

The Manager,  
Listing Department,  
The Bombay Stock Exchange Ltd,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001.

Date: 31/08/2018

Dear Sir/Madam,

**Sub: Submission of Annual Report of the Financial Year 2017-2018**  
**Ref: Scrip Code No:530139**

In terms of Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Please Find enclosed Annual Report for the Financial Year 2017-2018 of Kreon Financial Services Limited.

You are requested to kindly take the same on record.

Thanking You,  
Yours Faithfully,  
For **KREON FINANCIAL SERVICES LIMITED.**





**NUTIKA JAIN,**  
**COMPANY SECRETARY & COMPLIANCE OFFICER.**



**ANNUAL REPORT 2017-2018**

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**KREON**  
**FINNANCIAL**  
**SERVICES LIMITED**

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Annual General Meeting will be held on Thursday, 27th September, 2018 at 09:00AM at No.81 B, Ambattur Industrial Estate, Chennai-600058. 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](http://www.kreon.in)



<b>STATUTORY AUDITORS</b>	:	M/s J.V.Ramanujam & Co Chartered Accountants,F-1, LAKSHMI, Old No.28, New No.56, Third Main Road, Raja Annamalaipuram, Chennai 600028
<b>INTERNAL AUDITORS</b>	:	M/s KBR & Co 15/21, Aran Gana narth, Jones Rd Subway, Appavu Nagar, West Saidapet, Chennai, 600015
<b>REGISTERED OFFICE</b>	:	Old No. 12, New.No. 29, Mookathal Street, Purasawalkkam, Chennai-600007. Ph: 044-42138702 /704, Fax: 044-43084750 E-mail:tatia@vsnl.com, Website: www.kreon.in CIN: L65921TN1994PLC029317
<b>BANKERS</b>	:	State Bank of Travancore Commercial Branch, Teynampet, Chennai – 600 018  HDFC Bank Limited No.40, Nungambakkam High Road, Chennai -600 034  YES BANK LIMITED Nungambakkam High Road, Chennai -600 034
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	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
<b>SECRETARIAL AUDITOR</b>	:	P.S. Srivnivasan, M/s. Lakshmmi Subramanian & Associates, #81, Murugesu Naicker Complex, Greems Road, Thousand Lights, Chennai – 600 006.
<b>STOCK EXCHANGE WHERE COMPANY'S SECURITIES IS LISTED</b>	:	BSE Limited
<b>REGISTERED OFFICE</b>	:	Old No. 12, New.No. 29, Mookathal Street, Purasawalkkam, Chennai-600007. Tel:+91 44 42138702.
<b>WEBSITE</b>	:	www.kreon.in
<b>INVESTOR RELATIONS EMAIL ID</b>	:	tatia@vsnl.com
<b>CORPORATE IDENTITY NUMBER</b>	:	L65921TN1994PLC029317

**KREON FINNANCIAL SERVICES LIMITED**

Regd.Office: Old No. 12, New.No. 29, Mookathal Street,  
Purasawalkkam, Chennai-600007.  
Telephone +91 44 42138702,  
Website- www.kreon.in ; E-Mail: tatia@vsnl.com  
CIN: L65921TN1994PLC029317

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Company will be held on Thursday, 27th September, 2018 at 09:00AM at No.81 B, Ambattur Industrial Estate, Chennai-600058 to transact the following business.

**ORDINARY BUSINESS**

**1. Item No.1 – Adoption of financial statements**

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March 2018 and the reports of the Board of Directors (the Board) and Auditors thereon.

**2. Item No: 2- Appointment of Shri Bharat Jain Tatia as a Director liable to retire by rotation**

To appoint a Director in place of Shri. Bharat Jain Tatia, (DIN 00800056) who is liable to retire by rotation, being eligible, offers himself for reappointment.

**SPECIAL BUSINESS**

**3. Item No.3 –Re-Appointment of Independent Directors of the Company**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

To re-appoint Mr. Subbarayan Ekambaram as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Subbarayan Ekambaram having DIN-01186153 who was appointed as an Independent Director and who holds office as an Independent Director up to 31<sup>st</sup> March, 2019, and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

To re-appoint Ms. D. Hemamalini as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment

and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. D. Hemamalini having DIN-02914395 who was appointed as an Independent Director and who holds office as an Independent Director up to 31<sup>st</sup> March, 2019, and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

**4. Item No.4 – Appointment of Jaijash Tatia as the Director of the Company.**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Jaijash Tatia (DIN: 08085029), who was appointed as an Additional Director by the Board of Directors in their meeting held on 17.03.2018, giving effect of appointment from 01/04/2018, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a recommendation under Section 160 of the Act from the Nomination and Remuneration Committee proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**5. Item No.5 – Appointment of Jaijash Tatia as the Whole-Time Director of the Company for a period of Five Years from 01.04.2018 to 31.03.2023 for remuneration.**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, relevant provisions of the Articles of Association of the Company and subject to such sanction(s) as may be necessary under law, Mr. Jaijash Tatia (DIN: 08085029), be and is hereby appointed as the Whole-time Director of the Company for a period of five years effective from his initial date of appointment i.e. 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023, at the remuneration as recommended by Nomination & Remuneration Committee and approved by the Board and on such terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the terms of his appointment letter the copy of which was placed before the Board, which is hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr, Jaijash Tatia within and in accordance with the limit prescribed in Schedule V of the Companies Act, 2013 or any amendment thereto and, if necessary, as may be prescribed by the Central Government and subject to the approval of the Nomination & Remuneration Committee and the approval of the shareholders as may be required, and agreed to between the Board of Directors as may be acceptable to Mr, Jaijash Tatia.

The main terms and conditions of Mr, Jaijash Tatia's appointment in addition to the terms and conditions mentioned in the appointment letter shall be as under:

1. Subject to the supervision and control of the Board of Directors and subject to the provisions of Companies Act, 2013, the Whole-time Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors, He is further authorized to do all such acts, deeds, things and matter as may be required to do, as the Whole-time Director, Mr. Jaijash Tatia shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.
2. The appointment of Mr.Jaijash Tatia as the Whole time Director of the Company would be subject to the provisions of Section 152(6) of the Companies Act, 2013, i.e. Mr. Jaijash Tatia would be liable to retire by rotation.
3. The appointment as Whole-Time Director will be terminable as per the terms of appointment letter of Mr. Jaijash Tatia or upon Mr.Jaijash Tatia ceasing to be a Director of the Company.

**“RESOLVED THAT** the remuneration payable to Mr. Jaijash Tatia shall be determined by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee, from time to time

a) Salary (including bonus) and perquisites not exceeding Rs.02, 00,000/- (Rupees two Lakhs only) per month.

b) Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Jaijash Tatia as Whole-time Director, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 except by the way of approval of concerned authority(ies) including Central Government.

**RESOLVED FURTHER THAT** the Board shall have the discretion and authority to modify the foregoing terms and remuneration within, however, the limit prescribed under Schedule V of the Companies Act, 2013 or the limit as approved by the concerned authority(ies) including Central Government.

**RESOLVED FURTHER THAT** the Board of Directors may, in their discretion considering relevant aspects/facts, pay to Mr. Jaijash Tatia lower remuneration than the maximum remuneration herein above stipulated and within Schedule V of the Companies Act,2013 and/or the ceiling limits as approved by concerned authority(ies) including Central Government and revise the same from time to time within maximum limits as stipulated above and/or as per Schedule V of the Companies Act. 2013 and/or the ceiling limits as approved by concerned authority(ies) including Central Government and approved by the Nomination & Remuneration Committee.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this Resolution.”



**6. Item No.6 - INCREASE IN THE BORROWING POWERS**

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

**“RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/authorities, any other securities or instruments, as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 10,000 Lakhs (Rupees Ten Thousand Lakhs only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.”

**“RESOLVED FURTHER THAT** the Board of Directors Bharat Jain Tatia and Jaijash Tatia be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**Place: Chennai**

**Date: 28<sup>th</sup> August, 2018**

**By Order of the Board  
For Kreon Financial Services Ltd.**

**Sd/-  
Nutika Jain  
Company Secretary**

**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 24<sup>th</sup> Annual General Meeting of the company.
3. Corporate Members intending to send their authorized 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 1<sup>st</sup> 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 21<sup>st</sup> September, 2018 to 27<sup>th</sup> September, 2018 (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 Old No. 12, New.No. 29, Mookathal Street, Purasawalkkam, Chennai-600007, 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 advice any change in their address immediately to the Company/ Registrar and Transfer Agent, M/s. Purva Sharegistry (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 Sharegistry (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 Sharegistry (India) Pvt Ltd.

11. The Members / Proxies / Authorised Representatives are requested to bring the duly filled Attendance Slips and their copy of Annual Report enclosed herewith to attend the Meeting.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the AGM.
13. In accordance with the provisions of Section 191 of the Companies Act, 2013 and Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI ( LODR ) Regulations, 2015, this Notice and the Annual Report of the Company for the financial year 2017 – 18 are being sent by e-mail to those Members whose e-mail address are available with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the company by the Depositories.
14. Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to the Registrar and Share Transfer Agents, M/s Purva Shareregistry (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:022-23012517, E-mail: purvashr@mtnl.net.in/ busucomp@vsnl.com, quoting their Folio Number(s).
15. 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. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
16. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the Meeting.
17. All documents referred to in the accompanying Notice and the explanatory statement requiring the approval of the Members at the AGM and other statutory registers shall be available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of Annual General Meeting.
18. 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 24th 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](http://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](http://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:

	<b>For Members Holding Shares in Demat Form</b>	<b>For Members holding Shares in Physical Form</b>
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 (P.OA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**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 24/09/2018 (9:00 am) and ends on 26/09/2018 (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 20/09/2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), you can also contact our Scrutinizer, Lakshmmi Subramanian, of Lakshmmi Subramanian & Associates, Ph. No. 044-28292272/73.

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](http://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. 20<sup>th</sup> September 2018. 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. 20<sup>th</sup> September 2018 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](http://www.kreon.in). The results shall also be immediately forwarded to BSE Limited, Mumbai.

