

29.05.2024

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

Dear Sir/Madam,

Sub: Outcome of the Board Meeting dated 29th May 2024

Scrip Code-530139

With reference to the above captioned subject, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors of the Company at its Meeting held today, have inter-alia considered and approved amongst other subjects the following:

- Approved and taken on record the Audited Financial Results, Statement of Assets and Liabilities for the Quarter and Year ended 31.03.2024 along with Audit Report issued by the Statutory Auditors of the Company, further approved the publication of Audited Financial Results in the newspaper and placing a copy of it on the website of the Company.
- Appointment of M/s Baskaran & Co, Chartered Accountants as Internal Auditor of the Company for the Financial Year 2024-25.
- Appointment of M/s Lakshmmi Subramaniam Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the Financial Year 2024-25.
- Approval of Notice, Director's Report with annexures to the Report for the year ended 31st March 2024
- Convening of 30th Annual General Meeting of the Company on Friday, 28th June 2024 through Video Conferencing ("VC") or other Audio-Visual Means ("OAVM") and fix the record dates for the same.

We declare that M/s Darpan & Associates, Statutory Auditors of the Company, have issued Audit Reports with an unmodified opinion on the financial results. A copy of Audited financial Results, Statement of Assets and Liabilities along with Audit Report for the Quarter and Year ended 31.03.2024 are attached herewith.

The meeting commenced at 3.00 P.M. and concluded at 4.15 P.M.

Thanking You,

Yours Faithfully,

For Kreon Financial Services Limited

Vidyalakshmi R
Company Secretary and Compliance Officer



DARPAN & ASSOCIATES

CHARTERED ACCOUNTANT

#11/2, Shyam Avenue, College Road, Nungambakkam, Chennai - 600006

darpanassociates@gmail.com

Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Kreon Financial Services Limited

Opinion

We have audited the accompanying standalone quarterly financial results of Kreon Financial Services Limited for the quarter ended March 31, 2024 and the year to date results for the period April 1, 2023 to March 31, 2024, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information for the quarter ended March 31, 2024, and net profit and other comprehensive income for the year to date results for the period from April 1, 2023 to March 31, 2024.

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 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results 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.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income/loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance





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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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is 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 this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists,





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we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2024 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the relevant financial year, which were subjected to a limited review by us, as required under the Listing Regulations. Our opinion is not modified in respect of this matter.

