financial Year				
i) Principal Amount	-	7,29,78307	-	-
ii) Interest due but not paid	-	36,31,297	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**7,66,09,604**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rs.

Particulars of Remuneration	Mr. Jaijash Tatia, WTD	MD	Manager
1. Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24,00,000/-	-	-
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	5,000/-	-	-
- PF	43,200	-	-
GROSS TOTAL	**24,05,000/-**	**-**	**-**

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	5,000/-	5,000/-	5,000/-
2. Commission	-	-	-
3. Others (please specify)	-	-	-
TOTAL	**5,000/-**	**5,000/-**	**5,000/-**

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

Amount in Rs.

Particulars of Remuneration	Ms. Shoba Nahar, Chief Financial Officer	Ms. Nutika Jain, Company Secretary (Resigned w.e.f. 31.10.2019)	Ms. Sharanya B, Company Secretary (Appointed w.e.f. 29.01.2020)
1. Gross Salary			
a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,80,000/-	2,10,000/-	1,07,717/-
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	31,680	25,200	7,548
- ESI	7,200	-	-
GROSS SALARY	**1,80,000/-**	**2,10,000/-**	**1,07,717/-**

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.

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

Sl. 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	Madanlal Nahar	Relatives of KMP
6	Pushpa Devi Nahar	Relatives of KMP
7	Jinpaad Developers Private Limited	Enterprises over which KMPs and their relatives can exercise significant influence
8	Ashram Online.Com Limited	-do-
9	Tatia Global Venuture Ltd	-do-
10	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 2019-2020**

Sl. No	Name(s) of the Related Parties	Contracts /Arrangements	Nature of Relationship	Duration, if any	Terms of contracts/ arrangements including the value, if any	Justification for entering into such contracts/ arrangements	Date of approval by the Board	Amount of transactions (in Rs. in Thousands)
1	Mr. Bharat Tatia	Loan Borrowing	Relative of KMP	One year	-	-		1,627.50/-
2		Loan Re-payment		-	-	-		1,627.50/-
3		Interest on Loan		One year	-	-		27.20/-
4		Rent Payment		One year	-	-	30.05.2019	300.00/-
5	Mr. Jaijash Tatia	Salary Paid	KMP	-	-	-	At the time of appointment	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	One year	-	-		475.22/-
7	Tatia Global Vennture Ltd				-	-		1,947.70/-
8	Jinpaad Developers Pvt Ltd				-	-		560.95/-
9	Hitesh V Shah				-	-		97.87/-
10	Parul S Shah				-	-		98.46/-
11	Opti Products Pvt. Ltd				-	-		854.58/-
12	Ashram Online.Com Ltd	Loans Taken/ repayment	Enterprisesover which KMPs and their relatives can exercise significant influence	One year	-	-		8,155.00/-
13	Tatia Global Vennture Ltd				-	-		22,050.00/-
14	Opti Products Pvt. Ltd				-	-		39,710.00/-
15	Tatia Global Vennture Ltd	Rent Payment	Enterprisesover which KMPs and their relatives can exercise significant influence	One year	-	-	30.05.2019	240.00/-
16	Jaijash Tatia	Loan Borrowing	KMP	One year	-	-	30.05.2019	2,095.00/-
17	Jaijash Tatia	Loan Re-payment	KMP	-	-	-		5,630.00/-
18	Ashram Online.Com Ltd	Loan Given/ Re-payment	Enterprisesover which KMPs and their relatives can exercise significant influence	One year	-	-	30.05.2019	370.00/-
19	Tatia Global Vennture Ltd				-	-	30.05.2019	2,140.00/-
20	Opti Products Pvt. Ltd				-	-	30.05.2019	5,385.00/-
21	Jinpaad Developers Pvt 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/-

ANNEXURE- III

Secretarial Audit Report for the financial year ended 31.03.2020

[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
KreonFinnancial Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KreonFinnancial 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, 2020 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 KreonFinnancial 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 KreonFinnancial Services Limited ("the Company") for the financial year ended on 31st March, 2020 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; as amended from time to time
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

We hereby report that

a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except as specified below.
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. Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and circulars relating to Non-banking Financial Institutions as on 31st March,2020
2. Reserve Bank of India Act, 1934
3. Guidelines, directions and instructions issued by RBI through notifications and circulars relating to NBFC

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: -

- The Company has appointed Company Secretary cum Compliance Officer as per Section 203 of the Companies Act, 2013 read with Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with effect from 29th January, 2020 in the place of Company Secretary who has resigned on 30th November, 2019.
- The Company could not dematerialize 100% promoter shareholding of the Company as per SEBI/Cir/ISD/3/2011 dated June 17, 2011, as the shares are attached to income tax, the company has sent mails to BSE with regard to the same.

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 as amended from time to time;
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, 1998 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, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws.

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 Directors 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

Place: Chennai
Date: 28-08-2020

For LAKSHMMI SUBRAMANIAN & ASSOCIATES
Sd/-
P.S.Srinivasan
Partner
ACS No. 1090 ; C.P.No. 3122
UDIN:A001090B000624669

ANNEXURE – A

To,
The Members
KreonFinnancial 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.

Place: Chennai
Date: 28-08-2020

For LAKSHMMI SUBRAMANIAN & ASSOCIATES
Sd/-
P.S.Srinivasan
Partner
ACS No. 1090 ; C.P.No. 3122
UDIN:A001090B000624669

ANNEXURE - IV

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 should possess required educational qualification from recognized institution.
- He 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 - V

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 2019-20:**

Sl. No	Name	Desgination	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Jaijash Tatia	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 2019-20:**

Sl. No	Name	Desgination	Nature of Payment	% Increase in remuneration/ Sitting fee
1.	Mr. Jaijash Tatia	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.	Ms. Shoba Nahar	Chief Financial Officer	Remuneration	50%
6.	Ms. Nutika Resigned w.e.f. 31.10.2019	Company Secretary and Compliance Officer	Remuneration	NIL
7.	Ms. Sharanya B Appointed w.e.f 29.01.2020	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: 31 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 31.03.2020:

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.	Jaijash Tatia	Director	2,400,000	Onroll		01.04.2018	26	NIL	623300	
2.	Abishek Raju	Technical Director	2,400,000	Onroll		01.07.2017	36	NIL	5000	
3.	Rajesh Kumar	Full Stack Developer	20,00,000	Onroll	B.Tech - 3 yrs	06.09.2017	28	IOT programming	NIL	
4.	Sanjeev Kumar	Senior Manager - Digital Media and Customer Support	14,08,750	Onroll	MBA - 8.2 yrs	30.04.2018	38	Sprinklr solutions pvt ltd	NIL	
5	Yuktesh B	Sr UI UX Designer	1,400,000	Onroll	BCS 8 yrs	30.01.2020	31	Rage Communicati ons	NIL	
6	Rajesh TN	Scrum Manager	1,375,000	Onroll	BE 16 yrs	06.01.2020	45	Smacar Solutions Pvt Ltd	NIL	
7	Davidkumar	Sr Android Developer	1,300,000	Onroll	MCA 8 Yrs	24.02.2020	30	Oasys Cybernetics	NIL	
8.	Yaswanth Reddy	Quality Assurance Tester	1,000,000	Onroll	MBA - 11.5 yrs	04.07.2018	34	Aspire Systems P Ltd	NIL	
9	Jaidev Menon	Head of Business Development	1,008,000	Onroll	MBA 11 yrs	26.08.2019	34	Codum Technologies LLP	NIL	
10	Sakthivel	Sr Front End Developer	9,00,000	Onroll	B Tech 10 Yrs	12.02.2020	35	BankBazaar.c om	NIL	