**Place : Chennai**

**Date : 28th August, 2018**

**By Order of the Board**  
**For KREON FINANCIAL SERVICES**  
**LIMITED**  
**Sd/-**  
**NUTIKA JAIN**  
**COMPANY SECRETARY**

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

**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] and as per the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.**

<b>1.</b>	
Name of the Director	Mr. Bharat Jain Tatia
Date of Birth	24/05/1970
DIN	00800056
Date of Appointment	29/09/2014
Relationship With Other Directors	Son of Mr. Pannalal Jain Tatia Sampathlal
Expertise in Specific Function Area	Experience over 2 decades in the Export Industry, investment Consultancy and Capital Market
Qualification	B.Com.
<b>Board Membership of the Other Companies as on 31.3.2018</b>	
<b>Public Limited Companies</b>	<b>Designation</b>
Tatia Global Vennture Limited.	Managing Director
<b>Private Limited Companies</b>	<b>Designation</b>
1. Tatia Estates Private Limited	Director
2. Navyug Developers Private Limited.	Director
3. Sakareme Developers Private Limited	Director
4. Thali Estates Private Limited	Director
5. Sarvamangal Estates & Holdings Private Limited	Director
6. Makemy Innerwear India Private Limited	Director
7. Krios Business Services Private Limited	Director
8. Kreon Infotech Private Limited	Director
9. Deverbetta Lands Private Limited	Director
10. Sagarvar Gambhira Developers Private Limited	Director
11. Pajjuvasami Developers Private Limited	Director
12. Kalyanag Developers Private Limited.	Director
13. Subndervans Infrastructure & Developers Private Limited.	Director
14. SarvaMangal Estates and Holding Pvt. ltd	Director

15. Thali Estates Pvt. Ltd. Chairmanship/Membership of the Committees of the Board of Directors of the Company as on 31.3.2018	Director Member in Nomination & Remuneration Committee of the Company
Chairmanship/Membership of the Committees of Directors of other Companies in which he is a Director as on March 31, 2018	
Audit Committee	NIL
Stake Holders Relationship Committee	NIL
Nomination & Remuneration Committee	NIL
Share Holding in the Company	550219

## 2. Explanatory Statement to item 2 of the Notice.

Mr. E.Subbarayan was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to 31<sup>st</sup> March, 2019 ("first term"). The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. E.Subbarayan as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NR Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. E.Subbarayan would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. E.Subbarayan as an Independent Director.

Mr.E.Subbarayan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. E.Subbarayan that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr.E.Subbarayan fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. E.Subbarayan is independent of the management.

Details of Mr. E.Subbarayan, are provided in the "Annexure" to the Notice.

The Board commends the Special Resolution set out at Item No. 03 of the Notice for approval by the members.

### Annexure to notice

Shareholding in the Company as on March 31, 2018	100
Relationship with other Directors / Key Managerial Personnel	NA
Number of meetings of the Board attended during the financial year (2017-18)	8
Directorships of other Boards as on March 31, 2018 including this Company.	2
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	NIL
Shareholding in the company	100



Ms. D.Hemamalini was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to 31<sup>st</sup> March, 2019 ("first term"). The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Ms. D.Hemamalini as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NR Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Ms. D.Hemamalini would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Ms. D.Hemamalini as an Independent Director.

Ms. D.Hemamalini is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Ms. D.Hemamalini that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Ms. D.Hemamalini fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Ms. D.Hemamalini is independent of the management.

Details of Mr. Ms. D.Hemamalini, are provided in the "Annexure" to the Notice.

The Board commends the Special Resolution set out at Item No. 03 of the Notice for approval by the members.

#### **Annexure to notice**

Shareholding in the Company as on March 31, 2018	100
Relationship with other Directors / Key Managerial Personnel	NA
Number of meetings of the Board attended during the financial year (2017-18)	8
Directorships of other Boards as on March 31, 2018 including this Company.	1
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	NIL
Shareholding in the company	100

#### **3. Explanatory Statement to item 3 of the Notice.**

Name of the Director	Mr. Jaijash Tatia
Date of Birth	10/09/1992
DIN	08085029
Date of Appointment	01/04/2018
Relationship With Other Directors	Son of Mr. Bharat Jain Tatia
Expertise in Specific Function Area	Fresher with specialising in risk management and financial accounting.
Qualification	B.A in Business Management with Financial Economics

<b>Board Membership of the Other Companies as on 31.3.2018</b>	
<b>Public Limited Companies &amp; Private Limited Companies NIL</b>	
Chairmanship/Membership of the Committees of the Board of Directors of the Company as on 31.3.2018 NIL	
Chairmanship/Membership of the Committees of Directors of other Companies in which he is a Director as on March 31, 2018	
Audit Committee	NIL
Stake Holders Relationship Committee	NIL
Nomination & Remuneration Committee	NIL
Share Holding in the Company	623300

#### **4. Explanatory Statement to item 4 & 5 of the Notice.**

Mr. Jaijash Tatia had been appointed as an Additional Director effective from 01st April, 2018 by the Board of Directors of the Company at its meeting held on 17th March, 2018 on recommendation of the Nomination and Remuneration Committee of the Company. In terms of Section 161(1) of the Companies Act, 2013, he holds office upto the date of the ensuing Annual General Meeting. The Board of Directors at the same meeting had also appointed him as a Whole-time Director, for a period of Five years effective from 01st April, 2018 to 31st March, 2023 without remuneration, subject to approval of the members of the Company. As required under section 160 of the Companies Act, 2013, the Company has received a recommendation from the Nomination and Remuneration Committee proposing the candidature of Mr. Jaijash Tatia for his appointment as Director of the Company.

Mr. Jaijash Tatia fulfils all the conditions given under section 196(3) and Schedule –V to the Companies Act, 2013 for being eligible for his appointment. He is not disqualified in terms of section 164 of the Companies Act, 2013 from being appointed as Director and has given his consent to act as Director. The brief terms of appointment of Mr. Jaijash Tatia as recommended by Nomination and Remuneration Committee and approved by the Board of Directors are provided in the Resolution set out at Item No. 4 of this Notice. This explanatory statement and the Resolution set out at Item No. 4 of this Notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Profile and other particulars of Mr. Jaijash Tatia, as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, are provided under heading “PROFILE OF DIRECTORS” forming part of this Notice.

The members' approval is being sought for appointment of Mr. Jaijash Tatia as a Whole-time Director of the Company for a period of Five Years effective from 01st April, 2018 to 31st March, 2023, with remuneration, in terms of applicable provisions of the Companies Act, 2013 and rules made thereunder. The Board recommends the Resolutions set out at item no. 3 and 4 of the Notice for approval of the Members as an Ordinary Resolutions.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Bharat Jain Tatia, are in anyway concerned or interested in the above resolutions.

**5. Explanatory Statement to item 6 of the Notice.**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits upto Rs. 10,000 Lakhs (Rupees ten Thousand Lakhs only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution.

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**Important Communication to Members:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. The Companies are now permitted to send various notices/ documents including annual reports to its Members through electronic mode to their registered e-mail address. To support this initiative of the Government, the Members are requested to notify their e-mail address, including any change thereof, to their DPs (for shares held in dematerialised form) or to the RTA (for shares in physical form) of the Company viz., Purva Shareigstry Pvt. Limited in order to enable the Company to send all the future notices and documents

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**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the **24<sup>th</sup> ANNUAL REPORT** on the business and operations of your company and the Audited Financial Statements together with the Auditors Report for the year ended 31<sup>st</sup> March 2018.

**1. FINANCIAL HIGHLIGHTS**

The Financial Results for the year ended 31<sup>st</sup> March 2018.

(Rupees in lacs)		
Particulars	31.3.2018	31.3.2017
Profit/(Loss) from capital market operations	72.09	59.56
Profit/(Loss) before depreciation, Interest & tax	(375.12)	(31.26)
Interest	15.33	9.58
Depreciation	8.31	2.88
Profit/(Loss) before tax	(398.76)	(30.67)
Provision for tax	0.00	0.00
Deferred tax	0.98	0.00
Profit/(Loss) after tax	(397.78)	(15.84)

**2. DIVIDEND**

Due to the loss incurred, the board of director have decided to conserve the resources and have not declare any dividend for the financial year 2017-18.

**3. TRANSFER TO PROFIT & LOSS ACCOUNT**

Your Company proposes to transfer Rs. -37332151/- to the General Reserve.

**4. 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.

**5. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT**

The Company has given loan of Rs. 69,695,463/- under Section 186 of the Act during the financial year 2016-17. The Company has not given any guarantee nor made any investments during the Financial year 2017-2018.

**6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company doesn't have any subsidiaries, associates and joint venture companies as on 31<sup>st</sup> March, 2018, though the Company had purchased the shares of Kreon Infotech Private Limited resulting the latter as subsidiary during the year. However the entire shares were sold within the financial year itself.

**7. 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.

**8. FIXED DEPOSITS:**

Your Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31<sup>st</sup> March 2018.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL****BOARD COMPOSITION AND INDEPENDENT DIRECTORS**

The Board consists of the 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.

Mr. E. Subbarayan and Ms. Hemamalini are the Independent directors of the company for a term of five years from 29<sup>th</sup> September, 2014 and they are not liable to retire by rotation.

Further Board recommends re-appointment of Mr. E. Subbarayan and Ms. Hemamalini for a next term of 05 years as stated in the notice and explanatory statement.

During the Financial year Mr. Pannalal Jain Tatia Sampathlal resigned on 19<sup>th</sup> February, 2018 and subsequently Mr. Jaijash Tatia was appointed on 17<sup>th</sup> March, 2018, making his appointment effective from 01<sup>st</sup> April, 2018.

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.

During the Financial Year, directors on the Board- Bharat Tatia, Pannalal Tatia and Mr. E. Subbarayan had been disqualified u/s 164(2)(a) read with section 248 of the Companies Act, 2013 for non-filing of Annual Return and Financial Statements of Stallion Brands India Private Limited for a consecutive period of 3 years and the Directors had filed Writ of Mandamus on 26<sup>th</sup> October, 2017 before the High Court of Madras, in respect of which a stay order was granted for operation of the above said section.

**RETIREMENT BY ROTATION**

In terms of Section 152 of the Companies Act 2013, Mr. Bharat 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. Shoba Nahar, Chief Financial Officer.

**COMPANY SECRETARY**

Pursuant to the provisions of the Companies Act 2013 and applicable Laws the Company Secretary and Compliance Officer of the Company is Ms. Nutika Jain.

**10. 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.

**11. 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.

**12. STATUTORY AUDITORS**

J.V.Ramanujam & Co., bearing FRN:02947S, are being appointed as statutory auditors of the Company for a term of 5 years from the financial year 2017-18 onwards on such terms and conditions and remuneration as may be decided by the Audit Committee. The ratification of Statutory Auditors appointment is no longer required and is hence not placed before the shareholders for their approval.

**13. COMMENT ON STATUTORY AUDITOR'S REPORT**

There were no adverse remarks made by the statutory auditor, J.V.Ramanujam & Co., bearing FRN:02947S in the Statutory Audit Report, during the current financial year.

**14. 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, Practicing Company Secretaries, to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure VI'.

**15. 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.

**16. PARTICULARS 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, the same is attached herewith as "Annexure VII"

**17. 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 and the details of the same have been given in . **AOC 2 as Annexure – I.**

**18. 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.

**19. RISK MANAGEMENT**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis, as the Company doesn't fall under the category of compulsorily, having Risk Management Committee. 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.

**20. 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.

**21. 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 2017-18, the Company has not received any complaints on sexual harassment.

**22. 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.

**23. 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.

**24. NUMBER OF MEETINGS OF THE BOARD**

The Board met Eight 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

**25. 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. Jaijash Tatia, the Additional Director in Whole Time Capacity of the Company and forms part of the Annual Report and the website of the Company at [www.kreon.in](http://www.kreon.in).

**26. 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](http://www.kreon.in).

**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.**

**27. INTERNAL AUDITOR**

KBR & Co Chartered Accountant were appointed on recommendation received by Audit Committee for 3 financial years Starting from 01.04.2017 to 31.03.2020.

