



ANNUAL REPORT 2015 - 2016

KREON FINNANCIAL
SERVICES LTD

M/s. KREON FINANCIAL SERVICES LIMITED

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Annual General Meeting will be held on Thursday, 29th September 2016 at 11.00 a.m. at Samudaya Nala Koodam, Vallanur, Ambattur Chennai – 600 062.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

Visit us at www.kreon.in

CORPORATE INFORMATION

BOARD OF DIRECTORS:	DIN Nos:	DESIGNATION
Mr. S. Pannalal Jain Tatia	Din.01208913	Whole Time Director
Mr .S.P. Bharat Jain Tatia	Din.00800056	Director
Mr. E. Subbarayan	Din.01186153	Independent Director
Ms. D. Hemamalini	Din.02914395	Independent Director
STATUTORY AUDITORS	:	M/s K.Subramanyam & Co. Chartered Accountants No.252, Mugapair ERI Scheme Third Main Road, Chennai 600 037
REGISTERED OFFICE	:	“Prince Tatia Info Park” #81B, 2nd Main Road, Ambattur Industrial Estate, Chennai 600 058. Ph: 044-42138702 /704, Fax: 044-43084750 E-mail:tatia@vsnl.com, Website: www.kreon.in CIN: L65921TN1994PLC029317
COMPLAINCE OFFICER	:	S. Pannalal Tatia Email Id: tatia@vsnl.com Ph: 044 - 42138704
BANKERS	:	State Bank of Travancore Commercial Branch, Teynampet, Chennai-600 018 HDFC Bank Limited No.40, Nungambakkam High Road, Chennai-600 034
REGISTRAR & SHARE TRANSFER AGENT	:	M/s Purva Sharegistry (India)Pvt Ltd No.9,Shiv Shakti Ind.Estate, J.R.Boricha Marg, Lower Parel(E), MUMBAI 400 011 Ph: 022-23018261/022-23016761, Fax: 022-2301 2517 E-mail: purvashr@mtnl.net.in/busucomp@vsnl.com
SECRETARIAL AUDITOR	:	P.S. Srivnivasan, M/s. Lakshmmi Subramanian & Associates, #81, Murugesu Naicker Complex, Greens Road, Thousand Lights, Chennai 600 006.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held on Thursday, the 29th September, 2016 at 11.00 a.m. at Samudaya Nala Koodam, Vallanur, Ambattur, Chennai 600 062 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr.S. Pannalal Jain Tatia (DIN: 01208913) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED that in terms of the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz.. Companies (Audit and Auditors) Rules, 2014, as may be applicable, and pursuant to the resolution of the Members passed at the 20th Annual General Meeting held on 29th September, 2014, the appointment of K. Subramanyam & Co., Chartered Accountants, (Registration No. 004146S), as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 22nd Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee

**By Order of the Board
For KREON FINNANCIAL SERVICES LIMITED
Sd/-
S. PANNALAL TATIA
Whole Time Director
Din.No.01208913**

Place: Chennai

Date: 1st September 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 22nd Annual General Meeting of the company.

3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.

4. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act, 2013 has been brought into force. In terms of the said section read with section 152 (6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Profile of directors seeking re-appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the report on corporate governance, which forms an integral part of this annual report.

5. The equity shares of the Company are listed on Bombay Stock Exchange Limited.

6. The Register of Members and Share Transfer books of the Company will remain closed from 19th September, 2016 to 29th September, 2016 (both days inclusive).

7. Members holding shares in physical form, in multiple folios in identical names or joint accounts in the same order or names, are requested to send their share certificates to the Company's Registered Office at "Prince Tatia Info Park", #81B, 2nd Main Road, Ambattur Industrial Estate, Chennai – 600 058, for consolidation into one folio.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants, with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrar and Transfer Agent, M/s. Purva Shareregistry (India) Pvt Ltd

9. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent, M/s. Purva Shareregistry (India) Pvt Ltd. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

10. The Securities and Exchange Board of India 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 accounts. Members holding shares in physical form can submit their PAN details to the Company /Registrars and Transfer Agents, M/s. Purva Shareregistry (India) Pvt Ltd.

11. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 22nd Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) 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.

(vi) 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.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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 Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a

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

In case of members receiving the physical copy:

- (A) Please follow all steps from s. no. (i) To s. no. (xvii) Above to cast vote.
- (B) The voting period begins on 26/09/2016 (9:00 am) and ends on 28/09/2016 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22/09/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- (i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" ie one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.
- (ii) The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, ie voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at www.kreon.in

Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd September 2016. A Person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September 2016 only shall be entitled to avail the facility of remote e-voting.

- 12. Mrs. Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates., Practicing Company Secretaries (C.P.No.3534, FCS 1087) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- 13. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kreon.in. The results shall also be immediately forwarded to BSE Limited, Mumbai.

By Order of the Board
For KREON FINANCIAL SERVICES LIMITED
Sd/-
S.PANNALAL TATIA
Whole Time Director
Din.No.01208913

Place: Chennai
Date: 1.9.2016

Details of Directors seeking appointment/re-appointment at the Forthcoming Annual General Meeting [Pursuant to Regulation 36 (3) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

Name of the Director	Mr. S. Pannalal Tatia
Date of Birth	25/11/1949
DIN	01208913
Date of Appointment	13.01.1994
Relationship With Other Directors	Son of (Late) Mr. Sampathlal Tatia
Expertise in Specific Function Area	With Chartered Accountancy as profession and later turned into corporate expert by being into manufacturing industry, financial and project based sectors and gain rich experience in advising and structuring financial closures.
Qualification	B.Com FCA.,
Board Membership of the Other Companies as on 31.3.2016	
Public Limited Companies	Designation
M/s. Tatia Global Vennture Limited	Director
M/s. Ashram Online.com Limited	Director
Private Limited Companies	Designation
Tatia Estates Pvt Ltd	Director
Navyug Developers Pvt Ltd	Director
Sakareme Developers Pvt Ltd	Director
Jinpaad Developers Pvt Ltd	Director
Opti Products Pvt Ltd	Director
Sarvamangal Estates & Holdings Pvt Ltd	Director
Tatia Global Renewable Energy Resources Pvt Ltd	Director
Makemy Innerwear India Pvt Ltd	Director
Krios Business Services Pvt Ltd	Director
Chairmanship/Membership of the Committees of the Board of Directors of the Company as on 31.3.2016	Member in Nomination & Remuneration Committee & Audit Committee of the Company
Chairmanship/Membership of the Committees of Directors of other Companies in which he is a Director as on March 31, 2016	
Audit Committee	Member in Ashram Online.com Ltd.
Stake Holders Relationship Committee	NIL
Nomination & Remuneration Committee	Member in Tatia Global Vennture Ltd. & Ashram Online.com Ltd.
Share Holding in the Company	100

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 22nd ANNUAL REPORT of your company together with the Auditors Report for the year ended 31st March 2016.

1. FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2016.

Rupees in lacs

Particulars	31/3/2016	31/03/2015
Profit/(Loss) from capital market operations	74.14	125.65
Profit/(Loss) before depreciation, Interest & tax	5.26	-14.38
Interest	3.47	0.01
Depreciation	0.00	0.05
Profit/(Loss) before tax	1.78	-14.44
Provision for tax	0.00	0.00
Deferred tax	0.00	0.00
Profit/(Loss) after tax	1.78	-14.44

2. BUSINESS & PERFORMANCE

During the year under review, the Company has made a profit of Rs. 1.78 lacs for the financial year 2015-2016 as compared to loss of Rs.-14.44 lacs for the financial year 2014-2015.

3. DIVIDEND

In order to conserve resources the Board of Directors have decided not to declare any dividend for the current financial year 2015-16.

