
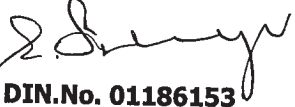
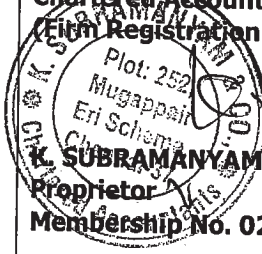


KREON FINANCIAL SERVICES LTD

CIN No. L65921TN1994PLC029317

FORM - A		
(PURSUANT TO CLAUSE 31 (A) OF LISTING AGREEMENT)		
S.no	Particulars	Details
1	Name of the Company	M/s. KREON FINANCIAL SERVICES LIMITED
2	Annual Stand Alone Financial Statements for the year Ended	31st MARCH, 2014
3	Type of Audit Observation	Nil
4	Frequency of Observation	Nil
5	To Be Signed by:	
	* Chairman cum Executive Director	Mr. Sampathlal Pannalal Jain Tatia  DIN.No. 01208913
	* Audit Committee Chairman	Mr. Ekambaram Subbrayan  DIN.No. 01186153
	* Auditors of the Company	Refer Our Audit Report dated 31st May, 2014 on the Financial Statements of the Company For K SUBRAMANYAM & CO., Chartered Accountants (Firm Registration No. 004146S)  Proprietor Membership No. 023663 Chennai, 3rd September 2014

#81B, 2nd Main Road,
 Ambattur Industrial Estate,
 Chennai – 600 058.
 Ph.No: 044 – 421 38 704,
 Fax. No. 044 – 430 84 750,
 Email Id: tatia@vsnl.com,
 Website: www.kreon.in.

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BOARD OF DIRECTORS

Chairman	: Mr. S. Pannalal Tatia DIN.No. 01208913
Directors	: Mr. E. Subbarayan DIN.No.01186153 : Ms. C. Hemamalini DIN.No. 02914395 : Mr. Rajesh Jain (Resigned w.e.f. 5.7.2014) DIN.No.00512709 : Mr. Bharat Jain Tatia (Appointed w.e.f. 31.7.2014) DIN.No.00800056
Auditors	: M/s. K. Subramanyam & Co. Chartered Accountants No.252, Mugappair ERI Scheme Third Main Road, Chennai - 600 037.
Registered Office	: 'Prince Tatia Info Park' No.81 B, Second Main Road, Ambattur Industrial Estate, Chennai - 600 058, email : tatia@vsnl.com CIN.No. L65921TN1994PLC029317
Bankers	: 1. State Bank of Travancore 2. HDFC Bank Ltd
Share Transfer Agent	: M/s. Purva Sharegistry India Private Limited No. 9, Shiv Shakthi Industrial Estate, J.R. Boricha Marg. Lower Parel (E), Mumbai - 400 001. Phone : 022 - 23016761, 2301 8261 Fax : 022 - 2301 2517 Email : busicomp@vsnl.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that Twentieth (20th) Annual General Meeting of the Company will be held on Monday, the 29th September 2014 at 10.30 A.M at the **SAMUDHAYA NALA KOODAM, VALLANUR, AMBATTUR, CHENNAI – 600062** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March 2014 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

2. To appoint a Director in place of Shri. S. Pannalal Tatia (DIN 01208913) who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint auditors and fix their remuneration and this regard to consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. K.Subramanyam & Co, Chartered Accountants (Firm Regn. No. 004146S) be and hereby appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of twenty fifth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors”

SPECIAL BUSINESS

4. APPOINTMENT OF MR. S. PANNALAL TATIA AS WHOLE TIME DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 149(1),152,196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Mr. S. Pannalal Tatia (DIN 01208913), as Whole-time Director of the Company, for a period of five years, with effect from 29/09/2014, on such terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. S. Pannalal Tatia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

“RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Whole Time Director shall be paid the minimum remuneration as may be

determined by the Nomination and Remuneration Committee which shall also have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration subject however that such minimum remuneration shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. APPOINTMENT OF MR. BHARAT JAIN TATIA AS DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to Section 149, 152 of the Companies Act 2013, Mr. Bharat Jain Tatia (DIN 00800056), who was appointed as an Additional Director of the Company with effect from 31st July, 2014 and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. APPOINTMENT OF MR. SUBBARAYAN EKAMBARAM AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Subbarayan Ekambaram (holding DIN 01186153), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company, to hold office up to March 31, 2019, not liable to retire by rotation.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. APPOINTMENT OF Ms. HEMAMALINI AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Ms.Hemamalini (DIN: 02914395) , Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company, to hold office up to March 31, 2019, not liable to retire by rotation.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. BORROWING POWERS OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow such sum or sums of money from time to time and on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company, subject to the condition that such borrowing shall not exceed Rs.25,00,00,000/- (Rupees Twenty Five Crores only) at any point in time, notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained by the Company from its bankers in the ordinary course of its business) may exceed the aggregate of the paid-up capital and free reserves of the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

9. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION:

To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board of Directors
For KREON FINANCIAL SERVICES LIMITED**

Sd/-

**S. PANNALAL TATIA
CHAIRMAN**

DIN.No. 01208913

Place: Chennai

Date: 01.09.2014

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members as the case may be of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.

2. The Register of members and share transfer books of the company will be closed from 20th September 2014 to 29th September 2014 (both days Inclusive).

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting, is annexed hereto.

4. Members are requested to notify immediately any change in the address

a. To the respective Depository Participants (DP's) in respect of their electronic share accounts.

b. In respect to their physical share folios. To send request to the Registrar of Transfer Agent office of the following address: **M/s. Purva Shareregistry India Private Limited, Unit. No. 9, Shiv Shakthi Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400 001.**

5. For the convenience of the shareholders, attendance slip and proxy form are annexed herewith. The members are requested to bring the attendance slips duly filled in along with their copies of the annual reports to the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

6. The Securities and Exchange Board of India notified your company's equity shares for compulsory trading in dematerialized form. Shareholders may avail such facility.

7. The equity shares of the Company are listed on Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

8. Members having any specific query on the financial statements of the company are requested to mail their queries directly to the company.

9. Shareholders are requested to furnish their email ID's to enable the company forward information in relation to the company.

10. The Company has designated an email ID called tatia@vsnl.com for redressal of shareholder's complaints/ grievances. In case you have any queries/ complaints or grievance, then please write to us at our mail ID provided above.

11. The shares of the Company are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Securities Depositories Limited (CSDL). In view of the enormous advantages offered by the Depository Systems, Members are requested to avail the facilities of dematerialization of the Company's Shares on either of the depositories as aforesaid.

12. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting.

Members are therefore requested to bring their copies of the annual report to the meeting.

13. We request the members to update the email address with their depository participant to ensure that the Annual Report and other documents reach you on your preferred email account in order to save paper and participate in the "Green Initiative" of the Company.

14. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons seeking appointment/re-appointment as Director, is provided in the annexure.

15. In compliance with Section 108 of the Companies Act, 2013 and the relevant Rules made there under, the Company is also required to conduct the voting process electronically. The business to be transacted at this general meeting may be transacted through electronic voting system and the Company is providing the facility for voting by electronic means. The Company has signed an agreement with Central Depository Services [India] Limited [CDSL] for facilitating e-voting to enable the Shareholders to cast their vote electronically.

16. 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 20th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

(i) After entering these details appropriately, click on "SUBMIT" tab.

(ii) 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.

(iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(iv) Click on <Company Name> on which you choose to vote.

(v) 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.

(vi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(vii) 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.

(viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(x) 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.

(xi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from s. no. (i) to s. no. (xvii) above to cast vote.

(B) The voting period begins on 23/09/2014 and ends on 25/09/2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 01/09/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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

(i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" ie one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.