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 **Jaijash Tatia** **Henna Jain**
Date : 03rd September 2020 **Whole time Director** **Director**
(DIN: 08085029) **(DIN: 08383395)**

ANNEXURE –VI

REPORT ON CORPORATE GOVERNANCE

Your Directors present the Companies Report on Corporate Governance for the year ended 31st March, 2020 in terms of Regulation 34 (3) read with Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

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, 2020, 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, 2020 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. Jaijash Tatia (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	-	-	-	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 Stateholder'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, 2020 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, 2020 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. Jaijash Tatia 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 5 times, viz 30th May, 2019, 13th August, 2019, 13th September, 2019, 14th November 2019 and 10th February, 2020 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 2019-2020	No. of BoardMeetings attended during the year 2019-2020	Attended the previous AGM (YES or NO)
Mr. Jaijash Tatia	5	5	YES
Mr. Subbarayan Ekambaram	5	5	YES
Ms. Hemamalini	5	5	YES
Ms. Henna Jain	5	2	YES

LIST OF MATRIX/CHART OF SPECIAL SKILL

Sl No	Name of the Directors	Skills/Expertise Identified by the Board	Specialization
1	Mr. Jaijash Tatia	• Integrity, • Ability to function as Team, • Leadership Quality, • Commitment • Future Vision & Innovation	He 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 valuable experience, knowledge and expertise of Mr. Jaijash Tatia.
2	Mr. Subbarayan Ekambaram		He holds bachelor's degrees. He 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		She 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 grow.(i.e created value in the organization)
4.	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 a effort to constantly expand her knowledge and expertise, she has completed 3 advanced level online courses in Marketing, specialising in Social Media Marketing from Northwestern University, USA.

INDEPENDENT DIRECTORS AND EVALUATION OF DIRECTORS AND THE BOARD:

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

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

A separate meeting of Independent Directors was held on 20.03.2020 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, 2020, 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. 02.04.2019, 30.05.2019 ,13.08.2019, 14.11.2019 and 10.02.2020 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, 2020 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. Jaijash Tatia	Promoter- Executive 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.

Mr. Subbarayan Elambaram, the Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on 26th September, 2019.

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 25th Annual General Meeting held on 26th September, 2019.

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. 29.06.2019, 30.09.2019, 30.12.2019 and 20.03.2020 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, 2020 are given below:

Composition of Stake Holders 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	4
Mr. Henna Jain	Promoter- Non- Executive Director	Member	4	3
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
Ms. Sharanya	Company Secretary and Compliance officer	Old no.12, New No. 29, Mookathal Street, Purusawalkkam, Chennai-600007	044-48676773	info@kreon.in
Purva Sharegistry (India) Pvt. Ltd	Registrar and Share Transfer Agents	Unit No-9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel (East), Mumbai – 400 011	022-23018261	support@purvashare.com

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, the Nomination and Remuneration Committee met one time on 28th January 2020 for recommending to the Board, appointment of Ms. Sharanya B, 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, 2020 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	1	1
Mr. Henna Jain	Promoter- Non- Executive Director	Member	1	1
Ms. Hemamalini	Independent Director	Member	1	1

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. ` 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	5,000/-
2.	Ms.Hemamalin	5,000/-

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. 5,000/- towards attending Board Meeting during the Financial year 2019-2020.
3. No other performance linked incentives or any other fees are paid to any of the Directors.
4. The Company has not entered in to any Service Contract with the Directors, except agreement with Mr. Jaijash Tatia who is the Whole-time Director of the Company.
5. The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.
6. The Company does not pay any severance fees to any of the Directors.
7. The Independent Director shall not be entitled to participate in the Stock option scheme, if any introduced by the Company.

GENERAL BODY MEETINGS:

Date and time of the General Meetings held during the last three years till 31st March, 2017.

Details of General Meeting	Date	Time	Venue
23rd AGM FY: 2016-'17	29.09.2017	11.00 AM	Samudaya Nala Kooda, Vallanur, Chennai - 600062
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 - 600029

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

At the 23rd Annual General Meeting held on 29.09.2017:

NIL

At the 24th Annual General Meeting held on 27.09.2018:

1. Re-Appointment of Independent Directors of the Company
2. Appointment of Jaijash Tatia as the Director of the Company
3. Appointment of Jaijash Tatia 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. Jaijash Tatia, Wholetime Director for the remaining tenure of service

POSTAL BALLOT

No Special Resolutions were passed last year through the postal ballot.

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

Name of the Director	Mr. Jaijash Tatia
Date of Birth	05/10/1992
DIN	08085029
Date of Appointment	01/04/2018
Relationship With Other Directors	Son of Mr. Bharat Jain Tatia (Promoter)
Expertise in Specific Function Area	Specializing in Risk Management and Financial Accounting
Qualification	BA in Business management with Financial Econimics
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) as on 31.03.2020	NIL
Committee Positions held in other companies as on 31.03.2020 **Audit Committee** **Nomination and Remuneration Committee** **Stakeholder Relationship Committee**	 NIL NIL NIL
Shareholding in the company	6, 23,300 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	M.A Economics and International Relations
Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) as on 31.03.2020	NIL
Committee Positions held in other companies as on 31.03.2020 **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.

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 BSE 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

26th Annual General Meeting:

Day & Date	Monday, the 28th September ,2020
Time	10.00 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	2019-2020.
Book Closure Dates	21.09.2020 to 28.09.2020 (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 2019-2020, to BSE Ltd within the stipulated time. The Company has also paid the custodian fees for the Financial Year 2019-2020 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

BSE Stock Code: 530139

ISIN No. INE302C01018

DEMATRERIALIZATION 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. 75.16% of the Company's paid up Equity Share Capital has been dematerialized upto 31st March 2020.