**28. CORPORATE SOCIAL RESPONSIBILITY**

Your company is not having profits more than Rs.5 Crores, in the Year 2017-18 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, 2018, 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, 2018 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- 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.

Further, No Special Resolutions and no Postal Ballots were conducted during last four years and one year respectively.

**30. 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 FINANCIAL SERVICES LIMITED**

**Sd/-  
Jaijash Tatia  
Additional Director in  
Whole Time Capacity  
DIN: 08085029  
Place: Chennai  
Date: 28th August, 2018**

**Sd/-  
Bharat Jain Tatia  
Director  
DIN:00800056  
Place: Chennai  
Date: 28th August, 2018**



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.

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

<b>SL. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Opti Products Pvt. Ltd.
b)	Nature of contracts/arrangements/transaction	Loan Taken
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 (Interest), if any	Rs.62,172/-
g)	Closing Balance as on 31.03.2018.	Rs. 55,955/-
<b>SL. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Bharat Jain Tatia, Director
b)	Nature of contracts/arrangements/transaction	Rent
c)	Duration of the contracts/arrangements/transaction	11 months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Office Premises Leased from Director
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	1,65,000/-
g)	Closing Balance as on 31.03.2018.	Not Applicable
<b>SL. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Jinpaad Developers Pvt. Ltd.
b)	Nature of contracts/arrangements/transaction	Loan Taken
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 Opening Balance, if any	Rs. 51,17,295/-
g)	Amount (Interest), if any	Rs.6,36,000/-
g)	Closing Balance as on 31.03.2018.	Rs.58,72,400/-
<b>SL. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Ashram Online. Com Ltd
b)	Nature of contracts/arrangements/transaction	Loan Taken
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 (Interest), if any	Rs.1,80,613/-
g)	Closing Balance as on 31.03.2018.	Rs.34,27,552/-
<b>ANNEXURE – II</b>		
<b>FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2018 PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT &amp; ADMINISTRATION) RULES, 2014.</b>		

**1. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65921TN1994PLC029317
2.	Registration Date	23/11/1994
3.	Name of the Company	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	Old No. 12, New.No. 29, Mookathal Street, Purusawakkam Chennai - 600 007. 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.
<b>2.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)	
<b>S.No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service % to total turnover of the company</b>

1	Financial service activities, except insurance and pension funding	649	100%
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<b>3.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL</b>				
<b>S. No</b>	<b>Name and address of the Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Status Section</b>

1	Kreon Infotech Private Limited No 19, Rutland Gate, 4th Street, Aroshree Towers, 3rd Floor	U72100TN2010 PTC075788	Subsidiary until 25.03.2018	100%	Section 2 (87)	The Company had purchased the shares of Kreon Infotech Private Limited resulting the latter as subsidiary during the year. However the entire shares were sold within the financial year itself.
<b>4.</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>					
<b>A)</b>	<b>Category-wise Share Holding</b>					
<b>Category of</b>						

## Shareholders

A. Promoters (1) Indian	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the beginning of the year [As on 31-March-2018]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
a) Individual/ HUF	0	1678419	1678419	16.68	0	1678419	1678419	16.68	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	1950000	2902700	28.85	952700	1950000	2902700	28.85	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
<b>Total shareholding of Promoter (A)</b>	<b>952700</b>	<b>36284199</b>	<b>4581119</b>	<b>45.53</b>	<b>952700</b>	<b>3628419</b>	<b>4581119</b>	<b>45.53</b>	<b>0</b>
<b>B. Public Shareholding</b>									
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) FII's	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
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	81500	1861265	1942765	19.31	81500	1853766	1935266	19.23	-0.08
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 share holders holding nominal share capital upto Rs.2 lakh	1397600	677552	2075152	20.63	1387600	669024	2056624	20.44	-0.19
ii) Individual share holders holding nominal share capital in excess of									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the beginning of the year [As on 31-March-2018]				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
Rs 2 lakh	96500	812206	908706	9.03	96500	851706	948206	9.42	0.39
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	500000	500000	4.97	0	500250	500250	4.97	0
Foreign Company	0	0	0	0	0	0	0	0	0
HUF	0	52348	52348	0.52	0	38635	38635	0.38	-0.14
Clearing Members	0	910	910	0.01	0	900	900	0.01	0
Market Maker	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1494100	2043016	3537116	35.16	1487100	2060515	3544615	35.23	0
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1575600</b>	<b>3904281</b>	<b>5479881</b>	<b>54.47</b>	<b>1565600</b>	<b>3914281</b>	<b>5479881</b>	<b>54.46</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2528300</b>	<b>40188480</b>	<b>10061000</b>	<b>100</b>	<b>2518300</b>	<b>7542700</b>	<b>10061000</b>	<b>100</b>	<b>-0.27</b>
<b>B) SHAREHOLDING OF PROMOTER</b>									

S. No	Share Holder'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	623300	6.20	0	623300	6.20	0	0
2	Chandrakantha Tatia	504800	5.02	0	504800	5.02	0	0
3	Bharat Jain Tatia	550219	5.47	0	550219	5.47	0	0
4	Ashram Online.com Ltd	952700	9.47	0	952700	9.47	0	0
5	Tatia Global Vennture Ltd	1950000	19.38	0	1950000	19.38	0	0
6	Pannalal Tatia	100	0.00	0	100	0.00	0	0
	<b>Total</b>	<b>5081119</b>	<b>50.50</b>	<b>0</b>	<b>5081119</b>	<b>50.50</b>	<b>0</b>	<b>0</b>

**C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2017	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.03.2018	-	-	-	-	-

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

S.No	Name of the Top 10 Shareholders	Share holding at the Beginning of the Year		Change in shareholding during the year		Shareholding at the year as on 31.3.2018	
		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.	Durgalakshmi Duraikannan	500000	4.97	0	0	500000	4.97
3	Nikhil Rasiklal Shah	100000	0.99	0	0	100000	0.99
4	Ramesh Kumar	100000	0.99	0	0	100000	0.99
5	Jyothi Bafna	400000	3.98	0	0	400000	3.98
6	Bina Atul Chauhan	87935	0.87	0	0	87935	0.87
7	Keval Share Broking Pvt Ltd	36400	0.36	0	0	36400	0.36
8	Mamta Ramgarhia	36466	0.36	0	0	36466	0.36
9	Sapna Parekh	36305	0.36	0	0	36305	0.36
10	Kunwar Singh	22517	0.22	16983	0.14	39500	0.36

**E) Shareholding of Directors and Key Managerial Personnel:**

S.No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jaijash Tatia	623300	6.20	623300	6.20
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	Shoba Nahar	21500	0.21	21500	0.21

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

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Pannalal Tatia WTD	MD	Manager	
1.	Gross Salary	15,00,000 (Resigned w.e.f 19.02.2018)	NIL	NIL	15,00,000
	(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. 6,000/-	NIL	NIL	Rs. 6,000/-

**B. Remuneration to other directors**

S.No	Particulars of Remuneration	Name of the Independent Directors		Total Amount
1	Independent Directors	<b>E. Subbarayan</b>	<b>D. Hemamalini</b>	Rs. 16,000/-
	Fee for attending board committee meetings	Rs. 8,000/-	Rs. 8,000/-	
	Commission	Nil	Nil	
	Others, please specify	Nil	Nil	
	<b>Total (1)</b>	<b>Rs. 8,000/-</b>	<b>Rs. 8,000/-</b>	
2	Other Non-Executive Directors	<b>Mr. Bharat Jain Tatia</b>	<b>NIL</b>	Total Amount
	Fee for attending board committee meetings	Rs. 8,000/-	Nil	Rs. 6,000/-
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Rs. 8,000/-</b>	<b>Nil</b>	<b>Rs. 8,000/-</b>
	<b>Total (B)=(1+2)</b>	<b>Rs. 8,000</b>	<b>Rs. 8,000/-</b>	<b>Rs.24,000/-</b>

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

S.No	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1.	Gross Salary	Rs. 10,000/- Per Month	Rs.30,000/- per month	Rs. 40,000/- Per Month
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission -As % of Profit Others, Please Specify	NIL	NIL	NIL
5	Others, Please Specify	NIL	NIL	NIL
	<b>Total</b>	<b>Rs. 10,000/- Per Month</b>	<b>Rs. 30,000/- Per Month</b>	<b>Rs.40,000/- Per Month</b>

**6. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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



**ANNEXURE - III****MANAGEMENT DISCUSSION AND ANALYSIS****1. Business and development**

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 which started as a conventional lending Company is moving into a state-of-the-art fintech Company and is working on a project named Stucred which is also the name of the Application, which shall be available shortly on the Play Store for Android users and iStore for iOS users.

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

Your Company leverages cutting edge technologies to engineer lending products as the basis for providing financial services to the public. With the help of cloud computing, rapid user verification, facial recognition and big data analytics, benefits of seamless access to Financial Services and it anticipates there appears to be huge potential for growth.

**2. 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.

**3. Segment wise / product wise performance**

The company has currently only one segment financial sector in line with the Indian accounting standard.

**4. 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.

**5. Financial Performance**

The Company foresees a better business prospects in the year 2018-2019, the details of financial performance is discussed in the Directors' Report.

**6. 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.

**7. Human Resources**

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

**8. Statutory Compliance:**

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

**9. 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.

**10. Disclosure of Accounting Treatment:**

During the preparation of the financial statements, the treatment followed was as per the Accounting Standards and no deviation took place.

**ANNEXURE - IV****REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ vast quantum of social resources, we believe that the governance process should ensure that these companies are managed in a manner that meets stakeholders' aspirations and social expectations.

The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also goes beyond them by putting into place procedures and systems, which are in accordance with best practice of governance. Your company believes that good corporate governance enhance the trust and confidence of all the stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and stock market.

**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 and category of Directors is as follows:-**

S.No	Name of the Director	Category	Number of Directorships held in other Indian companies apart from Kreon Financial Services Limited	Number of Board / Committee memberships held in other companies	No. of Shares held in the Company
1.	1. Mr.S.Pannalal Jain Tatia (Resigned on 19.02.2018)	Whole Time Director / Promoter	11	2	100
2.	Mr. Jaijash Tatia (Appointed W.e.f. 01.04.18)	Additional Director in Whole Capacity	NIL	2	623300
3.	Mr. Bharat Jain Tatia	Non-Executive Director / Promoter	14	NIL	550219
4.	Mr. E. Subbarayan	Non-Executive / Independent Director	1	NIL	100
5.	Ms. D. Hemamalini	Non-Executive / Independent Director	1	NIL	100

**3. Attendance at the Board Meetings and Annual General Meeting are as under:****BOARD MEETINGS:**

During the year under review Eight 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 were brought to the Board.

During the financial year 2017-2018 - Eight (8) Board meetings and one Annual General Meeting were held on the following dates: 18.04.2017, 30.05.2017, 11.08.2017, 28.08.2017, 20.10.2017, 13.11.2018, 12.02.2018 and 17.03.2018, AGM was held on 27th September 2017.