(ii) The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, ie voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.

(iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

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

13. The Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of Special Business(s) is attached herewith.

**By Order of the Board of Directors
for KREON FINANCIAL SERVICES LIMITED**

Sd/-

**Mr. Pannalal Tatia Jain Sampathlal
Chairman**

DIN. No. 01208913

**Place: Chennai
Date: 01.09.2014**

PROFILE OF THE DIRECTORS BEING RE-APPOINTED / APPOINTED PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT

The brief resume of each of the Directors who are proposed to be appointed/re-appointed is given below:

Name of the Director	Mr. PANNALAL TATIA JAIN SAMPATHLAL	Mr. BHARAT JAIN TATIA
Age	65 Years	44 Years
Date of Appointment	13/01/1994	31/07/2014
Qualification	B.com., FCA	B.com
Experience	38 Years	22 Years
Expertise in Specific Functional Area	Accounts & Finance	Export Industry, Investment Consultancy and Capital Markets
Directorship in other companies	1. Tatia Global Vennture Ltd 2. Ashram online.com Ltd	1. Tatia Global Vennture Ltd
Chairman / Member of Committees of other Companies	1. Member in Audit Committee of Ashram online.com Ltd 2. Member in Audit Committee And Remuneration Committee of Tatia Global Vennture Ltd	NIL
Share holding in the company	100 Shares	5,50,219 Shares

Name of the Director	Mr. EKAMBARAM SUBBARAYAN	Ms. HEMAMALINI
Age	57 Years	27 Years
Date of Appointment	02/07/2003	31/03/2010
Qualification	B.Sc	B.com
Experience	16 Years	7 Years
Expertise in Specific Functional Area	Accounts & Finance	Accounts & Finance and Secretarial Department
Directorship in other companies	1. Ashram Online.com Ltd	1. Tatia Global Vennture Ltd 2. Leela Biotech & Industries Ltd
Chairman / Member of Committees of other Companies	Member in Audit Committee of Ashram online.com Ltd	NIL
Share holding in the company	100 Shares	100 Shares

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No.4:

The Board at its meeting held on 31st July, 2014, upon the recommendation of the Remuneration Committee, has recommended the appointment and terms of remuneration of **Mr. S.Pannalal Tatia** as Whole Time Director of the Company for a period of five years from 29th September, 2014. Keeping in view the experience and expertise of **Mr. S. Pannalal Tatia**, the Board considers it desirable that the Company should continue to avail the services of **Mr.S. Pannalal Tatia** and accordingly recommends the resolution for approval by the members, subject to Sections 149(1), 152, 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force)

A notice has been received from a member proposing **Mr. S.Pannalal Tatia** as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Broad particulars of the terms of appointment of and remuneration payable to Mr.S. Pannalal Tatia is as under:

(a) Salary

Mr. S.Pannalal Tatia is proposed to be paid a monthly salary of Rs.50,000/- per month.

(b) General:

(i) The Whole-time Director will perform the duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

(iv)The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mr. S.Pannalal Tatia satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for appointment as Whole-time Director.

Mr. S.Pannalal Tatia is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of **Mr. S.Pannalal Tatia** under Section 190 of the Act.

Mr. S.Pannalal Tatia may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as Whole-time Director. **Mr. Bharat Jain Tatia**, who is his relative and a Director of the Company, and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of **Mr. S.Pannalal Tatia** as Whole-time Director of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4

of the Notice. The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

None of the Directors, Key Managerial Personnel and their relatives, except **Mr..Bharat Jain Tatia**, being relative of Shri S.Pannalal Tatia and **Mr.. S. Pannalal Tatia**, himself, are concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as an Ordinary Resolution.

Item No.5:

Mr. Bharat Jain Tatia was appointed as an Additional Director on the Board of the Company with effect from 31st July, 2014 Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of **Mr.. Bharat Jain Tatia** for the office of the Director under the provisions of Section 160 of the Companies Act, 2013.