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2020:

Slab of Shareholding	No. of Shareholders	% of Holders	Amount of Shares (in Rs)	% of Shares
Upto 5000	2055	74.30	4191190	4.17
5000 – 10000	334	12.08	2 803410	2.79
10000 – 20000	187	6.76	2910100	2.89
20000 – 30000	65	2.35	1649410	1.64
30000 – 40000	26	0.94	921810	0.92
40000 – 50000	23	0.83	1085760	1.08
50000 – 100000	38	1.37	2651410	2.64
Above 100000	38	1.37	84396910	83.89

SHAREHOLDING PATTERN AS ON MARCH 31, 2020

Category	Total Shares	% to Equity
Promoters	45,81,169	45.53
Financial Institutions/ Banks	-	-
Central/State Governments	-	-
Non- Institutional Individuals	29,56,018	29.38
Non-Resident Indians	5,00,250	4.97
Bodies Corporates	19,32,552	19.21
Resident Individuals		
Clearing Member	700	0.01
HUF	90,311	0.90
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. Purva Sharegistry (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:

Purva Sharegistry (India) Pvt. Ltd
Unit No-9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Near Lodha Excelus,
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 2019-'20 are given below:

Month	High Price	Low Price
Apr-19	6.58	6.58
May-19	-	-
Jun-19	-	-
Jul-19	6.26	6.26
Aug-19	-	-
Sep-19	-	-
Oct-19	6.26	6.26
Nov-19	6.26	6.26
Dec-19	-	-
Jan-20	5.95	5.95
Feb-20	-	-
Mar-20	5.95	5.95



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 website http://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 at www.kreon.in.

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

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

WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated whistle blower policy for vigil mechanism of Directors and employees to report to the management about the unethical 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

Sl No	Particulars	Regulation Number	Compliance status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of nomination & remuneration committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
23	Meeting of Risk Management Committee	21(3A)	NA
24	Vigil Mechanism	22	Yes
25	Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material related party transactions	23(4)	Yes
28	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	NA
33	Maximum Tenure	25(2)	Yes

34	Meeting of independent directors	25(3) & (4)	Yes
35	Familiarization of independent directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	NA
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	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/-
Jaijash Tatia
Whole time Director
(DIN: 08085029)

Sd/-
Henna Jain
Director
(DIN: 08383395)

Place : Chennai
Date : 03rd September 2020

WHOLE-TIME DIRECTOR'S DECLARATION ON CODE OF CONDUCT

To,
The shareholders of Kreon Finnacial Services Limited

I, Jaijash Tatia, 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/-
Jaijash Tatia
Whole-Time Director
(DIN: 08085029)

Place : Chennai
Date: 03rd September 2020

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, 2020 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, 2019 to 31st March 2020. 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 Vedantha Ramanujam
Partner
M.No. 022188

Place: Chennai
Date: 31st July, 2020

DECLARATION

I, Jaijash Tatia, Whole-Time Director of Kreon Financial Services Limited hereby declare that as of 31st March, 2020, 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/-
Jaijash Tatia
Whole-Time Director
DIN No. 08085029

Place: Chennai
Date: 31st July 2020

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 2020 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 2020 which are fraudulent, illegal or violative of the company'scode 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.

Sd/-
Shoba Nahar
Chief Financial Officer

Place: Chennai
Date: 31st July, 2020

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, 2020 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.

Place: Chennai
Date: 02nd September 2020

For AXN Prabhu & Associates
Sd/-
AXN Prabhu Practising Company Secretary
M No.3902 ; C.P No. 11440
UDIN: F003902B000649461

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

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 moving 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 cloud computing, 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.

There is a very huge 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

ECONOMIC REVIEW

In a matter of months, the COVID-19 pandemic has played a havoc in the world. With global productivity still in recovery, we are facing an unprecedented economic downturn that will impact the financial stability of individuals and businesses for months and even years to come. Though short-term recovery plans will enable many to survive the fallout, it will take a long-term outlook to maintain and stabilize the business and to thrive in the post-COVID landscape.

Non-banking finance companies (NBFCs), forms an integral component of the Indian lending ecosystem apart from banks. Due to the impact of COVID-19 on the lending industry, banks and NBFC's are likely to see a spike in credit costs and non-performing assets ratio, and a steep liquidity crunch which adds risks to the broader financial system,"

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

In a dynamic industry such as financial sector, the company considers that opportunities and risks are inherent aspect of business. The opportunities which the company foresee to harness are as mentioned below:

- Scope of opening up of financial sector reforms in India
- Augment the requirement for Industrial clusters leading to credit demand.
- Monetary measures of the government tightening the credit line from banks would open doors for Non banking finance companies to explore those avenues.

"The impact of the outbreak of the novel coronavirus adds further risks to economic growth and non-bank financial institutions' asset quality." And when NBFCs' customers — MSMEs, a crucial pillar of an emerging economy like India's — won't be able to do business as usual, it would be difficult for the non-banking sector to meet its asset quality requirements.

The prime threat for any lending activity is to constantly exhibit operational excellence and contain the loss, given defaults within the acceptable limits. The Company believes that this task is to be taken into

consideration continuously through a very sharp learning and unlearning in order to achieve operational excellence.

The company's business, results of operations and financial condition are affected by number of risks, so the risk management function is of paramount importance and integral to the functioning of the company. The objective of the risk management strategy includes ensuring that critical risks are identified, monitored and managed effectively in order to protect the company's business.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

The company has currently only one segment financial sector in line with the accounting standard on segment reporting (AS -17).

OUTLOOK

Due to the impact of COVID-19 on the lending industry, banks and NBFC's are likely to see a spike in credit costs and non-performing assets ratio, and a steep liquidity crunch. Though 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, your company is well prepared with the business continuity and contingency plan and can quickly bounce back post the Covid-19 outbreak slows 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, recovery process, will see rapid traction.

However, in the current scenario, COVID-19 crisis has increased the need for digital lending platforms and processes. To respond to the needs of current borrowers and to serve the needs of future borrowers, banks and NBFC's must simplify borrowing and 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 special.

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 stymied. 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 data, information and technology, 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 policies and reforms by the Government would help sector grow at faster phase.

FINANCIAL PERFORMANCE

The Company foresees a better business prospects in the year 2020-2021.

INTERNAL CONTROL SYSTEM AND ADEQUACY

KFSL constantly strives to improve its internal control and 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 could easily outweigh those of external risk the internal control at KFSL is a constantly-evolving process.

There are adequate controls right from tracking the originators' activities, quality of logins and stringent credit checks and appraisal, which are evaluated on the basis of the quality of the portfolio.

At the same time, there is no compromise on the fundamentals of extending credit where it is due. The internal audit department comprises of an external team to highlight the gaps whereas the risk and monitoring department is expected to constantly scrutinize various trends of the portfolio behavior and also the macro developments from time to time.

The other significant internal control at KFSL comprises constant monitoring of operational expenditure with an endeavour to bring it down through better efficiencies 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.

HUMAN RESOURCES

Human Resource Management plays a very important role in realizing the Company's objective. The Company is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent Board.

In an environment that is rapidly becoming technology and digital oriented, your Company continues to invest in long term people development, for organizational excellence. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. Training is an integral part of the skill development program initiated for the employees.

The articulation and implementation of the strategies is carried on by the core team. Core team at KFSL is a group of dedicated and competent team of personnel, associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

The Company has a diverse workforce of employees as on 31st March, 2020. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal. Your Company will always strive to strengthen this most important resource in its quest to have enabling human capital.