For Darpan & Associates

ICAI Firm Registration No.016156S

Chartered Accountants

Darpan Kumar

Partner

Membership No. 235817

UDIN: 24235817BKFAYU264



Place: Chennai

Date: May 29, 2024

M/s. KREON FINANCIAL SERVICES LTD						
#26,22nd Street, Rathinam Nagar, Thiruvanniyur, Chennai - 600041						
CIN: L65921TN1994PLC029317						
Email: info@kreon.in, Website: www.kreon.in						
Audited Financial Results for the Quarter / Year Ended 31st March 2024						
	Particulars	Quarter ended 31.03.2024	Quarter ended 31.12.2023	Quarter ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
	Revenue from operations					
(i)	Interest Income	17.18	12.17	(5.10)	90.11	66.19
(ii)	Fees and Commission Income	414.35	394.10	255.59	1,431.11	832.83
(v)	Penalty Income	27.04	29.12	15.12	95.52	44.19
(I)	Total Revenue from operations	458.57	435.38	265.62	1,616.74	943.22
(II)	Other Income	32.82	14.56	5.60	20.54	18.54
(III)	Total Income (I+II)	491.39	449.94	271.22	1,637.28	961.76
	Expenses					
(i)	Finance Costs	58.95	11.74	10.70	95.96	45.28
(ii)	Employee Benefits Expenses	74.93	70.35	52.27	278.37	156.10
(iii)	Depreciation, amortization and impairment	19.97	17.36	18.85	70.50	54.05
(iv)	Bad Debts	171.44	478.01	4.61	670.80	22.76
(v)	Provision for NPA & Standard Assets	4.14	(31.43)	14.90	19.39	31.30
	Other expenses (to be specified)	133.41	100.97	68.73	406.00	254.70
(IV)	Total Expenses (IV)	462.83	646.99	170.07	1,541.02	564.20
(V)	Profit / (loss) before exceptional items and tax (III-IV)	28.56	(197.05)	101.15	96.27	397.56
(VI)	Exceptional items					
(VII)	Profit/(loss) before tax (V -VI)	28.56	(197.05)	101.15	96.27	397.56
(VIII)	Tax Expense:					
	(1) Current Tax	8.82	(2.65)	1.75	8.82	1.75
	(2) Prior Period Tax	-	-	0.19	-	0.19
	(3) Deferred Tax	8.03	(46.95)	(62.38)	25.12	(62.38)
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)	11.70	(147.45)	161.59	62.32	458.00
(X)	Profit/(loss) from discontinued operations					
(XI)	Tax Expense of discontinued operations					
(XII)	Profit/(loss) from discontinued operations(After					
(XIII)	Profit/(loss) for the period (IX+XII)	11.70	(147.45)	161.59	62.32	458.00
(XIV)	Other Comprehensive Income					
	(A) (i) Items that will not be reclassified to profit or					
	- Investment in Equity Instruments	(31.85)	10.65	(129.03)	243.92	(307.95)
	- Defined Benefit Obligation - Actuarial Gains	(6.88)		0.86	(6.88)	0.86
	(ii) Income tax relating to items that will not be reclassified to profit or loss	5.54	(0.54)	28.65	(26.70)	36.61
	Subtotal (A)	(33.19)	10.11	(99.52)	210.33	(270.48)
	(B) (i) Items that will be reclassified to profit or					
	(ii) Income tax relating to items that will be	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-
	Other Comprehensive Income (A+B)	(33.19)	10.11	(99.52)	210.33	(270.48)
(XV)	Total Comprehensive Income for the period (XIII+XIV)	(21.49)	(137.34)	62.07	272.65	187.52
(XVI)	Paid-up Share Capital	2,022.20	2,022.20	1,362.30	2,022.20	1,362.30
(XVII)	Reserves Excluding Revaluation Reserves	1,019.24	(179.11)	(229.77)	1,019.24	(229.77)
(XVI)	Earnings per equity share (for continuing operations)					
	Basic (Rs.)	0.01	(0.73)	1.48	0.34	4.22
	Diluted (Rs.)	0.01	(0.73)	0.93	0.34	2.62

Notes to Audited Results:

- The Audited results were reviewed by the Audit Committee and were approved by the board of Directors of the company at its meeting held on 29th May 2024
- During the year, the company has allotted 65,99,000 equity shares of face value of Rs.10 each fully paid issued at a premium of Rs.11/- per equity share against conversion of warrants.
- During the Financial year, the company has undertaken the significant write-off of bad debts related to loans that have been outstanding for more than 360 days past due (DPD) amounts to 6.50 Cr with an aim to enhance the over quality of our loan portfolio and to align with the best practices in financial reporting.
- Other income includes recovery of bad debts of Rs.20.25 lakhs
- Other expenses for the year includes Marketing expenditure of Rs.94.5 Lakhs, Collection Charges of Rs.83.85 Lakhs, Verification Charges of Rs.25.36 Lakhs, Tech Expenses of Rs.69.19 Lakhs & Software Customer Care of Rs.24.07 Lakhs etc.,
- The company has not declared any interim dividend.
- The figure have been re-grouped / re-classified / re- arranged where ever necessary to present better comparison

For Kreon Financial Service Limited

Date: 29.05.2024

Place: Chennai

Jaijash Tatia
Wholetime Director
DIN: 08085029

M/s. KREON FINANCIAL SERVICES LIMITED
 #26,22nd Street, Rathinam Nagar, Thiruvanniyur, Chennai - 600041
 CIN: L65921TN1994PLC029317

Email: info@kreon.in, **Website:** www.kreon.in

STATEMENT OF ASSETS & LIABILITES

(Rs.in Lakhs)