The Board of Directors recommend the resolution set out in Item no. 5 of the accompanying Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, except **Mr. S. Pannalal Tatia**, being relative of **Mr. Bharat Jain Tatia** and **Mr. Bharat Jain Tatia**, himself, are concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as an Ordinary Resolution

Item No.6

Mr. Subbarayan Ekambaram is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company w.e.f 2nd July, 2003. Mr. Subbarayan Ekambaram is a member of the Audit Committee and Share Transfer cum Investors Grievance Committee, of the Board of Directors of the Company. Mr. Subbarayan Ekambaram is a Director in Ashram online com Ltd. He holds 100 shares in the Company. Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Mr. Subbarayan Ekambaram, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Subbarayan Ekambaram, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, to hold office up to March 31, 2019, not liable to retire by rotation. A notice has been received from a member proposing Mr. Subbarayan Ekambaram as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Mr. Subbarayan Ekambaram fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Subbarayan Ekambaram as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subbarayan Ekambaram as an Independent Director. Accordingly,

the Board recommends the resolution in relation to appointment of Mr. Subbarayan Ekambaram, as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Subbarayan Ekambaram, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7

Ms. Hemamalini is an additional of the Company. She joined the Board of Directors of the Company w.e.f.31/03/2010. **Ms. Hemamalini** is a member of the Audit Committee and Share Transfer cum Investors Grievance Committee, of the Board of Directors of the Company.

Ms. Hemamalini is a Director in Tatia Global Vennture Limited and Leela Biotech & Industries Limited. She holds 100 shares in the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, **Ms. Hemamalini**, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director, to hold office up to March 31, 2019, not liable to retire by rotation. A notice has been received from a member proposing **Ms. Hemamalini**, as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Ms. Hemamalini fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Hemamalini as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Hemamalini as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Hemamalini, as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Hemamalini, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

Section 180 of the Companies Act, 2013 (notified as on September 12, 2013) mandates that the borrowing powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1) (c) of the Companies Act, 2013, for authorizing the Board of Directors of the Company, to borrow such sum or sums of money from time to time and on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company, subject to the condition that such borrowing shall not exceed Rs.25,00,00,000/- (Rupees Twenty Five Crores only) at any point in time. However, the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained by the Company from its bankers in the ordinary course of its business) may exceed the aggregate of the paid-up capital and free reserves of the Company.

Accordingly, the proposed resolution under item no.8, is placed before the shareholders for their approval. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

Item No. 9:

The existing AoA of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice. The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

**By order of the Board of Directors
For KREON FINANCIAL SERVICES LIMITED**

Sd/-

**S. PANNALAL TATIA
CHAIRMAN
DIN.No. 01208913**

Place: Chennai
Date: 01.09.2014

DIRECTORS' REPORT**Dear Members,**

Your Directors have great pleasure in presenting the Twentieth Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2014.

1. Financial Results

The financial results of the Company for the year ended 31st March 2014 is summarized below:

Rs. in Lacs

Particulars	Year ended 31 st March 2014	Year ended 31 st March 2013
Income from Operations	78.64	1305.07
Non-operating Income	----	----
Total Income	78.64	1305.07
Total Expenditure	71.55	1275.49
Profit/Loss before Depreciation Interest and Taxation	7.09	29.58
Interest & Finance Charges	0.05	4.58
Depreciation	0.07	3.20
Profit/Loss before Tax	6.97	21.80
Provision for Current Taxes	----	----
Provision for Deferred Taxes	----	-0.06
Profit/Loss after Tax	6.97	21.86
Statutory Reserve	1.37	4.18
Balance in Profit & Loss Account	5.58	17.68
Balance carried to Balance Sheet	240.48	233.51

2. Performance of the Company

During the year, your Company earned income from operations (net) of Rs.78.64 Lakhs as compared to previous year Income from operation of Rs.1305.07 Lakhs.