Your Company considers its employees as one the key stakeholders. It has created a Human Resources environment which fasters speed and agility in responding to the changing environment, learning and innovation to survive and prosper and integrity in all operation.

STATUTORY COMPLIANCE:

The Chairman makes a declaration at the end of each quarter, in its Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmation. The Company ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Compliance Officer ensures compliance with the guidelines on the insider trading for prevention of insider trading.

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.

KFSL 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. The Company constantly endeavours to enhance its capital management practices towards strengthening its balance sheet.

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

Indian financial system went through a tough period in FY 2019 as asset-liability mismatches in banks and NBFCs came to light. The fundamentals of companies in the sector were put to test during these tough times. Due to its financial rectitude, KFSL could navigate through these times.

With its stringent internal systems and processes, the Company 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.

CREDIT AND RISK MANAGEMENT

The vast universe of financial borrowers in the country presents a colossal opportunity for lenders. This opportunity is compounded by the fact that a large proportion of these potential borrowers could be first-time borrowers.

KFSL follows the dictum of extending credit where it is due. Being a company in the business of lending, it ensures that it manages risks effectively, rather than avoiding them. As these risks could emerge from within the Company, due to its operations and strategy, or from external factors, the Company has in place tried and tested risk mitigation policies and structures, such as robust credit models and operational systems, to successfully manage these risks.

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 resets lending rates from time to time.

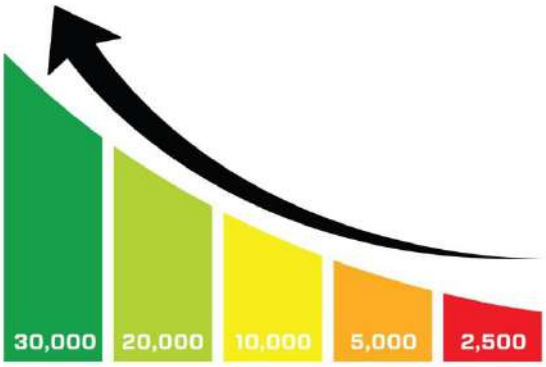
The Company has a diversified portfolio of borrowers within its segments of operation. Diversity applied to a very large market size, serves as a very potent protection against market risks that could occur due to various macro developments. However, the Company is constantly alert to changes in the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

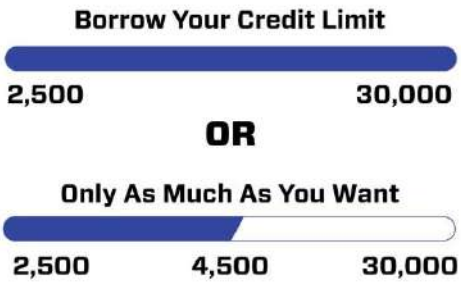
CAUTIONARY STATEMENT

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.

OUR SERVICES

StuCred is secure digital platform offering students instant access to short term loans, via a mobile app. The loan amounts are flexible & credit limit is expandable by successfully borrowing and repaying on the app.





StuCred allows college students to build their credit history and hence improve their credit score while still in college. We give instant access to short term loans via a mobile app to be repaid within 30 days. Provides extentions if required.

StuCred has been nominated for Formal Financial inclusion by India Fintech Forum

INDEPENDENT AUDITORS' REPORT

To the Members of KREON FINNANCIAL SERVICES LIMITED

Opinion

We have audited the accompanying standalone financial statements of **Kreon Financial Services Limited, Chennai,** which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020; and its Profit, Total Comprehensive Loss, the changes in Equity, and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms ofSection 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: 02947S
Sd/-

(J Vedantha Ramanujam)
Partner
M.No.022188
UDIN: 20022188AAAADS9059

Place: Chennai
Date: July 31, 2020

"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, 2020)

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) Thereare 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, 2020 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, andSales 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: 02947S
Sd/-

(J Vedantha Ramanujam)
Partner
M.No.022188
UDIN: 20022188AAAADS9059

Place: Chennai
Date: 31st July, 2020

"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, 2020 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, 2020, 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: 02947S
Sd/-

(J Vedantha Ramanujam)
Partner
M.No.022188
UDIN: 20022188AAAADS9059

Place: Chennai
Date: 31st July, 2020

KREON FINNANCIAL SERVICES LTD

BALANCE SHEET AS AT 31st MARCH 2020 **(Rs. In Thousands)**

	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	3	6,327.83	10,000.71
(b)	Bank balances other than Cash and Cash Equivalents		664.64	607.25
(c)	Derivative Financial Instruments		-	-
(d)	Receivables		-	-
	(i) Trade receivables		-	-
	(ii) Other Receivables		-	-
(e)	Loans	4	83,791.93	76,537.68
(f)	Investments	5	4,061.69	4,780.87
(g)	Other Financial assets	6	1,827.82	870.22
(h)	Non-Current Asset held for sale	7	460.17	1,180.21
(2)	**Non-financial Assets**			
(a)	Inventories		-	-
(b)	Current Tax Assets (Net)	8	1,402.18	1,805.94
(c)	Deferred Taxes	9	539.44	91.84
(d)	Investment property		-	-
(e)	Biological Assets other than Bearer Plants		-	-
(f)	Property, Plant and Equipment	10	1,880.53	2,447.47
(g)	Capital Work-in-progress		-	-
(h)	Intangible Assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible Assets		-	-
(k)	Other non-financial assets		-	-
	Total Assets		**1,00,956.23**	**98,322.19**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Derivative Financial Instruments		-	-
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,468.11	3,547.04
(c)	Debt Securities		-	-
(d)	Borrowings (Other than Debt Securities)	11	76,609.60	30,232.29
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities	12	2,965.43	1,565.80
(2)	**Non-Financial Liabilities**			
(a)	Current Tax Liability (Net)		-	-
(b)	Provisions		-	-
(c)	Deffered Tax Laibilities (Net)		-	-
(d)	Other non-financial liabilities	13	163.46	-
(3)	**EQUITY**			
(a)	Equity Share capital	14	1,00,610.00	1,00,610.00
(b)	Other Equity (Refer statement on Changes to Equity)		(81,860.36)	(37,632.94)
	Total Liabilities and Equity		**1,00,956.23**	**98,322.19**

Notes 1 to 30 which includes Significant Accounting Policies and Basis of Preparation form part of these Financial Statements.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Jaijash Tatia	**Henna Jain**	**Shoba Nahar**	**Sharanya B**
(Director)	(Director)	(CFO)	(Company Secretary)

As per our Report of even date
For J V Ramanujam & Co.
Chartered Accountants, FRN 002947S
Sd/-
CA J Vendatha Ramanujam
Partner
(M No 022188)

Place: Chennai
Date: 31st July, 2020

M/s. KREON FINNANCIAL SERVICES LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Amt (Rs. In thousands)