4. TRANSFER TO PROFIT & LOSS ACCOUNT

Your Company proposes to transfer Rs. 1,42,654/- to the General Reserve

5. MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

6. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

The Company has given loan of Rs. 6,72,44,620/- under Section 186 of the Act during the financial year 2015-16. The Company has not given any guarantee nor made any investments during the Financial year 2015-2016.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company doesn't have any subsidiaries, associates and joint venture companies.

8. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Company's business does not require any technology absorption and hence no reporting is required to be furnished under this heading.

Foreign Exchange inflow and outflow during the year is Nil.

9. FIXED DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31st March 2016.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL BOARD COMPOSITION

The Board consists of the one Executive Director (whole time director), one Non-Executive Director (promoted) and Two Independent / Non - Executive Directors, including a Woman Director. The Chairman of the Board is a Promoter, Non-Executive Director.

INDEPENDENT DIRECTORS AND DECLARATION

Mr. E. Subbarayan and Ms. Hemamalini are the Independent directors of the company for a term of five years and they are not liable to retire by rotation

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149 of the companies Act 2013 which has been relied on by the company and placed at the board meeting of the company.

RETIREMENT BY ROTATION

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

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Companies Act 2013, the key Managerial Personnel of the Company is Mrs. Sangita Tatia, Chief Financial Officer. There has been no change in the Key Managerial Personnel during the Year.

COMPANY SECRETARY

The Company is yet appoint company secretary and had given advertisement and circulars at the institute of company secretary (ICSI)

11. BOARD EVALUATION

Pursuant to the provisions of the Companies act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the audit and the Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee approved a policy for selection and appointment of directors, senior management and their remuneration. The Remuneration policy is stated in the corporate Governance Report.

13. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act and the Rules framed there under, M/s. K.Subramanyam & Co., Chartered Accountants, (Firm Registration Number 004146S) were appointed as 20th Annual General Meeting (AGM) of the company held on 29th September 2014 till the conclusion of AGM to be held in 2017, subject to ratification of their appointment at every AGM and hence his appointment is placed for ratification by the shareholders.

14. COMMENT ON STATUTORY AUDITOR'S REPORT

There were no adverse remarks made by the statutory auditor, Mr. K. Subramanian, Chartered Accountants bearing (Membership No. 023663, Regn. No. 004146S), in the Statutory Audit Report, during the current financial year.

15. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, (CP No.1087:, FCS:3534), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure VI'.

16. COMMENTS 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.

17. PERTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

According to Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees fall under the category specified under the said Section and the Rules made there-under.

18. RELATED PARTIES TRANSACTIONS

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.- Annexure - I details to be given-AOC 2

19. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at Annexure-II in the prescribed form MGT-9 and forms part of this Report.

20. RISK MANAGEMENT

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

21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains appropriate systems of internal controls, including monitoring procedures, to ensure that all assets and investments are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The Internal Auditors review the efficiency and effectiveness of these systems and procedures. Added objectives include evaluating the reliability of financial and operational information and ensuring compliances with applicable laws and regulations. The Internal Auditors submit their Report periodically which is placed before and reviewed by the Audit Committee.

22. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has in place a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2015-16, the Company has not received any complaints on sexual harassment.

23. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management's Discussion and Analysis report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

24. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as required under the Securities Board of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter Listing Regulations), forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

25. NUMBER OF MEETINGS OF THE BOARD

The Board met Six times during the financial year, the details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the companies act, 2013

26. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. Pannalal Jain Tatia, the Whole Time Director of the Company and forms part of the Annual Report and the website of the Company at www.kreon.in

27. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report and the website of the Company at www.kreon.in.

28. CORPORATE SOCIAL RESPONSIBILITY

Your company is not having profits more than Rs.5 Crores, in the Year 2015-16 and therefore Constituting of a CSR Committee and its compliance in accordance with the provisions of Section 135 of the Act, does not arise.

29. 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 March 31, 2016, 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 March 31, 2016 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.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS-BEFORE ACKNOWLEDGEMNT IN DIRECTORS REPORT

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

31. ACKNOWLEDGEMENT

The Board of Directors would like to thank all employees of the Company and also Company's shareholders, auditors, customers and bankers for their continued support.

**On behalf of the Board of Directors
For KREON FINANNCAIL SERVICES LIMITED**

**Sd/-
S. PANNALAL TATIA
Whole Time Director
Din.No.01208913**

Place: Chennai

Date: 1.9.2016

Annexure-I

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 arms length transaction under third proviso thereto.

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	M/s Tatia Global Vennture Ltd
b)	Nature of contracts/arrangements/ transaction	Loan Given
c)	Duration of the contracts/arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	Rs.17,89,537/-

ANNEXURE II

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016**

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65921TN1994PLC029317
2.	Registration Date	23/11/1994
3.	Name of the Company	M/s. KREON FINANCIAL SERVICES LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares / Indian Non – Government Company
5.	Address of the Registered office & contact details	#81 B, 2nd Main Road, Ambattur Industrial Estate, Chennai – 600 058. Ph: 044 – 421 38 702, Email.Id: tatia@vsnl.com , Website: www.kreon.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011 Ph: 91-22-2301 6761 / 8261, Fax : 91-22-2301 2517, Email.Id: busicomp@vsnl.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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NBFC	-	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	1678419	1678419	13.75	0	1678419	1678419	13.75	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	952700	2450000	3402700	33.82	952700	2450000	3402700	33.82	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	952700	4128419	5081119	50.50	952700	4128419	5081119	50.50	0
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	81700	2372122	2453822	24.39	81500	2121120	2202620	21.89	-0.05
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1323900	515821	1839721	18.29	1402600	660375	2062975	20.50	0.16
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	181000	453908	634908	6.31	96500	514653	611153	6.07	-0.11

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
NRN's	0	0	0	0	0	0	0	0	0
Foreign Company	0	0	0	0	0	0	0	0	0
HUF	0	51430	51430	0.51	0	103133	103133	1.03	0.52
Clearing Members	0	0	0	0	0	0	0	0	0
Market Maker	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)-	1586000	3393881	4979881	49.50	1580600	3393881	4979881	49.50	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1586000	3393881	4979881	49.50	1580600	3393881	4979881	49.50	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2538700	7522300	10061000	100	2533300	7527700	10061000	100	0.00

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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.	Jaijash Tatia	6,23,300	6.20	0	6,23,300	6.20	0	0
2	Chandrakantha Tatia	5,04,800	5.02	0	5,04,800	5.02	0	0
3	Bharat Jain Tatia	5,50,219	5.47	0	5,50,219	5.47	0	0
4	Ashram Online.Com Ltd	9,52,700	9.47	0	9,52,700	9.47	0	0
5	Tatia Global Vennture Ltd	24,50,000	24.35	0	24,50,000	24.35	0	0
6	S. Pannalal Tatia	100	0.00	0	100	0.00	0	0
	TOTAL	50,81,119	50.50	0	50,81,119	50.50	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change) - NIL

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the year as on 31.3.2016	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	M/S. Subh Labh Infrastructure Pvt Ltd	1759500	17.49	0	0	1759500	17.49
2	M/S. Venus Meridian Pvt Ltd	0	0	250015	1.99	250015	1.99
3	Nikhil Rasiklal Shah	100000	0.99	0	0	100000	0.99
4	Ramesh Kumar	0	0	100000	0.99	100000	0.99
5	Jyothi Bafna	0	0	100000	0.99	100000	0.99
6	Bina Atul Chauhan	88522	0.87	0	0	88522	0.87
7	Ramesh Kumar Bafna	0	0	50000	0.50	50000	0.50
8	Keval Share Broking Pvt Ltd	66050	0.65	(29650)	(0.29)	36400	0.36
9	Mamta Ramgarhia	38276	0.38	(1885)	(0.02)	36391	0.36
10	Sapna Parekh	36305	0.36	0	0	36305	0.36

E) Shareholding of Directors and Key Managerial Personnel:

SN		Shareholding at the beginning of the year		Shareholding at the year as on 31.3.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S. Pannalal Tatia	100	0	100	0
2.	S.P. Bharat Jain Tatia	550219	5.47	550219	5.47
3.	E. Subbarayan	100	0	100	0
4.	D. Hemamalini	100	0	100	0
5.	Mrs. Sangita Tatia - CFO	0	0	0	0

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sangita Tatia - WTD	Managing Director	Manager	
1.	Gross Salary	Rs. 50,000/- Per Month	NIL	NIL	Rs. 50,000/- Per Month
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission -As % of Profit Others, Please Specify	NIL	NIL	NIL	NIL
5	Others, please specify- Fee for attending board committee meetings Ceiling as per the Act	Rs. 4,000/-	NIL	NIL	Rs. 4,000/-

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of the Independent Directors		Total Amount
		E. Subbarayan	D. Hemamalini	
1	Independent Directors	E. Subbarayan	D. Hemamalini	Total Amount
	Fee for attending board committee meetings	Rs. 6,000/-	Rs. 6,000/-	Rs. 12,000/-
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (1)	Rs. 6,000/-	Rs. 6,000/-	Rs. 12,000/-
2	Other Non-Executive Directors	Mr. Bharat Jain Tatia	NIL	Total Amount
	Fee for attending board committee meetings	Rs. 4,000/-	Nil	Rs. 4,000/-
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (2)	Rs. 4,000/-	Nil	Rs. 4,000/-
	Total (B)=(1+2)	Rs. 10,000	Rs. 6,000/-	Rs.16,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Name of the Independent Directors	
		Mrs. Sangita Tatia - CFO	Total
1	Gross salary	Rs.10,000/- per month	Rs.10,000/- per month
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	Others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total	Rs. 10,000/- Per Month	Rs.10,000/- per month

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**ANNEXURE III****MANAGEMENT DISCUSSION AND ANALYSIS****Industry Structure and development**

M/s. Kreon Financial 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 currently operating in the finance, investment, dealing in securities activity and it anticipates there appears to be huge potential for growth.

Opportunities, Threats, Risks and concerns:

In a dynamic industry such as financial sector the company has added opportunities and risks and is inherent aspect of business. The opportunities which the company is looking to harness are as mentioned below:

- Opening up of financial sector reforms in India
- Fast growing 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 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

India is among one of the most observed emerging markets. Implementation of policies and reforms by the Government would help sector grow at faster phase.

Financial Performance

The Company foresee a better business prospects in the year 2017.

Internal Control System and Adequacy

The Company has adequate system of internal control in place. This is 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.

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.

ANNEXURE -IV**REPORT ON CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement entered with BSE Limited (BSE) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with effect from 1st December 2015, the company provides its corporate governance system and its process:

Your company is in full compliance of the Corporate Governance principles enunciated in clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in terms of structure, composition of Board and its committees and other disclosure requirements.

The Company is regular in complying with the mandatory requirements of the Corporate Governance Code.

1. COMPANY'S PHILOSOPHY

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

2. Board of Directors**Composition and category of Board of Directors.**

The composition of Board of Directors of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations and section 149 of the Companies Act 2013. The Board of Directors comprises of one Executive Director, one Non-Executive Director and Two Independent / Non - Executive Directors, including a Woman Director. The Chairman of the Board is a Promoter, Non-Executive Director. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders.

The composition of category of Directors is as follows :-

S. No.	Name of the Director	Category	Number of Directorships held in other Indian companies	Number of Board / Committee memberships held in other companies	No. of Shares held in the Company
1.	Mr. S. Pannalal Jain Tatia	Whole Time Director / Promoter	11	2	100
2.	Mr. Bharat Jain Tatia	Non – Executive Director / Promoter	14	2	550419
3.	Mr. E. Subbarayan	Non – Executive / Independent Director	2	1	100
4.	Ms. D. Hemamalini	Non – Executive / Independent Director	2	2	100

a) BOARD MEETINGS, ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM:-

During the year under review six Board Meetings were held and the gap between two Board meetings did not exceed four months. Among other things, key matters like periodic financial results, Company's Annual Financial Results, Financial Statements, Auditor's report and Board's Report, diversify the business of the company, Terms of reference of Board Committees, capital / operating budgets and risk management are brought to the Board.

B) DATE OF BOARD MEETINGS:

During the financial year 2015-2016 - Six (6) Board meetings and one Annual General Meeting were held on the following dates: 17th April 2015, 30th May 2015, 31st July 2015, 28th August 2015, 31st October 2015, and 30th January 2016. AGM was held on 29th September 2015

C) THE ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETING/ AGM HELD DURING THE YEAR IS GIVEN BELOW:

S. No.	Name of the Director	Category	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
1.	Mr. S. Pannalal Jain Tatia	Whole Time Director / Chairman	6	4	Yes
2.	Mr. Bharat Jain Tatia	Non - Executive Director / Promoter	6	5	Yes
3.	Mr. E. Subbarayan	Non – Executive / Independent Director	6	6	Yes
4.	Ms. Hemamalini	Non – Executive / Independent Director	6	6	Yes

3. AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee has been constituted consisting majority being Independent Directors. The statutory auditor is permanent invitees to the audit committee meetings. The functions of the Audit Committee include:

- Reviewing with management, the financial statements before submission of the same to the Board
- Overseeing of company's financial reporting process and disclosures of its financial information.
- Reviewing the adequacy of the internal audit function.
- Recommendation for appointment and fixing remuneration of statutory auditors.
- Reviewing the reports furnished by the statutory auditors and ensuring suitable follow up thereon.

Looks in to matters specifically referred by the Board of Directors

During the year, four meetings were held one of which was before finalisation of accounts. The said meetings were held on 30.05.2015, 30.07.2015, 30.10.2015 and 29.01.2016. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2016 are given below:

S.No	Name	Category of Membership	Meetings held	Meetings attended
1.	Mr. E. Subbrayan	Chairman	4	4
2.	Mr. S. Pannalal Jain Tatia	Member	4	3
3.	Ms. D. Hemamalini	Member	4	4

4. STAKEHOLDER RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

The Committee oversees share transfers and monitor investors' grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and redressal thereof within the purview of the guidelines set out in the listing agreement. The Committee also looks into the matters of issue of duplicate share certificates, approval / rejects application for re-materialization, subdivision, consolidation transposition and thereupon issue of share certificates to the shareholders etc., The committee also monitors the implementation and compliance with the Company's Code of conduct for prohibition of Insider Trading.

During the financial year 2015-16, Four (4) complaints were received from shareholders and were replied / redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2016

The Stakeholders/Investors Grievance and Share Transfer Committee meetings held on 16.4.2015, 31.7.2015, 30.10.2015, and 29.1.2016 with the following members

S.No	Name	Category of Membership	Meetings held	Meetings attended
1.	Mr. E. Subbrayan	Chairman	4	4
3.	Ms. D. Hemamalini	Member	4	4

5. Nomination and Remuneration Committee

The main agenda of the committee is to identify persons who are qualified to become directors in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal. The committee also formulate the criteria for evaluation of independent directors and to determine the Company's policy on specific remuneration packages for Executive Directors and any compensation payments etc.,

The Nomination and Remuneration Committee was formed on 22nd August 2014, with the following members and there was no meeting held during the F.Y. 2015 – 2016

S.No	Name	Category of Membership	Meetings held	Meetings attended
1.	Mr. E. Subbrayan	Chairman	NIL	NIL
2.	Mr. S.P. Bharat Jain Tatia	Member	NIL	NIL
3.	Ms. D. Hemamalini	Member	NIL	NIL

Chairman of the Committee is a Non-Executive Independent Director.