Your Company has made a Profit of Rs. 6.97 Lakhs for the financial year 2013 -2014 as compared to Profit of Rs. 21.86 in the previous year 2012-13.

3. Dividend

In order to stream Line Company's business model, the board of directors have decided not to declare any dividend for the current fiscal. The profits, retained by the company during the financial year 2013-14, has been carried over to the Reserves and Surplus Account.

4. Fixed Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposit was outstanding as on date of balance sheet.

5. Directors

The Company has, pursuant to the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchange has appointed Mr. Subbarayan Ekambaram and Ms. Hemamalini as Independent Directors of the Company. Mr. Bharat Jain Tatia is appointed as an additional director of the Company with effect from 31/07/2014, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has received declarations from the appointee independent directors, that they meet the criteria of independence, as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under the said clause 49. In accordance with the provisions of section 149(4) and section 152 (5) of the Companies Act, 2013, Mr. Subbarayan Ekambaram and Ms. Hemamalini are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

Mr. Pananlal Tatia Jain Sampathlal, Director of the Company retires by rotation and being eligible, offers himself for reappointment, in accordance with the requirements of Companies Act, 2013.

6. Directors' Responsibility Statement

Pursuant to the provisions of Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) and guidelines issued by SEBI, and based on the representations received from the operating management, the Directors hereby confirm that:

- (i) in the preparation of the financial statements for the year 2013-14, the applicable Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (to the extent notified) and Companies Act, 1956 (to the extent applicable). They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the Annual Accounts on a going concern basis.

7. Auditors

The Auditors, M/s. K. Subramanyam & Co., Chartered Accountants, Chennai hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. K. Subramanyam & Co., that their appointment, if made, would be in conformity with the limits specified in the said section.

8. Depository System

As the members are aware, your Company's shares are tradable in electronic form and the Company has established connectivity with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the advantages of the Depository System, the members are requested to avail of the facility of dematerialization of the Company's shares.

9. Particulars of Employees

Particulars of the employees of the Company who were in receipt of remuneration, which in aggregate exceeded the limits fixed under Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules 1975 is not applicable to the company for the year.

10. Particulars as required under section 217 (1) (e) of the Companies act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, Conservation of Energy.

The Company had taken steps to conserve energy in its office use, consequent to which energy consumption has been minimized. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption:-

The company has not adopted / intends to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

Foreign Exchange Inflow & Outgo:-

Foreign Exchange inflow during the year: - Nil

Foreign Exchange outgo during the year: - Nil

11. Management Discussion & Analysis Report

The Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreements is presented in a separate section forming part of the Directors Report as **Annexure A**

12. Corporate Governance

The Corporate Governance report as set out in **Annexure B** hereto form an integral part of this report. A Certificate from a Practicing Company Secretary, certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is also annexed to the report on Corporate Governance.

13. Buy Back of Shares

The company has not bought back any shares during the year.

14. Acknowledgement

Your Directors would like to express their grateful appreciation for assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed and dedicated services of the workers, staff, and officers of the Company.

BY THE ORDER OF THE BOARD
FOR KREON FINANCIAL SERVICES LIMITED

sd/-

S. Pannalal Tatia
CHAIRMAN

Din. No. 01208913

PLACE: Chennai
DATE : 01.09.2014

**ANNEXURE 'A' TO THE DIRECTOR'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Industry Structure 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 currently operating in the finance, investment, dealing in securities activity and it anticipates there appears to be huge potential for growth.

Opportunities, Threats, Risks and Concerns

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

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

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

Segmentwise / productwise performance

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

OUTLOOK

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

Financial Performance

The Company foresee a better business prospects in the year 2014.

Internal Control System and Adequacy

The Company has adequate system of internal control in place. This is to ensure that assets are safeguarded and all transactions are authorized, recorded and correctly reported. The top management and the Audit Committee of the Board review the findings and recommend to the Board improvement on the same.