	Particulars	Note No.	2019-20	2018-19
	Revenue from operations			
(i)	Interest Income	15	6,060.17	7,891.71
(ii)	Fee Income		4,310.93	196.96
(iii)	Dividend Income		7.00	3.70
(I)	**Total Revenue from operations**		**10,378.10**	**8,092.37**
(II)	Other Income (to be specified)	16	75.03	30,029.90
(III)	**Total Income (I+II)**		**10,453.13**	**38,122.26**
	Expenses			
(i)	Finance Costs	17	4,333.46	2,727.10
(ii)	Employee Benefits Expenses	18	18,923.61	15,826.57
(iii)	Depreciation, amortization and impairment		1,183.80	1,379.02
(iv)	Bad Debts		11,197.80	-
(v)	Others expenses	19	17,645.17	15,509.53
(IV)	**Total Expenses (IV)**		**53,283.84**	**35,442.23**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**(42,830.71)**	**2,680.04**
(VI)	Exceptional items		-	-
(VII)	**Profit/(loss) before tax (V -VI)**		**(42,830.71)**	**2,680.04**
(VIII)	Tax Expense:			
	(1) Current Tax		-	515.64
	(2) Prior Period Tax (includes Short Provision made in earlier years)		405.08	-
	(3) Deferred Tax		(260.61)	(91.84)
(IX)	**Profit / (loss) for the period from continuing operations(VII-VIII)**		**(42,975.19)**	**2,256.24**
(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)**		**(42,975.19)**	**2,256.24**
(XIV)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		**-**	**-**
	(B) (i) Items that will be reclassified to profit or loss: Loss on valuation of shares (specify items and amounts)		(1,439.23)	(3,104.71)
	(ii) Income tax relating to items that will be reclassified to profit or loss		186.99	-
	Subtotal (B)		**(1,252.24)**	**(3,104.71)**
	Other Comprehensive Income (A + B)		**(1,252.24)**	**(3,104.71)**
(XV)	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**(44,227.43)**	**(848.46)**
(XVI)	**Earnings per equity share (for continuing operations)**			
	Basic (Rs.)		(4.29)	0.22
	Diluted (Rs.)		(4.29)	0.22
(XVII)	**Earnings per equity share (for discontinued operations)**			
	Basic (Rs.)			
	Diluted (Rs.)			
(XVIII)	**Earnings per equity share (for continuing and discontinued operations)**			
	Basic (Rs.)		(4.29)	0.22
	Diluted (Rs.)		(4.29)	0.22

For and on behalf of the Board

Sd/-
Jaijash Tatia (Director)

Sd/-
Henna Jain (Director)

Sd/-
Shoba Nahar (Chief Financial Officer)

Sd/-
Sharanya B (Company Secretary)

As per our Report of even date
For J V Ramanujam & Co.,
Chartered Accountants, FRN 002947S
Sd/-
CA J Vendatha Ramanujam
Partner
M No 022188

Place: Chennai
Date: 31st July 2020

KREON FINNANCIAL SERVICES LIMITED

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31|03|2020

		Amt (Rs. In Thousands)	
A. CASH FLOW FROM OPERATING ACTIVITIES	**No**	**31|03|2020**	**31|03|2019**
Net Profit befor tax		(42,830.71)	2,680.04
Adjustments for :			
Add : Depreciation		1,183.80	1,379.02
Add : Finance Costs		4,333.46	2,727.10
Less: Statutory Provision		(405.08)	
		(37,718.54)	**6,786.16**
Operating Profit before working Capital Changes			
Adjustments for			
Less : Increase in Current Assets		(553.84)	(1,190.69)
Add : Increase in current Liabilities		1,399.62	982.40
Add : Decrease in Current Assets		-	-
Less : Decrease in current Liabilities		(915.48)	-
Cash Flow From Operating activities		**(37,788.23)**	**6,577.87**
Less: Finance Costs Paid		(495.01)	(2,727.10)
Less: Income Tax paid		-	(515.64)
	(A)	**(38,283.24)**	**3,335.13**
B.CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(616.87)	(1,817.78)
Investments sold duing the year		-	25.01
Cash Flow From Investment Activities	**(B)**	**(616.87)**	**(1,792.77)**
C.CASH FLOW FROM FINANCE ACTIVITIES			
Loans & advances given		(7,254.25)	305.30
Proceeds from Borrowing		42,538.87	6,894.42
Investment in Bank Deposits		(57.39)	(36.17)
Cash Flow From finance Activities	**(C)**	**35,227.22**	**7,163.56**
Increase / (Decrease) in cash and cash equivalent (A+B+C)		**(3,672.89)**	**8,705.92**
Cash and cash Equivalents as on beginning of the year		10,000.71	1,294.79
Cash and cash Equivalents as on end of the year		6,327.82	10,000.71
Net Increase/(Decrease) in Cash Balances		**(3,672.89)**	**8,705.92**
		-	**(0.00)**

For and on behalf of the Board

Sd/-
Jaijash Tatia (Director)

Sd/-
Shoba Nahar (Chief Financial Officer)

Sd/-
Henna Jain (Director)

Sd/-
Sharanya B (Company Secretary)

Place: Chennai
Date: 31st July, 2020

As per our Report of even date
For J V Ramanujam & Co.,
Chartered Accountants
FRN 002947S
Sd/-
CA J Vendatha Ramanujam
Partner
M No 022188

KREON FINNANCIAL SERVICES LIMITED

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	-	100610.00

B. Other Equity **(Rs. In Thousands)**

	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	(1,06,703.02)	(4,356.95)	(81,860.36)

	Reserves and Surplus				Other Comprehensive Income	Total
	Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2018	2,102.11		27,097.50	(65,984.08)	-	(36,784.47)
Total Comprehensive Income/Loss	-			2,256.24	(3,104.71)	(848.46)
Transfer to General Reserve	-			-	-	-
Balance as at March 31, 2019	**2,102.11**	**-**	**27,097.50**	**(63,727.84)**	**(3,104.71)**	**(37,632.94)**

For and on behalf of the Board

Sd/-
Jaijash Tatia (Director)

Sd/-
Shoba Nahar (Chief Financial Officer)

Sd/-
Henna Jain (Director)

Sd/-
Sharanya B (Company Secretary)

Place: Chennai
Date: 31st July, 2020

As per our Report of even date
For J V Ramanujam & Co.,
Chartered Accountants
FRN 002947S
Sd/-
CA J Vendatha Ramanujam
Partner
M No 022188

KREON FINNANCIAL SERVICES LIMITED
NOTES

(Rs. In Thousands)

Note 3: Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
(i) Cash on hand	186.02	438.36
(ii) Balances with Banks (of the nature of cash and cash equivalents)	3,366.69	9,562.35
(iii) Cheques, drafts on hand	2,775.12	-
Total	**6,327.83**	**10,000.71**

(Rs. In Thousands)

Note 4: Loans	As at 31st March 2020	As at 31st March 2019
Carried at amortised cost		
Loans Payable on demand * ^	84,982.70	77,026.80
Less :Provision for NPA	981.50	-
considered at 100% of loans overdue for more than 6 months		
Less :Provision for Standard Assets	209.27	489.13
made @ 0.25% on loan book of Rs. 83,708.62 thousand, considered good		
Total	**83,791.93**	**76,537.68**

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

^ A Loan of Rs. 13,246.35 thousands (Principal- Rs. 11,197.80 thousands and unrealised interest Rs. 2,048.55 thousands) extended to M/s Prince Foundation Ltd was considered bad and written off in Dec 2019. Steps for recovery of the same has been initiated by the Company.