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are available at the company's website at www.kreon.in

2. REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

S.No.	Name of The Director	Salary Perquisites (Rs.)	Sitting Fees (Rs.)	Relationship with Directors
1.	Mr. S. Pannalal Tatia	6,00,000/- (P.A)	6,000/-	Father of Mr. S.P.Bharat Jain Tatia
2	Mr. S.P. Bharat Tatia	NIL	6,000/-	Son of Mr. S.Pannalal Tatia
3	Mr. E. Subbrayan	NIL	6,000/-	NIL
4	Ms. D. Hemamalini	NIL	6,000/-	NIL

General Body Meetings

The particulars of Annual General Meeting held during the last three years are as under:

Location and time of the last three AGMs:

Year	Location	Date	Time
2012 – 13	Samudaya Koodam Hall, Morai , Chennai-600 055	30.9.2013	10.00 A.M.
2013 – 14	Samudaya Nala Koodam, Vallanur, Chennai 600 062	29.9.2014	10.30 A.M.
2014 - 15	Samudaya Nala Koodam, Vallanur, Chennai 600 062	29.9.2015	10.30 A.M.

1. DISCLOSURES:

a. Related Party Transactions: There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

b. Compliances by the Company: The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authority.

c. Whistle Blower Policy: The Company has established a mechanism for Whistle Blower Policy.

d. We affirmed that no personnel have been denied access to the audit committee.

e. Compliance with mandatory requirements: The Company has complied with all Mandatory requirements as mentioned under Listing Agreement / SEBI (LODR) Regulations 2015.

f. Adoption of Non- Mandatory requirements: The Company is in the process of adopting other non – mandatory requirements as mentioned under SEBI (LODR) Regulations 2015. The company has appointed separate persons to the post of Chairman and CEO&WTD.

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As part of corporate governance and as per companies act 2013, the company has adopted Vigil Mechanism / Whistle blower policy that covers our directors and employees. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The mechanism provides for adequate safeguards against victimization of Directors and employees and also provide for direct access to the Chairman of the Audit Committee. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation. During the year under review, no employee was denied access to the Audit Committee.

8. MEETING OF INDEPENDENT DIRECTORS / FAMILIARISATION PROGRAMME:

The company's independent directors meet at least once in a year without the presence of Executive / Non-Executive Directors. The Independent Directors met once during the year under review on 6.10.2015 and inter – alia discussed:

1. The performance of non-Independent Directors and the Board as a whole;
2. the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors;
3. the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. The details of familiarisation programme for the financial year 2015-16 have been updated in the website

9. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the financial results in the proforma prescribed by the Stock Exchanges within the statutory period and announces forthwith the results to all the stock exchanges where the shares of the company are listed and also publishes the financial results in The Trinity Mirror (English) and Makkal Kural (Tamil) newspapers.

These results are promptly submitted to the Stock Exchanges to enable them to display the same on their website. The financial results are also made available at the website of the Company www.kreon.in

10. GENERAL SHAREHOLDERS INFORMATION

Registered office

M/s. KREON FINANCIAL SERVICES LIMITED

#81B, 2nd Main Road, Ambattur Industrial Estate, Chennai – 600 058.

Tel: 044 – 42138702, Fax. 044 – 430 84 750,

Email ID: tatia@vsnl.com, Website: www.kreon.in

ANNUAL GENERAL MEETING

The 22nd Annual General Meeting of the Company will be held on Thursday, 29th September, 2016 at 11.00 A.M. at Samudaya Nala Koodam, Vallanur, Ambattur, Chennai - 600 062.

Financial calendar for the year 2016-2017 (Provisional)

1.	Results for the 1st Quarter Ending 30th June, 2016	4th Week of July, 2016
2.	Results for the 2nd Quarter Ending 30th September, 2016	4th Week of October, 2016
3.	Results for the 3rd Quarter Ending 31st December, 2016	4th Week of January, 2017
4.	Results for the 4th Quarter Ending 31st March, 2017	4th Week of May, 2017
5.	Annual General Meeting for the Year Ending 31st March 2017	4th Week of September, 2017

LISTING ON THE STOCK EXCHANGES

The Equity shares of the Company are listed on the Bombay Stock Exchange. The Company has paid annual listing fees to the respective stock exchange.

BSE Stock Code: 530139

ISIN. NO: INE3020C01018

Market price data

High/Low during each month in last financial year at the Bombay Stock Exchange

Month	Share Prices (Rs.)	
	High	Low
Apr-2015	0.00	0.00
May-2015	16.85	15.70
Jun-2015	16.05	16.05
Jul-2015	16.00	11.30
Aug-2015	10.75	9.55
Sep-2015	10.00	10.00
Oct-2015	11.02	10.50
Nov-2015	11.25	11.25
Dec-2015	12.39	11.21
Jan-2016	10.65	9.98
Feb-2016	9.49	9.02
Mar-2016	8.57	8.15

9. Registrar and transfer agents

The address of the Registrar & Share Transfer Agents is as under:

M/s. PURVA SHAREGISTRY (INDIA) PVT LTD

No.9, Shiv Shakti Ind. Estate.

J.R.Boricha Marg, Lower Parel(E), Mumbai 400 011

Tel: 022-2301 8261/022-2301 6761, Fax: 022 -2301 2517

E-mail: purvashr@mtnl.net.in / busicomp@vsnl.com

12. SHARE TRANSFER SYSTEM:

Applications for transfer of shares held in physical form are received by the Registrar and Share Transfer Agent Cameo Corporate Services Ltd and all valid transfers are processed and effected immediately from the date of receipt. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 7 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders. However, the request for share transfers etc. will continue to be considered and approved by the share transfer committee. The Share Transfer Committee generally meets once in a month. There are no pending share transfers as on 31st March 2016.

Distribution of shareholding as on 31st March 2016

Slab of shareholdings	Share holders	%	No.of Shares	%
Upto – 5000	2092	74.37	448407	4.46
5001 – 10000	337	11.98	284137	2.82
10001 – 20000	187	6.65	291030	2.89
20001 – 30000	63	2.24	161013	1.60
30001 – 40000	31	1.10	108488	1.08
40001 - 50000	23	0.82	108576	1.08
50001 – 100000	38	1.35	265463	2.64
Above 100000	42	1.49	8393886	83.43
Total	2813	100	10061000	100

Shareholding pattern as on 31st March 2016

Categories	Number of shares	%
Promoters, Directors, relatives and associates	5081119	50.50
Mutual Funds	0.00	0.00
FII's	0.00	0.00
Private Corporate Bodies	2202620	21.89
Indian Public	2674128	26.57
HUF	103133	1.03
NRI's/OCB's	0.00	0.00
Clearing Members	0.00	0.00
Market Maker	0.00	0.00
Total	10061000	100

13. SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

14. DEMATERIALISATION OF SHARES

The equity shares of the company has been admitted for dematerialization with NSDL and CDSL, 74.82% of the company's paid up Equity share capital has been dematerialized up to March, 31, 2016.

E-mail ID of Investor Grievance Redressal Cell: tatia@vsnl.com

15. PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all

the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc.

16. COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

17. RECONCILIATION OF SHARE CAPITAL AUDIT:

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2016 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

18. PREVENTION OF INSIDER TRADING

In accordance with the SEBI Regulations as amended, the Company has established a code of conduct for prohibition of insider trading in the company's shares. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations 2015.

DECLARATION UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

I, Pannalal Tatia, Whole Time Director of the company, hereby declare that the board of Directors has laid down a Code of Conduct for its Members and the Senior Management Personnel of the company and they have affirmed compliance with said code of conduct.

**By Order of the Board
FOR KREON FINANCIAL SERVICES LIMITED
Sd/-
PANNALAL TATIA
WHOLE TIME DIRECTOR
DIN.NO. 01208913**

Place: Chennai
Date: 1.9.2016

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

I have examined all the relevant records of M/s. Kreon Financial Services Ltd for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period December 01, 2015 to March 31, 2016. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In my opinion and to the best of our information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Agreement / Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C, D and E.