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

S.No	Name	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	6	Yes
2.	Mr. Bharat Jain Tatia	Non - Executive Director / Promoter	8	8	Yes
3.	Mr. E. Subbarayan	Non - Executive / Independent Director	8	8	Yes
4.	Ms. Hemamalini	Non - Executive / Independent Director	8	8	Yes

**4. 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, seven meetings were held on 04.04.2017, 29.05.2017, 10.08.2017, 03.10.2017, 13.11.2017, 12.02.2018 and 17.03.18. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2017 are given below:

S.No	Name	Category of Membership	Meetings held to be attended	Meetings attended
1.	Mr. E. Subbrayan	Chairman	7	7
2.	Mr. S. Pannalal Jain Tatia	Member	6	6
3.	Ms. D. Hemamalini	Member	7	7

#### 5. 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 2017-18, 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 2018.

The Stakeholders/Investors Grievance and Share Transfer Committee meetings held on 15.04.2017, 30.09.2017, 30.12.2017 and 30.03.2018 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

#### 6. 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 meetings were held on 04.04.2017 and 17.03.2018 with the following members

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

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

**7. 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](http://www.kreon.in)

The Board comprises of two independent directors out of present strength of four directors. Composition, attendance of each director at the Board Meetings and at the last AGM and the number of other directorship, committee memberships are set out above.

**TERMS OF REFERENCE****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 as follows:

**1. Criteria of selection of Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of Investments in Capital and Debt Market, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- c. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**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:

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;

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	15,00,000/- (P.A)	6000/-	Father of Mr. S.P.Bharat Jain Tatia
2	Mr. S.P. Bharat Tatia	NIL	8000/	Son of Mr. S.Pannalal Tatia
3	Mr. E. Subbrayan	NIL	8000/	NIL
4	Ms. D. Hemamalini	NIL	8000/	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
2014 - 15	Samudaya Koodam Hall, Morai ,Chennai-600 055	29.9.2015	10.30 A.M.
2015 - 16	Samudaya Nala Koodam, Vallanur, Chennai 600 062	29.9.2016	11.00 A.M
2016-17	Samudaya Nala Koodam, Vallanur, Chennai 600 062	29.9.2017	11.00AM

### 8. DISCLOSURES:

- a. **Related Party Transactions:** The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis and the details of the same have been given in . **AOC 2 as Annexure – I.**
- 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 Co
- c. **Whistle Blower Policy:** The Company has established a mechanism for Whistle Blower Policy.
- d. **Access to Audit Committee:** We affirm 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 CFO & WTD.

**9. 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 behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. 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.

**10. 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 09.10.2017 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 familiarization 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 familiarization programme for the financial year 2017-18 have been updated in the website

**11. 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](http://www.kreon.in)

**12. GENERAL SHAREHOLDERS INFORMATION**

Registered office

KREON FINANCIAL SERVICES LIMITED

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

Tel: 044 - 42138702, Fax. 044 - 430 84 750, Email ID: [tatia@vsnl.com](mailto:tatia@vsnl.com), Website: [www.kreon.in](http://www.kreon.in)

**13. ANNUAL GENERAL MEETING**

The 24th Annual General Meeting of the Company will be held on Thursday, 27th September, 2018 at 09:00 A.M. at No.81 B, Ambattur Industrial Estate, Chennai-600058



**14. FINANCIAL CALENDAR FOR THE YEAR 2017-2018 (PROVISIONAL)**

1.	Results for the 1st Quarter Ending 30th June, 2018	2nd Week of August, 2018
2.	Results for the 2nd Quarter Ending 30th September, 2018	4th Week of October, 2018
3.	Results for the 3rd Quarter Ending 31st December, 2018	4th Week of January, 2019
4.	Results for the 4th Quarter Ending 31st March, 2019	4th Week of May, 2019
5.	Annual General Meeting for the Year Ending 31st March 2019	4th Week of September, 2019

**15. 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: INE302C01018**

**16. MARKET PRICE DATA**

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

Month	Share Prices (Rs.)	
	High	Low
April - 2017	5.04	3.93
May - 2017	3.93	3.39
June - 2017	3.93	3.60
July - 2017	-	-
August - 2017	3.74	3.56
September - 2017	3.56	3.56
October - 2017	3.56	3.56
November - 2017	3.56	3.56
December - 2017	3.72	3.39
January - 2018	3.72	3.54
February - 2018	-	-
March - 2018	-	-



**17. 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

**18. 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 dematerialization 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 2018.

**19. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2018**

<b>Slab of Share holdings</b>	<b>Share Holders</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Upto - 5000	2111	74.41	697588	6.93
5001 - 10000	338	12.13	285676	2.84
10001 - 20000	188	6.75	290485	2.89
20001 - 30000	64	2.30	164532	1.64
30001 - 40000	31	1.11	106752	1.06
40001 - 50000	23	0.82	108176	1.08
50001 - 100000	39	1.40	273603	2.72
Above 100000	40	1.43	8134188	80.84
<b>Total</b>	<b>2835</b>	<b>100</b>	<b>10061000</b>	<b>100</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2018**

<b>Slab of Share holdings</b>	<b>No. of Shares</b>	<b>%</b>
Promoters, Directors, relatives and associates	4581119	45.53
Mutual Funds	0.00	0.00
FII's	0.00	0.00
Private Corporate Bodies	1935266	19.24
Indian Public	3004830	29.87
HUF	38635	0.38
NRI's/OCB's	500250	4.97
Clearing Members	900	0.01
Market Maker	0.00	0.00
<b>Total</b>	<b>10061000</b>	<b>100</b>

**20. SEBI COMPLAINTS REDRESS SYSTEM (SCORES):**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized 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.

**21. DEMATERIALISATION OF SHARES**

The equity shares of the company has been admitted for dematerialization with NSDL and CDSL, 74.96% of the company's paid up Equity share capital has been dematerialized up to March, 31, 2018.

E-mail ID of Investor Grievance Redressal Cell: [tatia@vsnl.com](mailto:tatia@vsnl.com)

**22. 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 judgment, safeguarding the interests of the Company and its minority shareholders etc.

**23. 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, adoption of Indian Accounting Standard has already being done. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**24. RECONCILIATION OF SHARE CAPITAL AUDIT:**

A quarterly audit was conducted by a practicing 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 2018 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.

**25. 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, Jaijash Tatia, Additional Director in Whole Time capacity of the company, hereby declare that the board of Directors have 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.

**On behalf of the Board of Directors**

**For KREON FINANCIAL SERVICES LIMITED**

Sd/-

Jaijash Tatia  
Additional Director in  
Whole Time Capacity  
DIN: 08085029  
Place: Chennai  
Date: 28th August, 2018

Sd/-

Bharat Jain Tatia  
Director  
DIN:00800056  
Place: Chennai  
Date: 28th August, 2018

**ANNEXURE V  
CFO CERTIFICATION**

The Board of Directors

**KREON FINANCIAL SERVICES LIMITED**

Chennai

I, SHOBA NAHAR, 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, 2018 and to the best of my knowledge and belief, hereby certify that:

1. I have reviewed the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report and that to the best of my knowledge and belief.
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. 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.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 are fraudulent, illegal or violative of the Company's code of conduct.
3. 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.
4. I have indicated to the Auditors and the Audit Committee that:
  - \* 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**

Sd/-

**SHOBA NAHAR  
CHIEF FINANCIAL OFFICER**

Place: Chennai

Date: 30th May 2018

**ANNEXURE - VI**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018**

**[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**

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, 2018, 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, 2018 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;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The SEBI (LODR) 2015 entered into by the Company, where the equity shares of the Company are listed.

- iii. 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 the RBI through notifications and circulars relating to a loan company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above, except:

- \* There were few discrepancies pointed out by BSE on certain submissions made which was corrected and sent. However, in the opinion of the management the same is not considered to be material in nature and the original uploaded date shall be considered as compliance.
- \* There was delay in filing certain forms with MCA. However, the delay was within the time prescribed under Section 403 of the Companies Act, 2013.

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

- (i) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (iii) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009
- (iv) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998
- (v) 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 representative during the conduct of the audit, in our opinion, the company is in the process of complying with the adequate systems and establishing the processes to monitor and there has been no delay/lack of compliance with other applicable general laws viz., 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 duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notices were given to all directors to schedule the Board Meetings, Committee 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 the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, except that:

1. The Company had purchased the shares of Kreon Infotech Private Limited resulting the latter as subsidiary during the year. However the entire shares were sold within the financial year itself.
2. During the year, the Company has opened a Branch Office for keeping of all or any of the accounts at a place other than Registered Office.
3. During the Financial Year, directors on the Board- Bharat Tatia, Pannalal Tatia and Mr. E. Subbarayan had been disqualified u/s 164(2)(a) read with section 248 of the Companies Act, 2013 for non-filing of Annual Return and Financial Statements of Stallion Brands India Private Limited for a consecutive period of 3 years and the Directors had filed Writ of Mandamus on 26th October, 2017 before the High Court of Madras, in respect of which a stay order was granted for operation of the above said section.

**Place: Chennai**

**For Lakshmmi Subramanian & Associates**

**Date: 31st July, 2018**

**Sd/-  
P.S. Srinivasan  
Partner  
ACS No.1090  
CP No. 3122**



**Annexure A**

To,

The Members

**KREON FINNANCIAL SERVICES LIMITED**

Our Secretarial Audit Report for the financial year ended 31.3.2018 is to be read along with this Annexure A.

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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic 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 and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

**Place: Chennai**

**For Lakshmmi Subramanian & Associates**

**Date: 31st July, 2018**

**Sd/-  
P.S. Srinivasan  
Partner  
ACS No.1090  
CP No. 3122**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

I have examined all the relevant records of 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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as and where applicable. 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 J. V. RAMANUJAM & Co.,**  
Chartered Accountants  
FRN: 02947S  
Sd/-  
**(SRI NARAYANA JAKHOTIA)**  
Partner  
M. No: 233192

Place : Chennai  
Date: 30th May, 2018

**ANNEXURE -VII****Disclosures pursuant to rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Disclosure Requirement	Disclosure Details
the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	2.5:1
the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	300%
the percentage increase in the median remuneration of employees in the financial year;	Nil
the number of permanent employees on the rolls of company	15
average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil
the key parameters for any variable component of remuneration availed by the directors	No variable components paid to any directors
affirmation that the remuneration is as per the remuneration policy of the company	Yes

**Disclosures pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

None of the top ten employees of the Company (in terms of remuneration drawn) were in receipt of remuneration in excess of Rs.1.02 Crores p.a or Rs.8.50 Lakhs p.m

**Note: Number of Employees in the Company are Fifteen only.**

Name & Age	Designation	Commencement of Employment	Qualification and Experience in Years	Remuneration	Nature of Employment	Last Employment/ Work/ Business held	Percentage of shares held as per Clause (iii) of Sub-Rule 2	Relative of Director or KMP
Abishek Raju	CTO	August, 2018		Rs.24,00,000/-	Full time-Employee	Tech R Labs	NA	NA
Satwikeshwar Reddy 33	Back-end Developer	August, 2017	MS10	Rs.2,00,000/- PM	Contract Basis	Free Lancer	NA	NA
Deeshanth Rajput	Developer	October, 2017		Rs.12,37,584/-	Full time-Employee	Tech R Labs	NA	NA
Kavitha Venkatesh34	QA Tester	March, 2018	BE10	Rs.1,04,000/- PM	Contract Basis	Upwork Free Lancer	NA	NA
Siddharth Jain	Software-Engineer	August, 2018	B.Tech4+	Rs.10,14,500/- PM	Contract Basis	Acetone Labs Pvt. Ltd.	NA	NA
Rajesh Kumar Developer	Full Stack	Sep. 2017	B.Tech2.8	Rs.11,00,000/-	Full time-Employee	IOT Programming Pvt Ltd	NA	NA
Pannalal Jain Tatia Sampathlal70	Whole Time Director	September, 2014	CA40 Years	Rs.8,50,000/-	Full time - Employee	NA	100	Bharat Jain Tatia
Deblina Das31	iOS Developer	August, 2017	M.Tech7+	Rs.8,40,000/-	Full time-Employee	Humming Wave Tech.	NA	NA
Robert Amalan27	UI Designer	October, 2017	MDip.Anim5	Rs.7,20,000/-	Full time-Employee	Tech R Labs	NA	NA
Nutika Jain25	CS	Dec. 2017	CS, B.Comm2	Rs.3,60,000/-	Full time-Employee	Bala & Co; Chartered Accountants	NA	NA

**Auditor's Certificate on Corporate Governance****INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

We have examined all the relevant records of Kreon Financial Services Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2017 to March 31, 2018. We 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 procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This is neither an audit nor an expression of opinion on the financial statements.