Note 5: Investments at Fair Value through Other Comprehensive Income

	(Rs. In Thousands)					
	31.03.2020			31.03.2019		
I. Equity Instruments- Quoted	Qty	Cost	Market Value	Qty	Cost	Market Value
Apollo Hospital Ltd	20	21.25	22.76	20	21.25	24.42
Arihant foundation ltd	11	0.52	0.1672	11	0.52	0.3567
Beckon Inds ltd	500	0.0950	0.0950	500	0.0950	0.0950
BGR energy Ltd	1	0.1022	0.0210	1	0.1022	0.0632
Cals Refineries Ltd	1,50,000	15.00	15.00	1,50,000	15.00	15.00
Cera Sanitarwar	2	6.89	4.62	2	6.89	6.05
CNI Research Ltd	1,000	2.76	1.76	1,000	2.76	1.97
Dabur India Ltd	200	65.40	90.05	200	65.40	81.81
DLF Limited	11	2.22	1.51	11	2.22	2.22
GMR Infrastructure Ltd	10	0.1700	0.1625	10	0.1700	0.1976
Gokul Agro Resources Ltd	1	-	0.0082	1	-	0.0121
Gokul Refoil Ltd	1	0.0130	0.0086	1	0.0130	0.0081
GVK Power & Infrstucture Ltd	10	0.1704	0.0222	10	0.1704	0.0774
IFICI Ltd	15,200	300.20	61.56	15,200	300.20	209.30
Jain Granites & Project India Ltd	-	-	-	-	-	-
J I K Industries Ltd	210	0.1200	0.0525	210	0.1200	0.0651
K.S.oil	1,000	-	-	1,000	-	-
Karturi Global Ltd	1,110	-	0.2220	1,110	0.000200	1.71
King fisher Airline ltd	-	-	-	-	-	-
Kohinoor Food ltd	10	0.62	0.0624	10	0.62	0.3109
Lovable Lingerie Ltd	10	1.75	0.3940	10	1.75	1.03
Marg Ltd	10	0.1180	0.0639	10	0.1180	0.1995
Medione global Entertainment Ltd	1	0.0050	0.0050	1	0.0050	0.0051
MRF Ltd	1	72.30	58.24	1	72.30	58.06
Munoth Financial Ltd	100	0.77	1.02	100	0.77	0.92
ONGC Ltd	60	7.11	4.10	60	7.11	9.57
Page Insustries Ltd	10	226.85	169.28	10	226.85	248.97

Power Soft Ltd	-	-	-	-	-	-
Reliance Com Ltd	10	0.2180	0.0066	10	0.2180	0.0416
Reliance Industries Ltd	4	0.88	4.45	4	0.88	5.45
Reliance power Ltd	-	-	-	-	-	-
Rupa Company ltd	100	37.26	11.66	100	37.26	34.38
Rural Electrification Ltd Rec	6	0.3750	0.53	6	0.3750	0.92
Sesa Sterlite Ltd/ VedantaLtd	10	2.78	0.65	10	2.78	1.84
Shree Asthivinayak Ltd	100	0.0810	0.0810	100	0.0810	0.0810
Spicejet ltd	3,600	450.54	132.84	3,600	450.54	351.90
SBI Ltd	-	25.01	-	-	25.01	-
Sonarji Jewellery Ltd		-	-		-	-
TT Ltd	500	40.98	13.48	500	40.98	29.48
Tata Investments Ltd	10	7.39	6.63	10	7.39	8.37
Tata Teleservices Ltd	113	0.62	0.2034	113	0.62	0.3470
Tatia Global Vennture Ltd	1,23,81,985	6,190.99	2,971.68	1,23,81,985	6,190.99	2,971.68
The Ramco Cements	500	113.83	257.20	500	113.83	368.15
Timbor Home Ltd	500	1.11	1.11	500	1.11	1.11
Vijayshanthi Builders ltd	61,010	1,034.12	230.01	61,010	1,034.12	344.71
Total A	**12,618**		**4,061.69**	**12,618**		**4,0780.87**
Loss on Valuation of Shares to be provided in Other Comprehensive Income			**719.19**			
Note : All Investments are in India						

(Rs. In Thousands)

Note 6: Other Financial Assets	As at 31st March 2020	As at 31st March 2019
(i) Rent Deposits	165.00	165.00
(ii) Telephone Deposit	1.50	1.50
(iii) GST Input	1,442.03	703.72
(iv) Advances to Vendors	219.29	-
Total	**1,827.82**	**870.22**

(Rs. In Thousands)

Note 7: Non-Current Asset held for sale	As at 31st March 2020	As at 31st March 2019
(i) Bullion	460.17	1,180.21
Total	**460.17**	**1,180.21**

Bullion is measured at lower of cost amount and fair value.
Fair value as at 31.03.2020 - Rs.1450.06 thousands

(Rs. In Thousands)

Note 8: Current Tax Assets (Net)	As at 31st March 2020	As at 31st March 2019
(i) Income Tax	700.26	1,635.37
(ii) TDS Receivable	701.92	686.21
(iii) Provision for Taxation	0.00	-515.64
Total	1,402.18	1,805.94

(Rs. In Thousands)

Note 9: Deferred Taxes	As at 31st March 2020	As at 31st March 2019
(i) Deferred Tax Asset		
Impact of difference depreciation charged for financial reporting, against the tax calculations	309.95	91.84
Impact of difference on account of Devaluation of Share Investments	186.99	-
Impact of difference on account of Gratuity Valuation	42.50	-
Total	539.44	91.84

Note 10: Property, Plant & Equipment

The changes in carrying value of Property, Plant & Equipment for the year ended 31st March 2020 are as follows:

(Rs. In Thousands)

Particulars	Furniture & Fittings	Motor Car	Office Equipment	Computer & Peripherals	Total
Gross Carrying value as at 01 April 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	-	-	-	-	-
(A) Gross carrying value as at 31 March 2020	**163.40**	**3,019.47**	**347.23**	**2,033.01**	**5,563.10**
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	-	-	-	-	-
(B) Accumulated Depreciation as at 31 March 2020	**58.10**	**2,103.94**	**80.61**	**1,439.92**	**3,682.57**
(C) Carrying value as at 31 March 2020 (A-B)	**105.30**	**915.53**	**266.62**	**593.09**	**1,880.53**
Carrying value as at 01 April 2019	70.14	1,330.50	297.26	749.57	2,447.47