For M/s K.SUBRAMANYAM & CO.
Chartered Accountants,
(Firm Registration Number - 004146S)
Sd/-
K.SUBRAMANYAM
PROPRIETOR
(Membership Number - 023663)

Place: Chennai
Date: 30th May, 2016

CFO CERTIFICATION

The Board of Directors
M/s. KREON FINANCIAL SERVICES LTD
CHENNAI

I, **SANGITA TATIA**, Chief Finance Officer of **M/s. KREON FINANCIAL SERVICES LIMITED**, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2016 are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting, I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, those deficiencies in the design or operation of such internal controls of which I am aware and the steps I have taken or purpose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee
 - There have been no significant changes in internal control over financial reporting during the year covered by this report.
 - There have been no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - instance of significant fraud which they have become aware and the involvement therein, if any of the management or an employee having significant role in the listed entity's internal control system over financial reporting

FOR KREON FINANCIAL SERVICES LTD
SANGITA TATIA
CHIEF FINANCIAL OFFICER

Place: Chennai
Date: 30th May 2016

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To the Members

**KREON FINANCIAL SERVICES LIMITED
NEW NO. 81B (OLD NO.31B) SECOND MAIN ROAD,
AMBATTUR INDUSTRIAL ESTATE,
Chennai - 600058**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kreon Financial 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, 2016, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by Kreon Financial Services Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions as applicable to the Company during the period of audit:

- i. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Applicable with effect from 15 May, 2015);
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- v. 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 (applicable with effect from 1 December, 2015).
- vi. 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 applicable with effect from 1 July 2015.
- vii. In our opinion and as identified and informed by the Management of the Company, the following laws as being specifically applicable to the company:
 1. Reserve Bank of India Act, 1934 applicable to a loan company.
 2. Guidelines, directions and instructions issued by RBI through notifications and circulars relating to a loan company.

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:

- Non-appointment of the KMP under Section 203 as per the Companies Act, 2013 (Company Secretary).
- There have been a few cases of delay in filing of certain e-forms filed with MCA

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

- a) 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;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) 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, the company is in the process of establishing adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environmental, Human Resources and labour 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 Board of Directors of 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

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-

P.S. SRINIVASAN
ASSOCIATE Partner

FCS No.1090

C.P.NO. 3122

Place: CHENNAI

Date: 1.9.2016

ANNEXURE - A

**M/s. KREON FINANCIAL SERVICES LIMITED
#81B (OLD NO.31B) 2nd MAIN ROAD,
AMBATTUR INDUSTRIAL ESTATE, CHENNAI - 600058**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

**Sd/-
P.S. SRINIVASAN
ASSOCIATE Partner
FCS No.1090
C.P.NO. 3122**

**Place: Chennai
Date: 1.9.2016**

Independent Auditor's Report

TO THE MEMBERS OF M/S. KREON FINANCIAL SERVICES LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of M/S.KREON FINANCIAL SERVICES LIMITED, which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order,2016("the Order"),as amended, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act,2013, I give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is attached as separate report in "Annexure B".
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in my opinion and to our best of my information and according to the explanations given to me :
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K SUBRAMANYAM & CO
CHARTERED ACCOUNTANTS
(Firm's Registration No. 004146S)**

**Sd/-
(K SUBRAMANYAM)
(PROPRIETOR)
(Membership No.023663)**

**Place: Chennai
Date: 30/05/2016**

ANNEXURE TO THE AUDITORS' REPORT

“ Annexure A” to the Independent Auditors Report

Referred to in paragraph 1 under the heading “Report on Other Legal & Regulatory Requirement” of my report of even date to the financial statement of the company for the year ended 31/03/2016:

1. In respect of its fixed assets:

- (a) There is no closing balance of Fixed Assets. During the year the fixed Assets amount to Rs 7507.50 were disposed off.

2. In respect of its inventories:

There are no inventories in the Company during the year.

3. In my opinion, the Company has not granted any loan, 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company and hence not commented upon. There are however regular business transactions and prima facie are not prejudicial to the interest of the company.

4. In my opinion and according to the information and explanation given to me, the company has complied with the provisions of sec 185 and 186 of the Companies Act,2013 In respect of loans, investments', guarantees, and security.

5. The company has not accepted any deposits from the public and hence the directives issue by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules,2015 with regard to the deposits accepted from the public are not applicable.

6. I have been informed by the management that the Central Government has not prescribed maintenance of cost records under (1) of section 148 of the Companies Act, 2013 in respect of activities carried on by the Company.

7. In Respect of Statutory Dues:

- a. According to information and explanations given to me and on the basis of my examination of the books of account, and records, the company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities. According to the information and explanation given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, at the yearend for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to me, there are no reportable dues or disputes under the relevant clause.
8. In my opinion and according to the information and explanations given by management, I am of the opinion that the company has not defaulted in repayment of the dues to financial institutions or bank or debenture holders.
9. Based on the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the Oder are not applicable to the company and hence not commented upon.

10. Based on the audit procedures performed and the information and explanations' given by the management, I report that no fraud by the company or on the company by its officers or employees have been noticed or reported during the year.
11. Based on 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 as mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.
12. In my opinion, the company is not a Nidhi company. Therefore the provisions of the clause 4 (xii) of the order are not applicable to the company.
13. In my opinion, all transactions with the related parties are in compliance with the section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Oder are not applicable to the company and hence not commented upon.
15. Based on the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Oder are not applicable to the company and hence not commented upon.
16. In my opinion , the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934 and accordingly, the provisions of the clause 3(xvi) of the Oder are not applicable to the company and hence not commented upon.

FOR K SUBRAMANYAM & Co.,
Chartered Accountants.,

Sd/-
K Subramanyam
Proprietor
MemberShip No. 023663
Firm Regn.No. 004146S

Place: Chennai
Dated: 30|05|2016

ANNEXURE TO THE AUDITORS' REPORT

“Annexure B” to the Independent Auditors Report of the even date on the financial statements of Kreon Financial Services Limited.

Report on the Internal Financial Controls under clause (i) of sub-section 3 of the section 143 of the Companies Act,2013 (“the Act”)

I have audited the internal financial controls over the financial reporting of Kreon Financial services Limited Limited (“the Company”) as of March 31st, 2016 in conjunction with my audit of financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on established criteria of the company based on essential components of internal controls stated by Guidance note issued ICAI in this regard. This responsibility also includes 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 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

My responsibility is to express an opinion on the company's internal financial controls over the financial reporting based on my audit. I conducted my audit in accordance with 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 ICAI. Those standards and the guidance note require that I comply with ethical requirements an 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 al material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining and 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 auditors judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 included those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of 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 receipt 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 effects on the financial statements.

Inherent Limitations of Internal financial controls over financial reporting

Because of the inherent limitation 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 the future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate

Opinion

In my opinion, the company has, in all material respects has an adequate internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on established policies of the company based on essential components of internal controls as stated in Guidance note issued by ICAI in this regard.