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 our opinion and to the best of our information and according to the explanations and information furnished to us, we 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 J. V. RAMANUJAM & Co.,**  
Chartered Accountants  
FRN: 02947S

Sd/-

**(SRI NARAYANA JAKHOTIA)**

Partner

M. No: 233192

Place : Chennai  
Date: 30th May, 2018

**INDEPENDENT AUDITOR'S REPORT****To the Members of KREON FINANCIAL SERVICES LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Kreon Financial Services Limited, Chennai, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our Audit, we 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 and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018; and its Loss, Total Comprehensive Income, the changes in Equity, and Cash Flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law and Accounting standards, for material foreseeable losses, if any, on long-term contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.

**for J. V. RAMANUJAM & Co.,**  
Chartered Accountants  
FRN: 02947S

Sd/-  
**(SRI NARAYANA JAKHOTIA)**  
Partner  
M. No: 233192

Place : Chennai  
Date: 30th May, 2018

**"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT**

**(REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF KREON FINANCIAL SERVICES LIMITED, ("THE COMPANY"), FOR THE YEAR ENDED MARCH 31, 2018)**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (PPE).
- (b) According to the information and explanations given to us, physical verification of PPE is being conducted in a phased manner by the management under a programme designed to cover all the PPE over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the PPE has been physically verified by the management during the year and no material discrepancies between the books records and the physical PPE have been noticed.
- (c) There are no immovable properties in the name of the company.
- ii) There are no inventories in the company during the year.
- iii) According to the information given to us, the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii)(a), (iii)(b) and (iii)(c) of Paragraph 3 of the Order are applicable to the Company.
- iv) The Company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from public during the year hence the directives issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2015, are not applicable.
- vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of Cost Records under sub-section (1) of section 148 of the Act.
- vii) (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues with respect to Excise Duty, and Sales Tax which has not been deposited with the appropriate authorities on account of any dispute.

- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or dues to debenture holders.
- ix) Based on our audit procedures and according to the information and explanations given to us, the Company did not raise any money by way of further public offer (including debt instruments) and Term Loans during the year.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our Opinion, the company is not a Nidhi Company. Therefore clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, and therefore clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the Company is carrying on the business of NBFC and is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has duly registered with RBI and complied with the applicable regulations in this regard.

**for J. V. RAMANUJAM & Co.,**  
Chartered Accountants  
FRN: 02947S

Sd/-  
**(SRI NARAYANA JAKHOTIA)**  
Partner

Place : Chennai

Date: 30th May, 2018

M. No: 233192



**"ANNEXURE B"****TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE  
FINANCIAL STATEMENTS OF KREON FINNANCIAL SERVICES LIMITED****REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3  
OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of M/s KREON FINNANCIAL SERVICES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and jointly controlled companies, which are companies incorporated in India, as of that date.

**for J. V. RAMANUJAM & Co.,**

Chartered Accountants

FRN: 02947S

Sd/-

**(SRI NARAYANA JAKHOTIA)**

Partner

M. No: 233192

Place : Chennai

Date: 30th May, 2018

**KREON FINANCIAL SERVICES LIMITED****Balance Sheet as at 31st March, 2018**

Particulars	Note	31 March 2018 Rs.	31 March 2017 Rs.	1 April 2016 Rs.
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	2,008,709	1,218,319	-
Capital work-in-progress		-	-	-
Investment property		-	-	-
Financial assets		-	-	-
Investments	7	9,090,802	6,847,995	37,606,667
Loans	8	69,695,463	101,393,349	76,244,620
Other financial assets		-	-	-
Other non-current assets	9	736,083	248,657	54,192
<b>Total non-current assets</b>		<b>81,531,057</b>	<b>109,708,320</b>	<b>113,905,479</b>
<b>Current assets</b>				
Financial assets		-	-	-
Trade receivables	10	7,657,912	255,028	387,396
Cash and cash equivalents		1,294,787	1,262,830	219,129
Loans		-	-	-
Other financial assets		-	-	-
Other current assets	12	1,814,847	2,805,563	2,953,004
<b>Total current assets</b>		<b>10,767,546</b>	<b>4,323,421</b>	<b>3,559,529</b>
<b>Total assets</b>		<b>92,298,604</b>	<b>114,031,741</b>	<b>117,465,008</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	1	100,610,000	100,610,000	100,610,000
Other equity	2	-	-	-
Securities Premium		29,199,606	29,199,606	29,199,606
Retained Earnings		(65,984,078)	(28,651,927)	(26,326,184)
<b>Total equity</b>		<b>63,825,528</b>	<b>101,157,679</b>	<b>103,483,422</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	3	23,337,866	9,955,511	12,962,321
Provisions		-	-	-
Other non-current liabilities		489,129	586,729	586,729
<b>Total non-current liabilities</b>		<b>23,826,995</b>	<b>10,542,240</b>	<b>13,549,050</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	4	4,427,960	1,988,571	291,857
Other financial liabilities		-	-	-
Provisions	5	65,000	223,000	105,977
Other current liabilities		153,121	120,251	34,702
<b>Total current liabilities</b>		<b>4,646,081</b>	<b>2,331,822</b>	<b>432,536</b>
<b>Total equity and liabilities</b>		<b>92,298,604</b>	<b>114,031,741</b>	<b>117,465,008</b>
Notes 1 to 18 form part of these financial statements.		0	(0)	

//For and on behalf of the Board//

Sd/-  
BHARAT JAIN TATIA  
DIRECTOR  
Sd/-  
SHOBA NAHAR  
CFO

Sd/-  
JAIJASH TATIA  
WHOLE TIME DIRECTOR  
Sd/-  
NUTIKA JAIN  
COMPANY SECRETARY

As per our Report of even date  
For J V Ramanujam & Co.,  
Chartered Accountants  
FRN 002947S  
Sd/-  
CA SRI NARAYANA JAKHOTIA  
Partner  
M No 233192

Chennai  
30-May-18

**KREON FINANCIAL SERVICES LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Note	2017 - 18 Rs.	2016 - 17 Rs.
Revenue from operations	13	7,208,706	5,956,272
Other income		2,447,579	741,328
<b>Total income</b>		<b>9,656,285</b>	<b>6,697,600</b>
<b>Expenses</b>			
Cost of materials consumed		-	
Purchase of stock - in - trade		-	
Changes in inventories and finished goods		-	
Bad Debts		39,636,256	152,630
Employee benefit expenses	14	2,889,245	1,802,500
Finance costs	15	1,533,167	959,147
Depreciation	16	830,802	288,946
Other expenses	17	1,481,934	5,820,118
<b>Total expenses</b>		<b>46,371,404</b>	<b>9,023,341</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(36,715,119)</b>	<b>(2,325,741)</b>
Exceptional items			
<b>Profit/(Loss) after exceptional items and before tax</b>		<b>(36,715,119)</b>	<b>(2,325,741)</b>
Tax expense:			
Prior period tax		714,632	-
Current tax		-	-
Deferred tax		(97,600)	-
MAT credit		617,032	-
<b>Profit/(Loss) after tax (A)</b>		<b>(37,332,151)</b>	<b>(2,325,741)</b>
<b>Other comprehensive income ('OCI')</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit obligation (net of tax)		-	-
<b>Items that will be reclassified subsequently to profit or loss</b>			
Total other comprehensive income not to be reclassified subsequently to profit or loss (B)		-	-
<b>Total comprehensive income for the year (A+B)</b>		<b>(37,332,151)</b>	<b>(2,325,741)</b>
<b>Earnings per share</b>			
Basic earnings per share		(3.71)	(0.23)
Diluted earnings per share		(3.71)	(0.23)
Notes 1 to 18 form part of these financial statements.			

//For and on behalf of the Board//

Sd/-  
BHARAT JAIN TATIA  
DIRECTOR  
Sd/-  
SHOBANA NAHAR  
CFO

Sd/-  
JAIJASH TATIA  
WHOLE TIME DIRECTOR  
Sd/-  
NUTIKA JAIN  
COMPANY SECRETARY

As per our Report of even date  
For J V Ramanujam & Co.,  
Chartered Accountants  
FRN 002947S  
Sd/-  
CA SRI NARAYANA JAKHOTIA  
Partner  
M No 233192

Chennai  
30-May-18

**KREON FINANCIAL SERVICES LIMITED**  
**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR**  
**THE YEAR ENDED 31|03|2018**

	No	31 03 2018 Rs.	31 03 2017 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and extraordinary items		-39574929	(3,067,069)
Adjustments for :			
Add : Miscellaneous Expenditure w/off			
Add : Depreciation		830802	288,946
Add : Tax provision			-
Less; Defered tax Adjustments			-
Less: Statutory Provision		-	-
Less : Misc. Expenses during the year		-	-
		<b>(38,744,127)</b>	<b>(2,778,124)</b>
Operating Profit before working Capital Changes			
Adjustments for			
Less : Increase in Current Assets			-
Add : Increase in current Liabilities		15599014	-
Add : Decrease in Current Assets		22555485	6,436,613
Less : Decrease in current Liabilities			1,107,525
<b>Cash Flow From Operating activities</b>	<b>(A)</b>	<b>-589628</b>	<b>2,550,965</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>			
Profit on revaluation of Shares		2242778	-
Fixed Asset Sale			
<b>Cash Flow From Investment Activities</b>	<b>(B)</b>	<b>2,242,778</b>	<b>-</b>
<b>C.CASH FLOW FROM FINANCE ACTIVITIES</b>			
<b>Cash Flow From finance Activities</b>	<b>(C)</b>	<b>-1621192</b>	<b>(1,507,264)</b>
<b>Increase / (Decrease) in cash and cash equivalent (A+B+C)</b>		<b>31958</b>	<b>1,043,701</b>
Cash and cash Equivalents as on 31.03.2017		1262830	219,129
Cash and cash Equivalents as on 31.03.2018		1294787	1,262,830
<b>Net Increase/(Decrease) in Cash Balances</b>		<b>31957</b>	<b>1,043,701</b>
		<b>0</b>	<b>0</b>

I have examined the above Cash Flow Statement of **M/s. KREON FINANCIAL SERVICES LTD** for the year ended 31.3.2018. 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 2018 to the members of the company.