Cautionary Statement

This Report is based on the current situation, past experience and information available to the Company about its various businesses and assumptions regarding economic and industrial scenario, Governmental and other regulatory policies. The Performance of the Company is, to a great extent, dependent on these factors. The future performance may be materially influenced by the changes in any of these factors, which are beyond the control of the Company and may affect the views expressed in or perceived from this Report. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.

ANNEXURE “B” TO DIRECTORS’ REPORT**REPORT ON CORPORATE GOVERNANCE****1. A BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company right from its inception has been committed to the highest standards of Corporate Governance Practices and to attain the highest levels of transparency, accountability and equity in all facets of its operations.

The main aim of the concept of Corporate Governance is to create a balance which would result in long term value additions to the Investments of Shareholders while catering to the interests of employees, customers, suppliers, Government and public at large, which covers in its ambit the concept of Social responsibility of Corporates also.

The Company’s philosophy/objective on Corporate Governance is to comply with the laws of the land, enhance the earnings per share and ensure discipline, transparency and accountability. The Management of the Company believes that the corporate performance in the long run is co-related to Corporate Governance and that well governed Companies mitigate ‘Non –business risks’ better. The Company endeavors to adopt the best practices in Corporate Governance and thereby aims to increase the value for all its stakeholders.

2. BOARD OF DIRECTORS:**A. Composition of Board**

The Board is comprised of appropriate mix of a Executive, Non-Executive and Independent Directors maintaining the Independence of the Board. The Board presently consists of 4 members comprising of the 1 Executive Director, and 3 Non-Executive Directors cum Independent Directors.

Shri. S.Pannalal Tatia	- Chairman cum Executive Director
Shri. E. Subbarayan	- Non Executive Director
Shri. Rajesh Jain	- Non Executive Director
Smt. Hemamalini	- Non Executive Director

Table 1: Composition of Board of Directors

Sl. No	Name(s) of Director (s)	Executive / Non-executive/ Independent	Other Directorships* as on 31st March 2014	Number of Committee Membership** in other Companies as on 31st March 2014	Number of Committee Chairmanship** in other Companies as on 31st March 2014
1	Sri. S. Pannalal Tatia -Chairman cum Executive Director	PD & ED	16	3	NIL
2	Sri. E. Subbarayan -Director	NED & ID	4	1	1
3	Ms. C. Hemamalini – Director	NED & ID	4	NIL	NIL
4	Mr. Rajesh Jain - Director	NED & ID	2	1	1

* Includes Private Limited companies, Foreign companies and Alternate Directorships.

** Chairmanships/ Memberships in Audit Committee, Share Transfer cum Investor Relation Committee and Remuneration Committee are reckoned for this purpose.

DIRECTORS' PROFILE:-**Brief Resume of all the Directors are given below:**

Shri S Pannalal Tatia, Chairman & Executive Director - A Fellow Chartered Accountant, He started his career in 1974 with Chartered Accountancy as profession and later cultivated his professionalism to get molded in to corporate expert by being in to manufacturing industry, Financial sector and Project based sectors and gained rich experience in advising and structuring financial closures.

Shri.E.Subbarayan, Director (Non-Executive) - A Bachelor in Science Graduate from Madras University has vast experience in to operational exercise in to turnkey projects.

Shri. Rajesh Jain, Director (Non-Executive) - A Bachelor in Commerce Graduate from Madras University has vast experienced in to operational exercise in to turnkey projects and account.