FOR K SUBRAMANYAM & Co.,
Chartered Accountants.,

Sd/-
K Subramanyam
Proprietor
MemberShip No. 023663
Firm Regn.No. 004146S

Place: Chennai
Dated: 30|05|2016

M/S. KREON FINANCIAL SERVICES LTD

Balance Sheet as at 31st March, 2016

Particulars	Note No	Figures for the current reporting period 31 03 2016	Figures for the previous reporting period 31 03 2015
I. EQUITY AND LIABILITIES		Rs.	Rs.
(1) Shareholders' Funds			
(a) Share Capital	1	100,610,000	100,610,000
(b) Reserves and Surplus	2	22,782,000	22,603,682
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		97,600	97,600
(c) Other Long term liabilities	3	117,302	31,000
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	4	13,205,578	229,557
(c) Other current liabilities		-	-
(d) Short-term provisions	5	561,106	504,129
Total		137,373,586	124,075,968
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	-	7,508
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	26,015,245	26,014,286
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	76,244,620	93,460,967
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	8	31,500,000	-
(b) Inventories		-	-
(c) Trade receivables	10	387,396	2,175,201
(d) Cash and cash equivalents	11	219,129	143,464
(e) Short-term loans and advances		-	-
(f) Other current assets	12	3,007,196	2,274,543
Total		137,373,586	124,075,968

Notes Annexed to Forming Part of Accounts 18

As per my report of even date

FOR K SUBRAMANYAM & Co.,

Chartered Accountants.,

for and on behalf of M/s KREON FINANCIAL SERVICES LTD

Sd/-

K Subramanyam

Proprietor

MemberShip No. 023663

Firm Regn.No. 004146S

S/d-
PANNALAL TATIA
Whole Time Director
DIN.No. 01208913Sd/-
BHARAT JAIN TATIA
Director
DIN.NO. 00800056Sd/-
SANGITA TATIA
Chief Financial Officer

Place: Chennai

Dated: 30|05|2016

M/S. KREON FINNANCIAL SERVICES LTD**Profit and Loss statement for the year ended 31|03|2016**

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
		31 03 2016	31 03 2015
		Rs.	Rs.
I. Revenue from operations	12	7,414,038	12564006
II. Total Revenue (I +II)		7,414,038	12564006
III. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-
Employee benefit expense	13	1,146,765	1127536
Financial costs	14	347,318	1141
Depreciation and amortization expense	15	-	5005
Other expenses	16	5,741,636	12874506
Total Expenses		7235719	14008188
IV. Profit before exceptional and extraordinary items and tax (III - IV)		178,319	-1444182
V. Exceptional Items		-	-
VI. Profit before extraordinary items and tax (V - VI)		178,319	-1444182
VII. Extraordinary Items		-	-
VIII. Profit before tax (VII - VIII)		178,319	-1444182
IX. Tax expense:			
(1) Current tax		-	-
(2) Short Provision for Previous year		-	-
(3) Deferred tax		-	-
X. Profit/(Loss) from the perid from continuing operations (VII - VIII)		178,319	-1444182
XI. Profit/(Loss) from discontinuing operations		-	-
XII. Tax expense of discounting operations		-	-
XIII. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XIV. Statutory Reserves		35,664	-
XV. Profit/(Loss) for the period (XI + XIV)		142,655	-1444182
XVI. Earning per equity share:			
(1) Basic		0.02	-0.14
(2) Diluted		0.02	-0.14

As per my report of even date

FOR K SUBRAMANYAM & Co.,
Chartered Accountants.,Sd/-
K Subramanyam
Proprietor
MemberShip No. 023663
Firm Regn.No. 004146S

for and on behalf of M/s KREON FINNANCIAL SERVICES LTD

Sd/-
PANNALAL TATIA
Whole Time Director
DIN.No. 01208913Sd/-
BHARAT JAIN TATIA
Director
DIN.NO. 00800056Sd/-
SANGITA TATIA
Chief Financial OfficerPlace: Chennai
Dated: 30|05|2016

M/S. KREON FINANCIAL SERVICES LTD**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31|03|2016**

	31 03 2016	31 03 2015
A. CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and extraordinary items	142,655	-1,444,182
Adjustments for :		
Add : Miscellaneous Expenditure w/off	-	-
Add : Depreciation	-	5,005
Add : Tax provision	-	-
Less; Defered tax Adjustments	-	-
Less: Statutory Provision	35,664	-
Less : Misc. Expenses during the year	-	-
	178,319	-1,439,177
Operating Profit before working Capital Changes		
Adjustments for		
Less : Increase in Current Assets	13,229,462	584,402
Add : Increase in current Liabilities	13,119,300	-
Add : Decrease in Current Assets	-	0
Less : Decrease in current Liabilities	-	22,557
Cash Flow From Operating activities	(A) 68,157	-2,001,022
B.CASH FLOW FROM INVESTING ACTIVITIES		
Investments during the year	-	-
Fixed Assets sale	7,508	-
Cash Flow From Investment Activities	(B) 7,508	-
C.CASH FLOW FROM FINANCE ACTIVITIES		
Cash Flow From finance Activities	(C) -	-
Increase / (Decrease) in cash and cash equivalent (A+B+C)	75,665	-2,001,022
Cash and cash Equivalents as on 31.03.2015	143,464	2,144,486
Cash and cash Equivalents as on 31.03.2016	219,129	143,464
Net Increase/(Decrease) in Cash Balances	75,665	-2,001,022

I have examined the above Cash Flow Statement of **M/s. KREON FINANCIAL SERVICES LTD** for the year ended 31.3.2016. The Statement has been prepared by the company in accordance with the requirements of AS-3 and is based on and derived from and where applicable, and is in agreement with the profit and Loss a/c and Balance sheet of the company covered by my report dated 30th May 2016 to the members of the company.

FOR K SUBRAMANYAM & Co.,
Chartered Accountants.,

Sd/-
K Subramanyam
Proprietor
Membership No. 023663
Firm Regn.No. 004146S

Place: Chennai
Dated: 30|05|2016

Note No.	Schedules forming Part of Accounts	Figures for the current reporting period		Figures for the previous reporting period	
		No.of Shares	31 03 2016 Rs.	31 03 2015 Rs.	
1	Share Capital				
	Equity Share Capital				
	Authorised Share capital	20,000,000	<u>200,000,000</u>	<u>200,000,000</u>	
	Issued, subscribed & fully paid share capital				
	10061000 Equity Shares of Rs.10/-each	10,061,000	<u>100,610,000</u>	<u>100,610,000</u>	
	Total		<u>100,610,000</u>	<u>100,610,000</u>	
A	Details of Share Holders Holding More Than 5% of the Company	No.of Shares	%	No.of Shares	%
		31.3.2016		31.3.2015	
1	Tatia Global Vennture Ltd	2,450,000	24.35	2,450,000	24.35
2	Subh Labh Infrastructure Pvt Ltd	1,759,500	17.49	1,759,500	17.49
3	Jaijash Tatia	623,300	6.20	623,300	6.20
4	Bharat Tatia	550,219	5.47	550,219	5.47
5	Chandrakantha Tatia	504,800	5.02	504,800	5.02
6	Ashram Online.Com Ltd	952,700	9.47	952,700	9.47
	Total	<u>6,840,519</u>	<u>67.99</u>	<u>6,840,519</u>	<u>67.99</u>
2	Reserves and Surplus			Rs.	Rs.
	General Reserve				
	Capital Reserves			27,097,500	27,097,500
	Securities Premium Reserves			-	-
	Other Statutory Reserve / fund			2,066,442	2,066,442
	Add: During The Year			35,664	-
	Sub Total A			<u>29,199,606</u>	<u>29,163,942</u>
	General Reserve				
	Profit & Loss Account (opening blance)			-6,560,260	(5,116,078)
	Add/Less: Profit/Loss for the current year			142,654	(1,444,182)
	Less: Allocations / Appropriations			-	-
	Sub Total B			<u>-6,417,606</u>	<u>(6,560,260)</u>
	Total (A+B)			<u>22,782,000</u>	<u>22,603,682</u>
3	Non - Current Liabilities				
	(C) Other Long Term Libalities				
	Secured				
	Other Long Term Liabilities			-	-
	Unsecured				
	Provision For Liabilities			-	-
	Salary Payable			82,600	31,000
	TDS Payable			34,702	-
	Total			<u>117,302</u>	<u>31,000</u>