//For and on behalf of the Board//

Sd/-  
**BHARAT JAIN TATIA**  
DIRECTOR  
Sd/-  
**SHOBA NAHAR**  
CFO

Sd/-  
**JAIJASH TATIA**  
**WHOLE TIME DIRECTOR**  
Sd/-  
**NUTIKA JAIN**  
**COMPANY SECRETARY**

As per our Report of even date  
For J V Ramanujam & Co.,  
Chartered Accountants  
FRN 002947S  
Sd/-  
**CA SRI NARAYANA JAKHOTIA**  
Partner  
M No 233192

Chennai  
30-May-18

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Statement of Changes in Equity

For the year ended 31 March 2018

Crore

<b>a. Equity share capital</b>	
Balance as at 1 April 2016	10.06
Changes in equity share capital during 2016-17	-
<b>Balance as at 31 March 2017</b>	<b>10.06</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at 31 March 2018</b>	<b>10.06</b>

**b. Other equity**

Crore

	Reserves and surplus		Total
	Securities Premium	Retained earnings	
Balance as at 1 April 2016	2.92	(2.63)	0.29
<b>Total comprehensive income for the year ended 31 March 2017</b>			
Loss	-	(0.23)	(0.23)
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(0.23)</b>	<b>(0.23)</b>
<b>Balance as at 31 March 2017</b>	<b>2.92</b>	<b>(2.87)</b>	<b>0.05</b>
<b>Total comprehensive income for the year ended 31 March 2018</b>			
Loss	-	(3.73)	(3.73)
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(3.73)</b>	<b>(3.73)</b>
<b>Balance as at 31 March 2018</b>	<b>2.92</b>	<b>(6.60)</b>	<b>(3.68)</b>

//For and on behalf of the Board//

Sd/-  
BHARAT JAIN TATIA  
DIRECTOR  
Sd/-  
SHOBA NAHAR  
CFO

Sd/-  
JAIJASH TATIA  
WHOLE TIME DIRECTOR  
Sd/-  
NUTIKA JAIN  
COMPANY SECRETARY

As per our Report of even date  
For J V Ramanujam & Co.,  
Chartered Accountants  
FRN 002947S  
Sd/-  
CA SRI NARAYANA JAKHOTIA  
Partner  
M No 233192

Chennai  
30-May-18

Note No		No. of Shares	Figures for the Current reporting period 31 03 2018	Figures for the Previous reporting period 31 03 2017
1	<b>Share Capital</b>			
	<b>Authorised Share capital</b>	20,000,000	200,000,000	200,000,000
	<b>Issued, subscribed &amp; fully paid share capital</b>			
	10061000 Equity Shares of Rs.10/-each Less: Calls in Arrears (From Directors-Nil)	10,061,000	100,610,000 - -	100,610,000 - -
	<b>Total</b>		<b>100,610,000</b>	<b>100,610,000</b>

A	Details of Share Holders Holding More Than 5% of the Company	No. of Shares 31.3.2018	%	No. of Shares 31.3.2017	%
1	Tatia Global Vennture Ltd	1,950,000	19.38	1,950,000	19.38
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
	<b>Total</b>	<b>6,340,519</b>	<b>63.02</b>	<b>6,340,519</b>	<b>63.03</b>

2	Other Equity	Reserves and surplus		Total
		Securities Premium	Retained earnings	
	<b>Balance as at 1 April 2016</b>	<b>29,199,606</b>	<b>(26,326,184)</b>	<b>2,873,422</b>
	<b>Total comprehensive income for the year ended 31 March 2017</b>			
	Loss	-	(2,325,741)	(2,325,741)
	Other comprehensive income (net of tax)	-	-	-
	<b>Total comprehensive income</b>	-	<b>(2,325,741)</b>	<b>(2,325,741)</b>
	<b>Balance as at 31 March 2017</b>	<b>29,199,606</b>	<b>(28,651,925)</b>	<b>547,681.00</b>
	Total comprehensive income for the year ended 31 March 2018			
	Loss	-	(37,332,151)	(37,332,151)
	Other comprehensive income (net of tax)	-	-	-
	<b>Total comprehensive income</b>		<b>(37,332,151)</b>	<b>(37,332,151)</b>
	<b>Balance as at 31 March 2018</b>	<b>29,199,606</b>	<b>(65,984,076)</b>	<b>(36,784,470)</b>

Note No	Figures for the current reporting period	Figures for the current reporting period 31 03 2018	Figures for the Previous reporting period 31 03 2017
<b>3</b>	<b>Loans - Liabilities</b>	<b>Rs.</b>	<b>Rs.</b>
	Loans - Liabilities	23357866	9955511
	<b>Total</b>	<b>23357866</b>	<b>9955511</b>
<b>4</b>	<b>Current Liabilities</b>		
	<b>Trade payable</b>	4427960	1988571
	<b>Total</b>	<b>4427960</b>	<b>1988571</b>
Note No	Figures for the current reporting period	Figures for the current reporting period 31 03 2018	Figures for the Previous reporting period 31 03 2017
<b>5</b>	<b>Current Liabilities</b>	<b>Rs.</b>	<b>Rs.</b>
	Provision for Income tax	-	-
	Audit fees	25,000	30,000
	salary payable	40,000	193,000
	<b>Total</b>	<b>65,000</b>	<b>223,000</b>
<b>6</b>	<b>Tangible Assets</b>		
	Land/ Building/ Plant & Equipment/ Furniture & fixtures/ Vehicles/ Office Equipment/ Others (individually)		
	<b>Gross Block:</b>		
	Opening Balance	1,507,264	1,507,264
	Add: acquisition through business combination	1,621,192	-
	Other Adjustments	-	-
	<b>Sub total</b>	<b>3,128,456</b>	<b>1,507,264</b>
	Less: Disposals	-	-
	<b>Gross Block at year end (a)</b>	<b>3,128,456</b>	<b>1,507,264</b>
	<b>Less: Depreciation</b>		
	Opening Depreciation	288,945	-
	Depreciation for the year	830,802	288,945
	<b>Total accumulated depreciation (b)</b>	<b>1,119,747</b>	<b>288,945</b>
	<b>Net carrying value (a) - (b)</b>	<b>2,008,709</b>	<b>1,218,319</b>
	<b>Total</b>	<b>2,008,709</b>	<b>1,218,319</b>
	<b>Long Term Loans and Advances</b>		
<b>8</b>	Secured considered good		
	Capital Advances	-	-
	Security Deposits	-	-



<b>Note No</b>	<b>Figures for the current reporting period</b>	<b>Figures for the current reporting period 31 03 2018</b>	<b>Figures for the Previous reporting period 31 03 2017</b>
	Loans and advances to related parties	-	-
	Other loans and advances	-	-
	Sub Total	-	-
	Unsecured considered good		
	Capital Advances	-	-
	Security Deposits	-	-
	Loans and advances to related parties	-	-
	Other loans and advances (Considered Good)	69695463	101393349
	<b>Total</b>	<b>69695463</b>	<b>101393349</b>
<b>9</b>	<b>Other Non Current Assets</b>		
	Fixed Deposit	571,083	58,657
	Office Rental Security Deposit	165,000	165,000
	Salary Advance	-	25,000
	<b>Total</b>	<b>736,083</b>	<b>248,657</b>
<b>10</b>	<b>Trade Receivable</b>		
	Unsecured (Considered Good)	7657912	255029
	<b>Total</b>	<b>7657912</b>	<b>255029</b>
<b>11</b>	<b>Cash and cash equivalents</b>		
	HDFC Bank Ltd	969,732	489,035
	Cheques, drafts on hands	118,965	-
	SBT - Commerical Branch	11,460	6,630
	<b>Total</b>	<b>1,100,157</b>	<b>495,666</b>
<b>12</b>	<b>Other Current Aset</b>	<b>1814847</b>	<b>2805563</b>
	<b>Total</b>	<b>1814847</b>	<b>2805563</b>
<b>13</b>	<b>Revenue from Operations</b>		
	Interest Receipts	7,208,706	5,928,844
	Other Income	2,447,579	27,428
	<b>Total</b>	<b>9,656,285</b>	<b>5,956,272</b>
<b>14</b>	<b>Employee Benefits Expense</b>		
	Salaries and wages	2,876,656	1,802,000
	Staff welfare expenses	12,589	500
	<b>Total</b>	<b>2,889,245</b>	<b>1,802,500</b>

<b>Note No</b>	<b>Figures for the current reporting period</b>	<b>Figures for the current reporting period 31 03 2018</b>	<b>Figures for the Previous reporting period 31 03 2017</b>
<b>15</b>	<b>Finance Costs</b>		
	Interest expenses	1,469,501	958,382
	Bank commission /Charges	63,666	765
	<b>Total</b>	<b>1,533,167</b>	<b>959,147</b>
<b>16</b>	<b>Depreciation and Amortisation of Expenses</b>		
	Depreciation of Tangible Assets	830,802	288,946
	Amortisation of Deferred Revenue Expenses	-	-
	<b>Total</b>	<b>830,802</b>	<b>288,946</b>
<b>17</b>	<b>Other Expenses</b>		
	Advertisement	19,214	18,914
	Audit Fees	25,000	15,000
	Provision for NPA	-	4,404,028
	Director Sitting Fees	30,000	29,000
	General Expenses	290,874	87,729
	Car Insurance	81,546	42,073
	Income Tax	-	630
	Listing fees	287,500	229,000
	Printing & Postage Expenses &	28,422	38,864
	Professional Fees	289,990	213,000
	Processing Fees	-	204,246
	Rent, Rates & Taxes	312,492	152,630
	Repair & Maintanace	67,815	13,138
	Travelling & Conveyance Expenses	38,770	363,667
	Telephone Expenses	10,311	8,200
	<b>Total</b>	<b>1,481,934</b>	<b>5,820,118</b>