Smt. Hemamalini, Director Non-Executive) – A Bachelor in Commerce with 7 year experience in Accounts & Finance and in secretarial department

Table 2: Attendance of Directors at Board Meetings and at Annual General Meeting

Name of the Director	Category	Attendance		
		Board Meetings*		Last AGM (Yes/ No)
		Held	Attended	
Sri. S. Pannalal Tatia	Chairman cum Executive Director	6	6	Yes
Sri. E. Subbarayan	Non-Executive Independent Director	6	6	Yes
Ms. C. Hemamalini	Non-Executive Independent Director	6	6	Yes
Shri. Rajesh Jain	Non-Executive Independent Director	6	6	Yes

The attendance particulars at the Board meetings and Annual General Meeting are as follows:

(i) The Board has met 6 (six) times during the Financial year 2013-14 and the gap between two meetings did not exceed four months. The said Meetings were held on 31st May, 2013, 31st July, 2013, 9th August, 2013, 30th September, 2013, 31st October, 2013, and 31st January, 2014. The necessary quorum was present for all the meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

B. BOARD PROCEDURE

The Company has convened **(Six) 6** Board Meetings during the Financial Year **2013-2014**. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any were sent to the Directors about one week to ten days before the Meeting. The Director would give an overview of the performance of the Industry, in general and the Company, in particular.

The Board of Directors generally reviewed the following:

- Ø Annual operating plans
- Ø Compliance with statutory and legal requirements.
- Ø Adoption of quarterly un-audited financial results.
- Ø Funding requirements and patterns of the Company.
- Ø Transaction of Capital nature.
- Ø Proceedings of the Committee Meetings.

C. REMUNERATION TO DIRECTORS

The Company is not paying Remuneration to Managerial Personnel during this year 1st April 2013 to 31st March 2014.

1. AUDIT COMMITTEE

The Audit Committee plays an important role in overseeing the internal control and the financial reporting system of the Company. The Company has an independent audit committee constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three members of the Board, with the composition of Executive and Non-Executive-Independent Directors. They are Shri.E.Subbarayan as its Chairman, Shri.S Pannalal Jain Tatia and Smt.Hemamalini are members. All the members of the Committee have excellent financial and accounting knowledge.

The Committee had held four Meetings during the financial year **2013 - 2014** on **30.05.2013, 31.07.2013, 31.10.2013, 31.01.2014** and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Table 3: Attendance record of Audit Committee

Sl. No	Name	Category	Status	Meetings Held	Meetings Attended
1	Sri. E. Subbarayan	Independent	Chairman	4	4
2	Sri. S. Pannalal Tatia	Promoter & Executive Director	Member	4	4
3	Ms. C. Hemamalini	Independent	Member	4	4

The necessary quorum was present at the meeting. Mr.E.Subbarayan is Chairman of Audit Committee. The Audit Committee acts in accordance with the terms of reference specified by the Board. The representatives of the Statutory Auditors attended the audit committee meetings.

The Terms of reference of the Audit committee, broadly, are as under:

- To review the quarterly, half yearly and Annual financial results of the Company before submission to the Board
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.
- To review the accounting and financial policies and practices.
- To review the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.

- To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow – up action is taken.
- To examine the accountancy, taxation and disclosure aspects of all the significant transactions.

3. REMUNERATION COMMITTEE

The committee consists of **3 (THREE)** Non-Executive Directors who are all Independent Directors. They are Smt. Hemamalini as its Chairman, Shri. E.Subbarayan and Shri. Rajesh Jain are members . The Committee has not met during the financial year 2013-14.

Terms of reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

The role of the Remuneration Committee is

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
- To recommend to the Board the appointment and removal of such identified persons
- To carry out evaluation of every director's performance
- To formulate the criteria for determining qualifications, positive attribute, and independence of director
- To formulate a policy relating to remuneration for directors, key managerial personnel and other employees.

The Company not pays remuneration by way of salary and perquisites to its Executive Directors. The Non-executive Directors are not paid any remuneration including sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors during the Financial Year 2013-2014.

2. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has a Shareholders'/Investors' Grievance Committee of the Board of Directors to look into the redressal of complaints of shareholders'/investors' such as transfer or credit of shares, non-receipt of dividend/ notices/annual reports, etc.

The Shareholders'/Investors' Grievance Committee comprises of three members of the Board, namely Shri. E. Subbarayan as its Chairman, Ms. Hemamalini, and Shri. Rajesh Jain, two of whom are Non-Executive and Independent Directors.