Note Schedules forming Part of Accounts No.	Figures for the current reporting period	Figures for the previous reporting period
	31 03 2016 Rs.	31 03 2015 Rs.
4 Current Liabilities		
Trade Payables		
Secured	-	-
Unsecured	13,205,578	229,557
Total	13,205,578	229,557
5 Short-term provisions		
Provision For Standard Assets	489,129	489,129
Provision for Income tax	41,977	-
Audit fees	30,000	15,000
Total	561,106	504,129
6 Tangible Assets		
Land/ Building/ Plant & Equipment/ Furniture & fixtures/ Vehicles/ Office Equipment/Others (individually)		
Gross Block:		
Opening Balance	328,907	328,907
Add: acquisition through business combination	-	-
Other Adjustments	-	-
Sub total	328,907	328,907
Less: Disposals	7,508	-
Gross Block at year end (a)	321,399	328,907
Less: Depreciation		
Opening Depreciation	321,399	316,394
Depreciation for the year	-	5,005
Total accumulated depreciation (b)	321,399	321,399
Net carrying value (a) - (b)	-	7,508
Total	-	7,508
8 Current Investments		
Saanvi Nayak Films	3,000,000	-
Saanvi Pictures Pvt Ltd - OPC	28,500,000	-
Total	31,500,000	-
9 Long Term Loans and Advances		
Unsecured considered good		
Loans and advances to related parties		-
Other loans and advances (Considered Good)	76,244,620	93,460,967
Total	76,244,620	93,460,967
10 Trade receivables		
Unsecured (Considered Good)	387,396	2,175,201
Total	387,396	2,175,201

Note : 7 Non - Current Investments	31.03.2016			31.03.2015		
I.Quoted	Qty	Cost Rs.	Market Value	Qty	Cost Rs.	Market Value
Appolo Hospital Ltd	20	4,093	26,489	20	4,093	27,384
Arihant foundation ltd	11	443	419	11	443	501
Beckon Inds ltd	500	4,440	110	500	4,440	130
BGR energy Ltd	1	746	107	1	746	119
Cals Refiniries Ltd	150,000	66,000	9,000	150,000	66,000	13,500
Cera Sanitarwar	2	268	3,679	2	268	4,963
CNI Research Ltd	1,000	16,570	4,140	1,000	16,570	8,720
Dabur India Ltd	200	8,808	49,830	200	8,808	53,110
DLF Limited	11	1,987	1,261	11	1,987	1,741
GMR Infrastructure Ltd	10	583	117	10	583	166
Gokul Refoil Ltd	1	56	12	1	56	15
GVK Power & Infrstructure Ltd	10	446	68	10	446	96
IFICI Ltd	15,200	406,662	373,920	15,200	406,662	506,920
Jain Granites & Project India Ltd	1,470	14,700	14,700	1,470	14,700	14,700
J I K Industries Ltd	210	3,409	164	210	3,409	183
K.S.oil	1,000	10,110	1,250	1,000	10,110	850
Karturi Global Ltd	1,110	9,325	2,209	1,110	9,325	1,721
King fisher Airline ltd	24,200	213,928	30,492	24,200	213,928	39,446
Kohinoor Food ltd	10	908	428	10	908	532
Lovable Lingerie Ltd	10	3,843	2,274	10	3,843	3,125
Marg Ltd	10	1,529	94	10	1,529	115
Medione global Entertainment Ltd	1	90	6	1	90	15
MRF Ltd	1	7,204	38,369	1	7,204	38,751
Munoth Financial Ltd	100	821	1,100	100	821	1,033
ONGC Ltd	40	6,368	8,590	40	6,368	12,254
Page Insustries Ltd	10	3,383	121,608	10	3,383	137,311
Power Soft Ltd	400	3,964	496	400	3,964	496
Reliance Com Ltd	10	1,642	500	10	1,642	593
Reliance Industries Ltd	2	1,829	2,091	1	869	826
Reliance power Ltd	25	6,466	1,234	25	6,466	1,413
Rupa Company ltd	100	14,149	27,440	100	14,149	21,360
Rural Electrification Ltd Rec	3	628	498	3	628	1,000
Sesa Sterlite Ltd	10	4,497	899	10	4,497	1,895
Shree Asthivinayak Ltd	100	1,396	81	100	1,396	80
Spicejet ltd	3,600	31,333	230,220	3,600	31,333	78,120
SBI Ltd	100	11,926	19,430	100	11,926	26,705
Sonarji Jewellery Ltd	10,000	125,000	125,000	10,000	125,000	125,000
TT Ltd	500	7,968	24,000	500	7,968	21,500
Tata Investments Ltd	10	5,085	4,692	10	5,085	5,728
Tata Teleservices Ltd	113	1,190	749	113	1,190	887
Tatia Global Vennture Ltd	12,381,985	23,170,553	3,714,596	12,381,985	23,170,553	4,333,695
The Ramco Cements	500	29,508	200,225	500	29,508	152,575
Timbor Home Ltd	500	19,160	1,105	500	19,160	2,750
Vijayshanthi Builders ltd	61,010	1,232,064	602,779	61,010	1,232,065	619,252
Total- A		25,455,077	5,646,469		25,454,118	6,261,270

II) Unquoted / Unlisted	31.03.2016			31.03.2015		
	Qty	Cost Rs.	Market Value	Qty	Cost Rs.	Market Value
Bay organics Pvt ltd	10,000	100,000	100,000	10,000	100,000	100,000
Total B	10,000	100,000	100,000	10,000	100,000	100,000
III) Bullion						
366.64 gms Bullion	-	460,168	1,039,058	-	460,168	909,451
Total C	-	460,168	1,039,058	-	460,168	909,451
Grand Total (A+B+C+D)		26,015,245	6,785,527		26,014,286	7,270,721

Note Schedules forming Part of Accounts No.	Figures for the	Figures for the
	current reporting period	previous reporting period
	31 03 2016	31 03 2015
	Rs.	Rs.
11 Cash and cash equivalents		
Balances with banks	78,339	75,182
Cash on hand	140,790	68,282
Others	-	-
Total	219,129	143,464
12 Other Current Assets		
TDS Receivable	728,294	1,169,131
Fixed Deposit	54,192	49,383
Salary Advance	-	450
Income Tax Refundable	2,224,710	1,055,579
Total	3,007,196	2,274,543
13 Revenue from Operations (for companies other than a finance company)		
Interest Receipts	7,385,336	7,518,504
Professional Receipts	-	5,000,000
Other Income	28,702	45,502
Total	7,414,038	12,564,006
14 Employee Benefits Expense		
Salaries and wages	1,135,000	1,119,536
Staff welfare expense	11,765	8,000
Total	1,146,765	1,127,536
15 Finance Costs		
Interest expenses	347,023	-
Bank commission /Charges	295	1,141
Total	347,318	1,141
16 Depreciation and Amortisation of Expenses		
Depreciation of Tangible Assets	-	5,005
Amortisation of Deferred Revenue Expenses	-	-
Total	-	5,005
17 Other Expenses		
Advertisement	18,877	15,931
Audit Fees	15,000	15,000
Bad Debts	4,976,188	12,046,185
General Expenses	85,592	34,307
Income Tax	41,977	92,140
Listing fees	224,720	112,360
Printing & Postage Expenses	61,807	44,421
Professional Fees	54,445	46,944
Processing Fees	169,513	142,930
Rent, Rates & Taxes	2,540	30,000
Repair & Maintanace	-	15,000
Loss on Sale of Shares	-	20
Travelling & Conveyance Expenses	84,777	266,187
Telephone Charges	6,200	13,081
Total	5,741,636	12,874,506

Note 18**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2016****BRIEF DESCRIPTION OF THE COMPANY AND ITS BUSINESS**

KREON FINANCIAL SERVICES LIMITED was incorporated in India, and is engaged primarily into financing activities along with investing in to long term and short term projects, securities, debts related instruments etc.