## KREON FINANCIAL SERVICES LIMITED

## Note - 7

Investments	31.06.2018			31.03.2017			31.03.2016		
	Qty	Cost	Market Value	Qty	Cost	Market Value	Qty	Cost	Market Value
Apollo Hospital Ltd	20	4,093	21,253	20	4,093	23,333	20	4,093	26,489
Arihant foundation ltd	11	443	522	11	443	543	11	443	419
Beckon Inds Ltd	500	4,440	95	500	4,440	95	500	4,440	110
BGR energy Ltd	1	746	102	1	746	138	1	746	107
Cals Refineries Ltd	150000	66,000	15,000	150,000	66,000	22,500	150,000	66,000	9,000
Cera Sanitarwar	2	268	6,891	2	268	6,026	2	268	3,679
CNI Research Ltd	1000	16,570	2,760	1,000	16,570	2,760	1,000	16,570	4,170
Dabur India Ltd	200	8,808	65,400	200	8,808	55,430	200	8,808	49,830
DLF Limited	11	1,987	2,217	11	1,987	1,484	11	1,987	1,261
GMR Infrastructure Ltd	10	583	170	10	583	160	10	583	117
Gokul Refoil Ltd	1	56	13	1	56	24	1	56	12
GVK Power & Infrstructure Ltd	10	446	170	10	446	60	10	446	68
IFICI Ltd	15200	406,662	300,200	15,200	406,662	451,440	15,200	406,662	373,920
Jain Granites & Project India Ltd	1470	14,700	0	1,470	14,700	14,700	1,470	14,700	14,700
J I K Industries Ltd	210	3,409	120	210	3,409	155	210	3,409	164
K.S.oil	1000	10,110	0	1,000	10,110	430	1,000	10,110	1,250
Karturi Global Ltd	1110	9,325	0	1,110	9,325	1,421	1,110	9,325	2,209
King fisher Airline ltd	24200	213,928	0	24,200	213,928	-	24,200	213,928	30,492
Kohinoor Food ltd	10	908	618	10	908	845	10	908	428
Lovable Lingerie Ltd	10	3,843	1,754	10	3,843	2,455	10	3,843	2,274
Marg Ltd	10	1,529	118	10	1,529	99	10	1,529	94
Medione global Entertainment Ltd	1	90	5	1	90	5	1	90	6.00
MRF Ltd	1	7,204	72,301	1	7,204	60,724	1	7,204	38,369
Munoth Financial Ltd	100	821	765	100	821	765	100	821	1,100
ONGC Ltd	40	6,368	7,112	40	6,368	7,402	40	6,368	8,590
Page Insutries Ltd	10	3,383	226,847	10	3,383	146,396	10	3,383	121,608
Power Soft Ltd	400	3,964	0	400	3,964	-	400	3,964	496

Investments	31.06.2018			31.03.2018			31.03.2017		
	Qty	Cost	Market Value	Qty	Cost	Market Value	Qty	Cost	Market Value
Reliance Com Ltd	10	1,642	218	10	1,642	383	10	1,642	500
Reliance Industries Ltd	1	1,829	883	1	1,829	1,319	1	1,829	2,091.00
Reliance power Ltd	25	6,466	0	25	6,466	1,200	25	6,466	1,234
Rupa Company Ltd	100	14,149	37,255	100	14,149	32,660	100	14,149	27,440
Rural Electrification Ltd Rec	3	628	375	3	628	543	3	628	498
Saanvi Nayak Films			0						
Saanvi Pictures Pvt Ltd - OPC			0						
Sesa Sterlite Ltd	10	4,497	2,783	10	4,497		10	4,497	899
Shree Asthivinayak Ltd	100	1,396	81	100	1,396	-	100	1,396	81
Spicejet Ltd	3600	31,333	450,540	3,600	31,333	366,120	3,600	31,333	230,220
SBI Ltd	100	11,926	25,010	100	11,926	26,260	500	11,926	19,430
Sonarji Jewellery Ltd	10000	125,000	0	10,000	125,000	100000	10,000	125,000	125,000
TT Ltd	500	7,968	40,975	500	7,968	28,000	500	7,968	24,000
Tata Investments Ltd	10	5,085	7,392	10	5,085	6,331	10	5,085	4,692
Tata Teleservices Ltd	113	1,190	623	113	1,190	814	113	1,190	749
Tatia Global Vennture Ltd	12381985	23,170,553	6,190,993	12,381,985	23,170,553	3962235	12381985	23170553	37140596
The Ramco Cements	500	29,508	113,825	500	29,508	334,725	500	29,508	200,225
Timbor Home Ltd	500	19,160	1,105	500	19,160	-	500	19,160	1,105
Vijayshanthi Builders Ltd	61010	1,232,065	1,034,120	61,010	1,232,065	727,849	61,010	1,232,065	602,779
<b>Total A</b>	<b>12654105</b>	<b>25,455,078</b>	<b>8,630,606</b>	<b>12,654,105</b>	<b>25,455,078</b>	<b>6,387,828</b>	<b>12,654,505</b>	<b>25,455,078</b>	<b>5,646,500</b>
Bay organics Pvt Ltd			0			-			-
<b>Total B</b>	<b>-</b>	<b>-</b>							<b>-</b>
366.64 gms Bullion		460168	460,168			460,168	-	460,168	460,168
<b>Total C</b>						<b>460,168</b>	<b>-</b>	<b>460,168</b>	<b>-</b>
<b>Grand Total (A+B+C+D)</b>		<b>25915246</b>	<b>9,090,774</b>		<b>25,915,246</b>	<b>6847996</b>		<b>25,915,246</b>	<b>6,106,668</b>

**Note – 18****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2018****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 Company has first time adopted Indian Accounting Standard ( IND AS )
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. The Fixed assets are stated at cost of their acquisition less depreciation..
2. Depreciation provided on fixed assets. on written down value method. As per the rates specified in Schedule XIV of the Companies Act 1956.

**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**

Investment have been revalued on the basis of fair market value s o year ended as specified under IND AS and necessary impact have been recorded year wise related to previous year.

**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 -3.71/- (Basic & Diluted) as compared to the previous year of Rs. - 0.23/- (Basic & Diluted).

**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**

The Company has carried out impairment Assets as on balance date as required under IND AS combined which applicable previous related to Non Banking Finance Corporation as specified by Reserve Bank of India . The company has written of Rs 39636256/- as Bad Debts considering the reliable factor.

**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 transactions with the related parties during the year under review as under and also there are temporary current account transactions.

**SUNDRY DEBTORS**

NAME OF THE COMPANY	OPENING BALANCE	INTEREST AMOUNT	CLOSING BALANCE
Tatia Global Vennture Ltd	1789537/	32903/-	NIL

**SUNDRY CREDITORS**

NAME OF THE COMPANY	OPENING BALANCE	Rent	INTEREST AMOUNT	CLOSING BALANCE
Opti Products Pvt Ltd		-	62172/-	55955/-
Jinpaad Developers Pvt Ltd	5117295/-	-	636000/-	5872400/-
Bharat Jain Tatia	2600000/-	300000/-	NIL	2600000/-
Ashram Online .com Ltd			180613/-	3427552/-

**SALARY PAID DURING THE YEAR**

S.NO	Name	Amount ( RS )
1	Pannalal Jain Tatia	1500000/-

**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 than 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 and doubtful debts has been made by the company.

**P. AUDITOR REMUNERATION**

S.No	Particulars	2017 - 2018	2016 - 2017
1.	Statutory Audit Fees	Rs. 25000/-	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, 2018.

**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. GENERAL**

1. The figures for the previous year have been regrouped / reclassified / rearranged where ever necessary with the conformity with the current year figures for facilitating proper comparisons.
2. The company has followed prudential norms, except otherwise stated, prescribed by Reserve Bank of India for Non-Banking Finance Companies-financial statements.
3. The figures have been rounded off to the nearest rupee.

**Note : 19 CAPITAL MANAGEMENT**

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

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short term deposits.

**GEARING RATIO:**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Debt	2.33	0.99
Less: Cash and bank balances	0.13	0.13
Net debt	2.20	0.86
Total equity	6.38	10.12
Net debt to total equity ratio	0.34	0.09



**V. FINANCIAL RISK MANAGEMENT**

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

Borrowings, trade payables and other financial liabilities constitute the Company's primary financial liabilities and investment in unquoted equity shares, trade receivables, loans, cash and cash equivalents and other financial assets are the financial assets.

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Borrowings, trade payables and other financial liabilities constitute the Company's primary financial liabilities and investment in unquoted equity shares, trade receivables, loans, cash and cash equivalents and other financial assets are the financial assets.

**CREDIT RISK***Trade receivables*

Credit risk refers to the risk of default on the receivables to the Company that may result in financial loss. The maximum exposure from trade receivables amounting to Rs. 7.76 crore as of March 31, 2018 (Rs. 10.16 Rs. 7.66 as of March 31, 2017 and 2016, respectively).

Trade receivables mainly constitute receivable from Corporate Borrowers. Credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business. In the case of the Company, the credit period offered varies between 30 to 60 days and there have been no significant cases of impairment historically.

*Cash and cash equivalents and deposits with banks*

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

Summary of exposures to financial assets provided below:

<b>Financial asset</b>	<b>Exposure as at 31 March 2018</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
Investments	0.91	0.68	3.76
Loans	6.97	10.14	7.62
Trade receivables	0.77	0.02	0.04
Cash and cash equivalents	0.02	0.07	0.01
Bank balances other than cash and cashequivalents	0.11	0.05	0.01
Other financial assets	-	-	-
<b>Total</b>	<b>8.78</b>	<b>10.96</b>	<b>11.44</b>

#### **Provision for expected credit losses**

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

The Company's main customer base is Corporate Borrowers. Historically the risk of default has been negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

##### **(ii) Ageing analysis of trade receivables**

As a policy, the Company does an ageing analysis of debtors, the details of which is stated below. The ageing analysis of the trade receivables is as below:

in Crore

<b>Interval</b>	<b>Ageing as at 31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
Less than 6 months	-	-	-
More than 6 months	7.76	10.16	7.66
<b>Total debtors</b>	<b>7.76</b>	<b>10.16</b>	<b>7.66</b>

#### **Liquidity risk**

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.

**Maturities of financial liabilities**

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

in Crore

<b>31 March 2018</b>	<b>Contractual cash flows</b>						
<b>Contractual maturities of financial liabilities</b>	<b>Carrying amount</b>	<b>Less than a year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Loans	2.33	1.38	-	0.95			2.33
Trade payables	0.44	0.24	0.17	0.03			0.44
Other financial liabilities		-	-	-			-
<b>TOTAL</b>	<b>2.77</b>	<b>1.62</b>	<b>0.17</b>	<b>0.98</b>	<b>-</b>	<b>-</b>	<b>2.77</b>

in Crore

<b>31 March 2017</b>	<b>Contractual cash flows</b>						
<b>Contractual maturities of financial liabilities</b>	<b>Carrying amount</b>	<b>Less than a year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Loans	0.99	0.97	0.02				0.99
Trade payables	0.19	0.17	0.02				0.19
Other financial liabilities		-	-	-			-
<b>TOTAL</b>	<b>1.18</b>	<b>1.14</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.18</b>

in Crore

<b>1 April 2016</b>	<b>Contractual cash flows</b>						
<b>Contractual maturities of financial liabilities</b>	<b>Carrying amount</b>	<b>Less than a year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Loans	1.29	0.34	0	0.95			1.29
Trade payables	0.02	0.02	-	-			0.02
Other financial liabilities							-
<b>TOTAL</b>	<b>1.31</b>	<b>0.36</b>	<b>-</b>	<b>0.95</b>	<b>-</b>	<b>-</b>	<b>1.31</b>

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include borrowings, trade payables in foreign currency and investment in unquoted equity shares. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

The Company is not exposed to any currency risk since it does not has any transactions in any foreign currency.