S.No	Particulars	As at March 31, 2024	As at March 31, 2023
I	ASSETS		
	1 Financial Assets		
(a)	Cash and Cash Equivalents	299.26	138.00
(b)	Bank Balance Other than Cash and Cash equivalents - Bank deposit with original maturity for more than three months	1,820.13	10.52
(c)	Loans	2,707.29	2,391.57
(d)	Investments	1,034.16	124.43
(e)	Other Financial assets	2.86	4.15
	2 Non-financial Assets		
(a)	Current Tax Assets (Net)	12.23	2.00
(b)	Deferred Tax Assets (Net)	9.14	60.97
(c)	Property, Plant and Equipment	105.42	55.73
(d)	Intangible assets under development	-	-
(d)	Other Intangible assets	134.64	168.3
(e)	ROU Asset	107.66	122.68
(f)	Other non-financial assets	100.96	10.33
(g)	Non-Current Asssets held for sale	4.60	4.60
	TOTAL ASSETS	6,338.36	3,093.30
	II LIABILITIES AND EQUITY		
	1 Financial Liabilities		
(a)	Payables		
	(I) Other Payables		
	- Total outstanding dues of micro enterprises and small enterprises	-	2.24
	- Total outstanding dues of creditors other than micro and small enterprises	27.50	4.95
(b)	Borrowings (Other than Debt Securities)	2,796.75	825.54
(c)	Lease Liabilities	121.33	129.20
(d)	Other financial liabilities	45.60	26.06
	2 Non-Financial Liabilities		
(e)	Provisions	13.41	2.59
(f)	Deffered Tax Liabilities (Net)	-	-
(g)	Other non-financial liabilities	45.54	20.50
	3 Equity		
(h)	Equity Share capital	2,022.20	1,362.30
(i)	Other Equity	1,266.02	719.92
	TOTAL LIABILITIES AND EQUITY	6,338.36	3,093.30

For Kreon Finnacle Services Limited

Place: Chennai
Date: 29/05/2024

Jaijash Tatia
Wholetime Director
DIN: 08085029

M/s. KREON FINANCIAL SERVICES LTD
#26,22nd Street, Rathinam Nagar,Thiruvanniyur, Chennai - 600041
CIN: L65921TN1994PLC029317
Email: info@kreon.in, **Website:** www.kreon.in
Cashflow Statement for the period ended 31st March 2024

(Rs.in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Cash flow from operating activities		
Net profit / (loss) before taxation	96.27	397.57
<i>Adjustments for:</i>		
Depreciation and amortisation	70.50	54.05
Acturial Gains	-6.88	0.86
Impairment on Financial Instruments	19.39	31.30
Loan Write Offs - Bad Debts	670.80	22.76
Gain from Sale of Investment	-	-8.91
Interest received on Bank Deposits	-34.89	-0.72
Interest paid on Borrowings	95.96	45.21
Operating profit before working capital changes	911.15	542.12
Change in Operating Assets and Liabilities		
(Increase) / Decrease in loan Assets	-1,005.90	-1,142.17
(Increase) / Decrease in non-Financial Assets	-90.62	0.11
(Increase) / Decrease in other Financial Assets	1.29	-2.48
Increase / (Decrease) in trade payables and other payables	20.32	0.45
Increase / (Decrease) in other non-Financial liabilities	25.03	11.77
Increase / (Decrease) in other Financial liabilities	19.54	8.83
Increase / (Decrease) in other Provisions	10.82	0.75
Cash generated from operations	-108.38	-580.62
Direct taxes paid (Net of refunds)	19.05	-4.77
Net cash flow from / (used) in operating activities (A)	-127.43	-575.86
B. Cash flow from investing activities		
Purchase of property plant and equipment	-71.50	-63.65
Payment towards intangible assets under development	-	-40.10
Net Investments in bank deposits (having original maturity of more than three months)	-1,809.61	-5.34
Purchase of Investment - Equity Instruments	-665.81	-14.53
Sale of Investment - Equity Instruments	-	23.44
Interest received on bank deposits	34.89	0.72
Net cash flow from / (used) in investing activities (B)	-2,512.04	-99.46
C. Cash flow from financing activities		
Proceeds from share warrants	933.35	559.13
Proceeds/(Repayment) from Borrowings (Net)	1,971.21	168.33
Payment of Lease Liabilities	-19.80	-16.50
Interest paid	-84.03	-36.52
Net cash flow from / (used) in financing activities (C)	2,800.73	674.44
D. Net increase / (decrease) in cash and cash equivalents (A + B + C)	161.26	-0.86
E. Cash and cash equivalents as at beginning of the year	138.00	138.87
F. Cash and cash equivalents as at the end of the year (D + E)	299.26	138.00
Net increase / (decrease) in cash and cash equivalents	161.26	-0.86
Components of cash and cash equivalents as at March 31, 2023		
Balances with scheduled banks		
- in current accounts	296.25	136.55
- Wallets	2.95	1.35
- Cash in Hand	0.07	0.10
Total cash and cash equivalents (refer note no.3)	299.26	138.00

For Kreon Financial Services Limited

Place: Chennai
Date: 29/05/2024

Jaijash Tatia
Wholtime Director
DIN: 08085029