The changes in carrying value of Property, Plant & Equipment for the year ended 31st March 2019 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	-	-	-	-	-
(A) Gross carrying value as at 31 March 2019	**99.41**	**3,019.47**	**322.61**	**1,504.75**	**4,946.24**
Accumulated Depreciation as at 01 April 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	-	-	-	-	-
(B) Accumulated Depreciation as at 31 March 2019	**29.27**	**1,688.97**	**25.35**	**755.18**	**2,498.77**
(C) Carrying value as at 31 March 2019 (A-B)	**70.14**	**1,330.50**	**297.26**	**749.57**	**2,447.47**
Carrying value as at 01 April 2018	49.35	19.35	-	24.65	2,008.71

(Rs. In Thousands)

Note 11: Borrowings other than debt securities	As at 31st March 2020	As at 31st March 2019
Carried at Amortised Cost		
Unsecured Demand Loans from Related Parties in India	76,609.60	30,232.29
Total	**76,609.60**	**30,232.29**

Note: Loans carry interest at 12% p.a. Loan from Directors amounting to Rs.3,235 thousands is interest free. All these loans are for a tenor of one year and are renewable

(Rs. In Thousands)

Note 12: Other Financial Liabilities	As at 31st March 2020	As at 31st March 2019
1. Provisions		
(i) Salary Payable	1,729.21	1,077.33
(ii) Audit Fees Payable	25.00	25.00
(iii) TDS Payable	661.07	463.47
(iv) GST Payable	149.75	-
(v) EPF Payable	113.98	-
(vi) ESI Payable	2.88	-
(vii) Liability for Expenses	283.53	-
Total	**2,965.43**	**1,565.80**

(Rs. In Thousands)

Note 13: Other Non Financial Liabilities	As at 31st March 2020	As at 31st March 2019
(i) Provision for Gratuity Benefits Liability	163.46	-
Total	**163.46**	**-**

Note 14: Share Capital

(Rs. In Thousands)

Sl. No	Particulars	As at 31st March 2020	As at 31st March 2019
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		
	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

(Rs. In Thousands)

Name of shareholder	No. of shares held		No. of shares held	
	As at 31.03.2020	% of holding	As at 31.03.2019	% 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**

KREON FINNANCIAL SERVICES LIMITED
STATEMENT OF PROFIT & LOSS – NOTES

Note 15: Financial Receipts

On Financial Assets measured at Amortised Cost (Rs. In Thousands)

Particulars	2019-20	2018-19
Loans	5,998.38	7,851.52
Deposits with Banks	61.79	40.19
Total	**6,060.17**	**7,891.71**

Note 16: Other Income

(Rs. In Thousands)

Particulars	2019-20	2018-19
Bad Debts Recovered	-	30,028.29
Interest on IT refund	71.85	-
Others	3.18	1.60
Total	**75.03**	**30,029.90**

Note 17: Finance Costs

On Financial Liabilities carried at Amortised Cost (Rs. In Thousands)

Particulars	2019-20	2018-19
Interest on		
- Loans	4,061.97	2,533.39
- Others	-	193.71
Finance Charges	271.49	-
Total	**4,333.46**	**2,727.10**

Note 18: Employee Benefits Expenses

(Rs. In Thousands)

Particulars	2019-20	2018-19
Salaries and wages	18,038.60	15,676.43
EPF Expenses	553.99	-
ESI Expenses	35.68	-
Gratuity	163.46	-
Staff welfare expenses	131.89	150.15
Total	**18,923.61**	**15,826.57**

Note 19: Other expenses

(Rs. In Thousands)

Particulars	2019-20	2018-19
Auditor's fees and expenses	25.00	25.00
Communication Costs	24.72	74.25
Director's fees, allowances and expenses	18.00	20.00
Insurance	65.75	30.57
Legal and Professional Charges	7,275.79	10,279.05
Marketing Expenses	3,162.33	32.53
Provision for NPA	981.50	-
Provision for Standard Assets	(279.86)	-
Rent, taxes and energy costs	896.84	540.00
Repairs and maintenance	160.37	122.00
Printing and stationery	129.66	124.90
Tech Expenses	4,265.55	-
Travelling & Conveyance	285.24	-
Other expenditure	634.29	4,261.23
Total	**17,645.17**	**15,509.53**

KREON FINNANCIAL SERVICES LIMITED

Old No. 12, New No.29, MookathalStreet ,Purasawalkam Chennai – 600 007.
CIN: L65921TN1994PLC029317

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH2020

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).

Note 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

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 REVENUE RECOGNITION

a. Interest Incomes are recognized on the date which they have become due.
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 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.

2.4 RETIREMENT BENEFITS

Contributionto Provident fundand Leave encashment benefits wherever applicable are being accounted on actual liability basis. Provision for Gratuity has been ascertained under actuarial valuation.

2.5 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).

2.6 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.

2.7 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.

2.8 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.

2.9 BUSINESS SEGMENT

The Company is engaged primarily in one single primary business segment viz. advancement of loans and accordingly there are no separate reportable segmentsas per Ind AS.

2.10 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.

2.11 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	
	March 31, 2020	March 31, 2019
Debt	76,609.60	30,232.29
Less: Cash and bank balances	6,327.83	10,000.71
Net debt	**70,281.77**	**20,231.58**
Total equity	18,749.64	62,977.06
Net debt to total equity ratio	**3.777**	**0.321**

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 receivablesamountedto Rs. 83,792 thousand as of March 31, 2020 (Rs. 77,027 thousandand Rs.77,300 thousandas of March 31, 2019 and 2018, respectively).

Loans are advanced to corporates and to individual business entities.During the year, Company has also continued offering loans to student community through its `StuCred' App. 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 2020	31 March 2019
Investments	4061.69	4780.87
Loans	83,791.93	77,026.80
Cash and cash equivalents	6,327.83	10,000.71
FD with Bank	664.64	607.25
Non-Current Asset held for sale	460.17	1180.21
Other Financial Assets	1827.82	870.22
Total	**97,134.07**	**94,466.07**

Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses
The management has analyzed thatthe 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.

Provision for NPA to the tune of Rs. 981.5 thousandhas been recognized during the reporting period in respect of student loan receivables. The same has been calculated on the standard prescribed rate of recognition for loans which are due 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. 209.27 thousand have been considered as well. An amount of Rs. 279.86 thousand was reversed and adjusted with Provisions made earlier, to give effect.

Further, a loan to the tune of Rs. 13,246.35 thousand(Principal- Rs. 11,197.80 thousand and unrealized interest Rs. 2,048.55 thousand)given to Prince Foundation Ltd has been considered bad during the year and the same has been written off. However, Company has initiated legal steps for the same and is in talks with the legal counsels for recovery of this loan.