**Sensitivity analysis**

Since the company is not exposed to any currency risk, sensitivity analysis is not applicable.

**Interest rate risk**

The Company is not exposed to any interest rate risk.

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

<sup>1</sup> Crore

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
<b>Financial assets</b>	6.96	10.14	7.62
<b>Fixed-rate instruments</b>	0.05	-	-
	7.01	10.14	7.62
<b>Financial liabilities</b>			
<b>Fixed-rate instruments</b>	-	-	0
Borrowings	2.33	0.99	1.29

**Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Equity price risk**

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Company, the sole investment in equity shares is unquoted and does not expose the Company to equity price risks, however there can be changes in the equity price based on valuations done at different reporting periods owing to the operations and general business environment in which the investee operates. In general, the investment is not held for trading purposes.

**Equity price sensitivity analysis**

A 1% change in prices of equity instruments held as at March 31, 2018, March 31, 2017 and April 1, 2016 would result in an increase/ decrease of INR 86306, INR 63878 and INR 56465 in fair value of the equity instrument respectively.

<b>Statement of Changes in Equity For the year ended 31 March 2018</b>	
	Crore
<b>Equity share capital</b>	
<b>Balance as at 1 April 2016</b>	<b>10.06</b>
Changes in equity share capital during 2016-17	-
<b>Balance as at 31 March 2017</b>	<b>10.06</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at 31 March 2018</b>	<b>10.06</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Balance sheet as at 1 April 2016 and 31 March 2017**

	1 April 2016			31 March 2017		
	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Property, Plant and Equipment	-	-	-	1218319		-1218319
(b) Capital Work-In-Progress						
(c) Investment property						
(d) Financial Assets					-	
(i) Investments	57515245	-19908578	37606667	26015245	-19167250	6847995
(ii) Trade receivables	-		-	-	-	-
(iii) Loans	76244620		76244620	101393349		101393349
(iv) Other financial assets	-		-	-	-	-
(e) Other non-current assets	54192		54192	248657		248657
<b>(2) Current Assets</b>						
(a) Inventories						
(b) Financial Assets						
(i) Trade receivables	387396		387396	255028		255028
(ii) Cash and cash equivalents	140790		140790	767164		767164
(iii) Bank balances other than (ii) above	78339		78,339	495666		495666
(iv) Loans	-				-	
(v) Other financial assets	-				-	
(c) Other Current Assets	2953004		2953004	2805563		2805563
<b>Total Assets</b>	<b>137373586</b>	<b>19908578</b>	<b>117465008</b>	<b>133198991</b>	<b>19167250</b>	<b>114031741</b>
<b>EQUITY &amp; LIABILITIES</b>						
<b>(1) Equity</b>						
(a) Equity Share Capital	100610000		100610000	100610000		100610000
(b) Other Equity						
(i) Retained earnings	-6417606	-19908578	26326184	9484676	-19167250	-28651926
(ii) Other reserves	29199606		29199606	29199605		29199605
<b>Liabilities</b>						-
<b>(2) Non-current liabilities</b>						-
(a) Financial liabilities						-
(i) Borrowings	12962321		12962321	9955511		9955511
(b) Provisions						0
(c) Other non-current liabilities	586729		586729	586729		586729

	1 April 2016			31 March 2017		
	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>(3) Current Liabilities</b>						-
(a) Financial liabilities						-
(i) Borrowings						-
(ii) Trade payables	291857		291857	1988571		1988571
(iii) Other financial liabilities						-
(b) Provisions	105977		105977	223000		223000
(c) Other current liabilities	34702		34702	120251		120251
<b>Total equity and liabilities</b>	<b>137373586</b>	<b>-19908578</b>	<b>117465008</b>	<b>133198991</b>	<b>-19167250</b>	<b>114031741</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## NOTES TO THE FINANCIAL STATEMENTS

### Statement of profit and loss for the year ended 31 March 2017

Particulars	Previous GAAP*	Adjustments	Ind AS
<b>INCOME</b>			
Revenue from operations	5956272	-	6697600
Other income	-	741328	
<b>Total Income</b>	<b>5956272</b>	<b>741328</b>	<b>6697600</b>
<b>EXPENDITURE</b>			
Cost of materials consumed			
Purchase of stock - in - trade			
Changes in inventories and finished goods			
Employee benefit expenses	1802500		1802500
Finance costs	959147		959147
Depreciation	288946		288946
Other expenses	5972748		5972748
<b>Total Expenses</b>	<b>9023341</b>		<b>9023341</b>
<b>Profit / (loss) before exceptional items and tax</b>	<b>-3067069</b>	<b>741328</b>	<b>-2325741</b>
Exceptional Items			
<b>Profit / (loss) after exceptional items and before tax</b>	<b>-3067069</b>	<b>741328</b>	<b>-2325741</b>
Tax expense			
- Current Tax	-	-	-
- Deferred Tax	-	-	-
- MAT credit	-		
<b>Profit after tax</b>	<b>-3067069</b>	<b>741328</b>	<b>-2325741</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss (net of tax)</b>			
- Net actuarial gains/(losses) on defined benefit plans			
<b>Other comprehensive income for the year, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>-3067069</b>	<b>741328</b>	<b>-2325741</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

<b>Particulars</b>	<b>Notes</b>	<b>31 March 2017</b>	<b>1 April 2016</b>
Total equity (shareholder's funds) as per previous GAAP			<b>10.06</b>
<b>Adjustments:</b>		0	0.00
Lease rental expense straight lined from date of inception of lease agreement			
Lease rental income straight lined from date of inception of lease agreement			
Fair valuation of lease deposits accepted / paid on transition to Ind AS			
Fair valuation of employee loans given on transition to Ind AS			
Capital spares recognized as Property, plant and equipment and depreciated over useful life			
Gain / (loss) on fair valuation of investment in Equity Shares			
Depreciation charge computed on the revised residual value of the plant on leasehold land			
Reversal of expense not pertaining to 2017-18 adjusted on transition			
<b>Total adjustments</b>		<b>0</b>	<b>0.00</b>
<b>Total equity as per Ind AS</b>		<b>0</b>	<b>10.06</b>

**Reconciliation of total comprehensive income for the year ended 31 March 2017**

<b>Particulars</b>	<b>Notes</b>	<b>For the year ended March 31, 2017</b>
Profit after tax as per previous GAAP		-3067069.00
<b>Adjustments:</b>		
Lease rental expense straight lined from date of inception of lease agreement		
Depreciation charge computed on the revised residual value of the plant on leasehold land		
Additional rental income recorded on a straight-line basis		
Interest income accounted for the accretion on the fair value of deposit paid (unwinding of interest)		
Prepaid rent asset amortized on a straight-line basis		
Rent received in advance amortized on a straight-line basis		
Interest expense accounted for the accretion on the fair value of deposit received (unwinding of interest)		
Being cost of logistics park feasibility study written off		



Particulars	Notes	For the year ended March 31, 2017
Amortization of prepaid staff cost charged to statement of income during the year		
Interest income accounted for the accretion on the fair value of employee loans (unwinding of interest)		
Depreciation charge computed on the capital spares reclassified as plant and machinery		
Gain/(Loss) on fair valuation of equity shares		741328.00
Remeasurements of actuarial losses reclassified to Other comprehensive income		
<b>Total adjustments</b>		<b>741328.00</b>
<b>Profit after tax as per Ind AS</b>		<b>-2325741.00</b>
Remeasurement of actuarial gains and interest cost		0.00
<b>Other comprehensive income (net of tax):</b>		<b>0.00</b>
<b>Total comprehensive income as per Ind AS</b>		<b>-2325741.00</b>

Fair valuation of investment in Quoted/unquoted equity shares

#### SIGNATORIES TO SCHEDULE 1 TO 19

As per my Report of even date attached FOR J.V.RAMANUJAM & CO CHARTERED ACCOUNTANTS	For and on behalf of the Board of Directors	
	DIRECTOR'S NAME	SIGNATURE
Sd/-  PARTNER  M.NO. 233192 FIRM REGN.NO. 002947S	JAIJASH TATIA WHOLETEIME DIRECTOR DIN.NO. 08085029	Sd/-
	BHARAT JAIN TATIA DIRECTOR DIN.NO. 00800056	Sd/-
Place : Chennai Date : 30.05.2018	SHOBA NAHAR CHIEF FINANCIAL OFFICER	Sd/-
	NUTIKA JAIN COMPANY SECRETARY	Sd/-

**KREON FINNANCIAL SERVICES LIMITED**

Regd. Office: Old No. 12, New No. 29, Mookathal Street, Purusawalkkam, Chennai-600007

Telephone +91 44 42138702,

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 FOR AGM**

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 24th Annual General Meeting of the Company to be held on 27th September, 2018 at 9:00 AM at No.81 B, Ambattur Industrial Estate, Chennai-600058

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.**

**KREON FINANCIAL SERVICES LIMITED**

Regd. Office: Old No. 12, New No. 29, Mookathal Street, Purusawalkkam,  
Chennai-600007  
Telephone +91 44 42138702,  
Website- www.kreon.in; e-mail: Invesotrs@tcms.bz  
CIN: L65921TN1994PLC029317

**24th Annual General Meeting on 27th September, 2018 at 9:00 AM.**

**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	<b>L65921TN1994PLC029317</b>
Name of the Company	<b>KREON FINANCIAL SERVICES LIMITED</b>
Registered Office	OLD NO. 12, NEW.NO. 29, MOOKATHAL STREET, PURASAWALKKAM, CHENNAI-600007.
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 24th Annual General Meeting of the Company to be held on Thursday, 27th July, 2018 at 8:30AM No.81 B, Ambattur Industrial Estate, Chennai-600058 and at any adjournment thereof in respect of such resolutions:

Resolution Number	Resolution	Vote		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	Adoption of Standalone Audited Financial Statements of the Company for the year ended 31 March, 2018 including audited Balance Sheet as at 31 March, 2018 and the Statement of Profit t & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2.	Re-appointment of Mr. Bharat Jain Tatia (DIN 00800056), as Director who retires by rotation and, being eligible, offers himself for re-appointment.			
<b>Special Business</b>				
3.	Re-Appointment of Independent Directors being Mr. E.Subbarayan and Ms. D. Hemamalini.			
4.	Appointment of Jaijash Tatia as the Director of the Company			
5.	Appointment of Jaijash Tatia as the Whole-Time Director of the Company for a period of Five Years from 01.04.2018 to 31.03.2023 for remuneration.			
6.	Increase in the borrowing Powers.			

Signed this.....day of..... 2018

Signature of Member(s): .....

Signature of Proxy holder(s).....

Affix Revenue Stamp of Re. 1/-
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**Notes:**

- 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.

# ROUTE MAP



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If Undelivered, Please return to :

**KREON FINNANCIAL SERVICES LIMITED**

**Regd.Office : Old No. 12, New No.29,**

**Mookathal Street,**

**Purasawalkam,**

**Chennai-600 007.**