

Date: 03.04.2024

To  
The Corporate Relations Department  
BSE Limited  
P J Towers,  
Dalal Street, Fort,  
Mumbai — 400 001.

**Sub: Intimation on withdrawal of Credit Rating**

**Scrip Code: 530139**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, we wish to inform that, on request of the Company, the Credit Rating Agency viz. Brickworks Ratings India Private Limited vide its letter dated 2<sup>nd</sup> April 2024 has withdrawn the rating assigned to the proposed term loan facility aggregating to Rs.10.00 Crores (Rupees Ten Crores Only) on account of non-utilization of the proposed facility.

A copy of the withdrawal letter is enclosed herewith for reference.

This is for your information and records.

Yours faithfully

For **Kreon Financial Services Limited,**

**Vidyalakshmi R**  
**Company Secretary & Compliance Officer**



## RATING RATIONALE

2 April 2024

### Kreon Financial Services Limited. (KFSL)

**Brickwork Ratings withdraws the rating for the proposed bank loan facility of Rs. 10 Crs. of Kreon Financial Services Limited (KFSL) on account of non-utilization.**

#### Particulars:

Instrument /Facilities <sup>^</sup>	Amount (Rs. Crs.)		Tenure	Rating#	
	Previous	Present		Previous (26 December 2023)	Present
Fund Based: Term Loans (Proposed)	10.00	<b>0.00</b>	Long Term	BWR B+ /Stable ISSUER NOT COOPERATING* /Downgrade	<b>Withdrawal on non-utilization</b>
Total	10.00	<b>0.00</b>	<b>Rupees Zero Crores Only</b>		

\*Issuer did not cooperate; based on the best available information.

#Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings.

<sup>^</sup>Details of Bank Loan Facilities is provided in Annexure-I

#### RATING ACTION/OUTLOOK/WITHDRAWAL

Brickwork Ratings (BWR) has withdrawn the ratings of the Proposed bank loan facility (Proposed Term Loan) of Rs. 10 Crs. due to non-utilization of the proposed facility as the same has not been used for raising any such loan and no amount is outstanding against the rated Instrument/Facility. The withdrawal request letter from the client and the client undertaking stating that the BWR rating has not been used for raising any such loan and no amount is outstanding against the rated Instrument/ Facility is on record. The withdrawal of the rating complies with the BWR Rating Withdrawal Policy and extant regulations.

#### About the Company:

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Financial	Financial Services

Kreon Financial Services Limited (KFSL), is a BSE Listed Company registered as a non-deposit taking NBFC established in 1994. KFSL has been into the traditional lending business for the past two decades.



With the boom of technology based services in the market, in 2019, KFSL started a new digital lending business division and successfully developed an internal startup digital lending app, “StuCred: Real-Time Student Credit”. Since the Covid-19 pandemic, KFSL’s Digital lending market has continued to grow multifold with advancements in technology resulting in substantial growth of the customer base of StuCred, with an increase in disbursement by 272% in FY 2023 over FY 2022.

The Company has tie-ups with 2000+colleges Pan-India where the Company provides unsecured small loans to the students of the affiliated colleges. The Company has tied up with Paytm and HDFC Credila for repayment of loans.

Credit risk is managed by regular monitoring with small ticket size loans coupled with short tenure for a period of less than one year and can be renewed based on the request of the borrower. In the case of loans offered to students through its "StuCred" App, the credit period is up to 90 days.

As on 31 March 2023, 50.60% of the equity shares were held by the promoters and the balance was held by the Non institutional Investors (26.95%), Bodies Corporate (13.54%), HUF (4.71%), NRI (4.13%) and Others (0.07%). (As per the information available in public domain).

**KEY FINANCIAL INDICATORS (AS AVAILABLE IN PUBLIC DOMAIN)**

Key Financial Indicators	Units	FY21	FY22	FY23
Result Type		Audited	Audited	Audited
Total Operating Income	Rs.Crs	1.72	4.29	9.62
PAT	Rs.Crs	-0.48	2.10	4.58
Tangible Net Worth	Rs.Crs	0.97	13.35	19.14
Debt to Equity	%	389.67	49.21	39.65
Operating Profit Margin	%	-12.72	55.48	44.95
Net Profit Margin	%	-31.50	48.96	48.11
Return on Equity	%	-28.05	34.67	29.79
Return On Capital Employed	%	-2.31	12.50	14.87
Return on Assets	%	-4.83	10.16	14.80
GNPA	%	3.22	4.36	16.62
Current Ratio	%	1.17	2.09	2.88

**COMPLEXITY LEVELS OF THE INSTRUMENTS :**

Bank Loans: Simple

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)



**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [Policy on Rating Withdrawal](#)

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:** The issuer has no outstanding ratings under non-cooperation from other CRAs.

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]**

Sl. No.	Name of Facility/ Instrument	Current Rating (2024)			Rating History for the past 3 years					
		Type	Amount (Rs.Crs.)	Rating	2023		2022		2021	
					Rating Date	Rating	Rating Date	Rating	Rating Date	Rating
1	Fund Based: Term loan (Proposed)	Long Term	0.00	Withdrawal	26 Dec 2023	BWR B+ / Stable/ ISSUER NOT COOPERATING* / Downgrade-	15 Sep 2022	BWR BB/Stable (Assignment)	NA	NA
	Total		0.00	Rupees Zero Crores Only						

Analytical Contacts	
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**Kreon Financial Services Limited (KFSL)  
ANNEXURE I**

**Details of Bank Facilities rated by BWR:**

Sl. no	Name of the Banker	Type of Facility	Long term (Rs.Crs.)	Short Term (Rs. Crs.)	Total
1	Proposed	Term Loans	0.00	0.00	0.00
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (Rupees Zero Crores Only)</b>					

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings**

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,560 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner.

**DISCLAIMER :**

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

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The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

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