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions as specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) Rules ,2014 and other relevant provisions of the Companies Act 2013 and/or Companies Act ,1956 as applicable.
2. Method of Accounting - The Company maintains its accounts under mercantile basis of accounting.
3. The Accounting Standards recommended by The Institute of Chartered Accountants of India have been followed wherever applicable to the Company.
4. Use of Estimates :- The preparation of the financial statements in conformity 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

B. REVENUE RECOGNITION

1. Interest Income are recognized on the date which they have become due or up on receipt whichever is earlier. The Interest income is recognized on gross basis.
2. In respect of other incomes, accrual system of accounting is followed.

C. FIXED ASSETS, DEPRECIATION & IMPAIRMENT

1. There is no closing balance of Fixed Assets. During the year fixed Assets amount to Rs7508/- were disposed off.

D. VALUATION OF CLOSING STOCK

The company does not hold any inventories during the year under review and hence the valuation is dispensed with.

E. INVESTMENTS & DEPOSITS

a. Investments/Deposits are classified as long-term wherever applicable and are shown and valued at cost, there are no current investments in the company.

b. Current Investments

The Company has invested in the project based funding and are classified as current Investments.

F. RETIREMENT BENEFITS

Contribution of Provident fund, Gratuity and Leave encashment benefits wherever applicable is being accounted on actual liability basis.

G. FOREIGN CURRENCY TRANSACTION

There are no reportable Foreign Currency related transaction in the company during the year under review.

H. 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 Accounting Standard (AS 22) laid down by the Institute of Chartered Accountants of India (ICAI).

I. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share is net profit after tax. The earnings per share for the year is 0.02/- (Basic & Diluted) as compared to the previous year of Rs.-0.14/- (Basic & Diluted).

The Following reflects the profit and share data used in the basic and diluted EPS Computations		
	31 03 2016 Rs.	31 03 2015 Rs.
Total Operation for the year Profit / (Loss) after tax	178319	-1444182
Less Dividends on convertibel preference shares and tax thereon	-	-
Net Profit/ (Loss) for calculation of basic EPS	178319	-1444182
Net Profit/ (Loss) as above	178319	-1444182
Add : Dividends on convertible preference shares & tax thereon	-	-
Add : Interest on bonds convertible into equity shares (net of tax)	-	-
Net Profit/ (Loss) for calculation of diluted EPS	178319	-1444182
Continuing Operations	-	-
Profit / (Loss) after tax	178319	-1444182
Less Dividends on convertibel preference shares and tax thereon	-	-
Net Profit for calculation of basic EPS	178319	-1444182
Net Profit as above	178319	-1444182
Add : Dividends on convertible preference shares & tax thereon	-	-
Add : Interest on bonds convertible into equity shares (net of tax)	-	-
Net Profit/ (Loss) for calculation of diluted EPS	178319	-1444182
Weighted averate number of equity shares in calculating basic EPS	0.02	-0.14
Effect of Dilution :	-	-
Convertible Preference Shares	-	-
Convertible Bonds	-	-
Stock options granted under ESOP	-	-
Weighted averate number of equity shares in calculating basic EPS	0.02	-0.14

J. 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.

K. IMPAIRMENT OF ASSETS

As required by accounting standard 28 issued by the Institute of Chartered Accountants of India, provision for impairment loss of Assets is not required to be made as the estimated realizable value of such assets will be more or equal to the carrying amount of the respective assets as stated in the Balance Sheet.

L. BUSINESS SEGMENT

The Company is engaged primarily in one segment, accordingly there are no separate reportable segment as per the accounting standard 17 (Segmental Reporting) issued by Institute of Chartered Accountants of India.

M. RELATED PARTY DISCLOSURES

The Company had no transactions with the related parties during the year under review other than temporary current account transactions.

S.No	Name	Amount	Interest	Remarks
1	Tatia Global Vennture Limited	1789537/-	66623/-	Group Company

N. PERSONNEL

During the year under review, no employee was in receipt of remuneration in excess of limits laid down under the companies act other than below:-

There are no employees employed throughout the financial year were in receipt of remuneration which in aggregate was more that Rs.6000000/- per annum Rs.500000/- per month.

O. 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 if any has been made by the company.

P. AUDITOR REMUNERATION

S.No	Particulars	2015 -2016	2014 -2015
1.	Statutory Audit Fees	Rs. 15000/-	Rs. 15000/-

Q.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, 2016.

R.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.

S. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

T. STATUTORY RESERVE

The company has appropriated 20% of the profit amounting to Rs 35664/-towards statutory reserves during the year as per RBI requirements.

N. 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.

The figures have been rounded off to the nearest rupee.

As per my report of even date

FOR K SUBRAMANYAM & Co.,
Chartered Accountants.,

Sd/-
K Subramanyam
Proprietor
MemberShip No. 023663
Firm Regn.No. 004146S

for and on behalf of M/s KREON FINANCIAL SERVICES LTD

S/d-
PANNALAL TATIA
Whole Time Director
DIN.No. 01208913

Sd/-
BHARAT JAIN TATIA
Director
DIN.NO. 00800056

Sd/-
SANGITA TATIA
Chief Financial Officer

Place: Chennai
Dated: 30|05|2016

M/s. KREON FINANCIAL SERVICES LIMITED**Regd.Office:** 81B, 2ND MAIN ROAD, AMBATTUR INDUSTRIAL ESTATE, CHENNAI 600 058

PHONE: 044 - 42138704, FAX:044-43084750

WEBSITE: www.kreon.in; e-mail: tatia@vsnl.com

CIN: L65921TN1994PLC029317**ATTENDANCE SLIP****PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE VENUE FORAGM**

Name and address of the registered member	
Folio No./DP ID No./ Client ID No.	
No. of Shares	

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Thursday, 29th September, 2016 at 11.00 a.m. at Samudaya Nala Koodam, Vallanur, Ambattur, Chennai - 600 062.

Signature of the Member/Joint Member/Proxy attending the Meeting

Electronic Voting Event Number (EVEN)	User ID	Password

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

M/s. KREON FINANCIAL SERVICES LIMITED**Regd. Office:** 81B, 2ND MAIN ROAD, AMBATTUR INDUSTRIAL ESTATE, CHENNAI 600 058

PHONE: 044 - 42138704, FAX:044-43084750

WEBSITE: www.kreon.in; e-mail: tatia@vsnl.com

CIN: L65921TN1994PLC029317**22nd Annual General Meeting on Thursday, 29th September, 2016 at 11.00 a.m.****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L65921TN1994PLC029317
Name of the Company	M/s. KREON FINANCIAL SERVICES LIMITED
Registered Office	81B, 2ND MAIN ROAD, AMBATTUR INDUSTRIAL ESTATE, CHENNAI 600 058
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID Client ID	

I/We, being the Member(s) of and hold/holds _____ shares of above named Company, hereby appoint:

- (1) Name.....Address:.....
Email ID:.....Signature..... Or failing him/her
- (2) Name.....Address:.....
Email ID:.....Signature..... Or failing him/her
- (3) Name.....Address:.....
Email ID:.....Signature..... Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Thursday, 29th September, 2016 at 11.00 a.m. at Samudaya Nala Koodam, Vallanur, Ambattur, Chennai - 600 062. and at any adjournment thereof in respect of such resolutions:

Resolution Number	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2016 including audited Balance Sheet as at 31 March, 2016 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2	Appointment of a Director in place of Mr. Pannalal Jain Tatia (DIN 01208913), who retires by rotation and, being eligible, offers himself for re-appointment.			
3	Appointment of Messrs. K. Subramanyam & Co., Chartered Accountants, (Registration Number 004146S), as Statutory Auditors of the Company			

Signed this.....day of..... 2016

Signature of
Member(s):

Signature of Proxy
Holder:.....

Affix Revenue Stamp of Re. 1/-

Notes:

1. This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to indicate your preference. If you leave columns 'For, Against, Abstain' blank against all or any of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

1. For the Resolutions, Statement setting out material facts thereon and notes please refer to the Notice of the 22nd Annual General Meeting.

2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

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