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-20 (in thousands)	Ageing as at 31-Mar-19 (in thousands)
Less than 6 months	84,001.20	77,027
More than 6 months	981.50	-
Total	**84,982.70**	**77,027**

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 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**

(Rs. In Thousands)

31st March 2019	Contractual cash flows	
Contractual maturities of financial liabilities	**Carrying amount**	**Less than a year**
Loan	30,232.29	30,232.29
Trade Payables	3,547.04	3,547.04
Total	**33,779.33**	**33,779.33**

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-20	31-Mar-19
Financial Assets	84,983	77,027
Fixed rate instruments	665	607
	85,648	77,634
Financial Liabilities		
Fixed rate instruments		
Borrowings	76,610	30,232

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 no transactions entered with micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the company as at March 31, 2020.

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 Actuarial Value of Defined Benefit Obligation basis certain assumptions is Rs. 163.46 thousand.

The amount to be provided in Balance Sheet as 'Provision towards Gratuity Benefits Liability' as at 31 March 2020 is Rs. 163.46 thousand.

Note 26: FOREIGN CURRENCY TRANSACTION

Forex outflow on purchase of / subscription to software – Rs. 2,587.62 thousand. During the period 2018-19, there was an outflow of Rs. 1525.15 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: 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	Madanlal Nahar	Relatives of KMP
6	Pushpa Devi Nahar	Relatives of KMP
7	Jinpaad Developers Private Limited	Enterprises over which KMPs and their relatives can exercise significant influence
8	Ashram Online.Com Limited	-do-
9	Tatia Global Vennture Ltd	-do-
10	Opti Products Pvt. Ltd.	-do-

b) Transactions during the year:

(Rs. In Thousands)

S.No	Name	Nature of Liability	Relationship	2019-20	2018-19
1	Mr. Bharat Tatia	Loan Borrowing	Relative of KMP	1,627.50/-	-
2		Loan Re-payment		1,627.50/-	900.00/-
3		Interest on Loan		27.20/-	-
4		Rent Payment		300.00/-	300.00/-
5	Mr. Jaijash Tatia	Salary Paid	KMP	2,400.00/-	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	475.22/-	1,030.90/-
7	Tatia Global Vennture Ltd			1,947.70/-	155.22/-
8	Jinpaad Developers Private Ltd			560.95/-	522.00/-
9	Hitesh V Shah			97.87/-	97.17/-
10	Parul S Shah			98.46/-	97.17/-
11	Madanlal Nahar			-	48.21/-
12	Pushpa Devi Nahar			-	48.21/-
13	Opti Products Pvt. Ltd			854.58/-	30.65/-
		Loans Taken/ repayment	Enterprisesover which KMPs and their relatives can exercise significant influence		
14	Ashram Online.Com Ltd			8,155.00/-	5,985.00/-
15	Tatia Global Vennture Ltd			22,050.00/-	3,000.00/-
16	Opti Products Pvt. Ltd			39,710.00/-	5,896.35/-
17	Tatia Global Vennture Ltd	Rent Payment	Enterprisesover which KMPs and their relatives can exercise significant influence	240.00/-	240.00/-
18	Jaijash Tatia	Loan Borrowing	KMP	2,095.00/-	6,770.00/-
19	Jaijash Tatia	Loan Re-payment	KMP	5,630.00/-	-
20	Ashram Online.Com Ltd	Loan Given/ Re-payment	Enterprisesover which KMPs and their relatives can exercise significant influence	370.00/-	2,844.90/-
21	Tatia Global Vennture Ltd			2,140.00/-	1,455.22/-
22	Opti Products Pvt. Ltd			5,385.00/-	5,958.52/-
23	Jinpaad Developers Private Ltd			69.80/-	72.40/-
24	Hitesh V Shah	Loan Re-payment	Relatives of KMP	1,255.20/-	-
25	Parul S Shah	Loan Re-payment	Relatives of KMP	1,255.98/-	-
26	Madanlal Nahar	Loan Re-payment	Relatives of KMP	579.00/-	-
27	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 2020	As on 31 March 2019
1	Bharat Jain Tatia	Interest Free Loan	Relative of KMP	-	1,700.00/-
2	Hitesh V Shah	Loans and Interest Paid/ Payable/ Received/ Receivable	Relatives of KMP/ Enterprisesover which KMPs and their relatives can exercise significant influence	-	1,167.12/-
3	Parul S Shah			-	1,167.36/-
4	Madanlal Nahar			-	579.00/-
5	Pushpa Devi Nahar			-	579.00/-
6	Opti Products Pvt. Ltd			35,094.12/-	-
7	Jinpaad Developers Private Ltd	Net Loans Given / (Returned)	Enterprisesover which KMPs and their relatives can exercise significant influence	6,704.86/-	6,269.80/-
8	Ashram Online.Com Ltd			8,212.70/-	7,500.00/-
9	Tatia Global Vennture Ltd			23,362.93/-	1,700.00/-
10	Jaijash Tatia	Interest Free Loan	KMP	3,235.00/-	6,770.00/-

Note 29: EARNINGS PER SHARE

(Rs. In Thousands)

Particulars	2019-20	2018-19
Profit after Tax	(42,975.19)	2256.24
No. of Basic Equity Shares	10,061.00	10,061.00
Earnings per share- (Basic & Diluted)	(4.29)	0.22
Nominal value of an equity share	10	10

Note 30: GENERAL

1. The figures for the previous year have been regrouped / reclassified / rearranged where ever 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 rupee.

For and on behalf of the Board

Sd/-
Jaijash Tatia (Director)

Sd/-
Shoba Nahar (Chief Financial Officer)

Sd/-
Henna Jain (Director)

Sd/-
Sharanya B (Company Secretary)

As per our Report of even date
For J V Ramanujam & Co.,
Chartered Accountants
FRN 002947S
Sd/-
CA J Vendatha Ramanujam
Partner
M No 022188

Place: Chennai
Date: 31st July, 2020

ACTIVITY



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Outlook

The Sunday Guardian

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NIT Trichy	MIT Chennai	VIT Vellore & Many more

StuCred has over 2000 postive reviews on playstore

DEEKSHA MISHRA

Already in love with this app....it's easy to use...it is very helpful app for students. It's provide loan to students within 1 minute after successful verification and 24x7 customer service is available. I really recommend this app...

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records. We would also like to update your current signature records in our system. You may also use the services provided by our RTA at their website (www.purvashare.com).

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following:

Folio No	
PAN*	
EMAIL	
Nationality	
Name of the Bank**	
Bank A/c No	
Bank IFSC	
Bank A/c Type	
Branch	
Incase Member is a Minor, name of the Guardian	
Mobile No.	
Phone Number With STD Code	

*Self-attested copy of the document(s) enclosed | ** A copy of preprinted cancelled cheque enclosed

Name and Signatures:

1. Name Signature

_____ _____

Thanking you,
For **Kreon Finnancial Services Limited**
Sd/-
Sharanya B
Company Secretary