During the year, 12 (Twelve) meetings of the Committee were held on 30.04.2013, 30.05.2013, 29.6.2013, 31.07.2013, 31.08.2013, 30.09.2013, 31.10.2013, 30.11.2013, 31.12.2013, 31.01.2014, 28.02.2014 and 30.03.2014.

Table 4: Attendance record of the Shareholders'/Investors' Grievance Committee

Sl. No	Name	Category	Status	Meetings Held	Meetings Attended
1	Sri. E. Subbarayan	Independent	Chairman	12	12
2	Sri. Rajesh Jain	Independent	Member	12	12
3	Ms. C. Hemamalini	Independent	Member	12	12

This Committee is also performing the functions of catering to the Shareholder grievances. The Details of Request / Complaints received during the year 2013-14.

Table 5: Details of Request / Complaints received during the year

Name of Request	Received	Attended	Pending
Change of Address	NIL	NIL	NIL
Bank Mandate	NIL	NIL	NIL
Consolidate Share Certificate	NIL	NIL	NIL
Duplicate Share Certificate	1	1	NIL
Splitting of share	NIL	NIL	NIL
Transfer(Physical)	9	9	NIL
Transmission	NIL	NIL	NIL
Dematerialisation	21	21	NIL
Rematerialisation	1	1	NIL
Complaints	6	6	NIL

Name, Designation and Address of Compliance Officer:

Shri S. Pannalal Jain Tatia , Executive Director
No. 12 Mookathal Street, Purasawalkam, Chennai- 600007.

Investors' Grievance Redressal

No of Complaints received from Shareholders from **01.04.2013 – 31.03.2014** - 6

No. Not solved to the satisfaction of shareholders as on **31.03.2014** - NIL

No of Pending Share Transfers as on **31.03.2014** - NIL

5. GENERAL BODY MEETINGS

The Date, location and time of the General Meetings of the Company held during last three years is given below

Table 6: Date, time and venue of the last three AGMs

Year	Date	Time	Venue	No. of Special Resolution passed	Type of Meeting Resolution passed
2012-13	30.09.2013	10.00 A.M	SAMUDHAYAKUDAM HALL, Morai, Chennai – 600 055	NIL	AGM
2011-12	27.09.2012	10.00 A.M	SAMUDHAYAKUDAM HALL, Morai, Chennai – 600 055	One	AGM
2010-11	30.09.2011	10.00 A. M	SAMUGHANALAKUDAM, Vallanur, Ambattur, Chennai – 600 062	NIL	AGM

At the Annual General Meeting of the Company held on 30th September, 2011, No special resolution was passed in the AGM.

At the Annual General Meeting of the Company held on 27th September, 2012, the following 1 (One) Special Resolutions were passed with requisite majority for Mr. Rajesh Jain was appointed as a Director.

At the Annual General Meeting of the Company held on 30th September, 2013, No special resolution was passed in the AGM.

Extra-Ordinary General Meeting:

There was no Extra-Ordinary General Meeting of the Company held during the year.

Postal Ballot

There were no circumstances necessitating the Company to seek the approval of its members through a Postal Ballot as required under the provisions of Section 192A of the Companies Act, 1956.

6. DISCLOSURES

i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

ii) Company has complied with all requirements of the listing agreement entered with Stock Exchanges as well as regulation and guidelines of SEBI. Other than the above as mentioned, there has been no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years.

iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements with the Stock Exchanges

A. The Board : No separate office is maintained and chairman is Executive.

B. Whistle-Blower Policy Company has established Whistle Blower Policy and no personnel is denied the access to the Audit Committee.

C. Shareholders Communications: The Company's quarterly (unaudited), half yearly (unaudited) an annual (audited) results are available on BSE website at www.bseindia.com, which is accessible to all. The results are also published in English newspaper and in Tamil newspapers having a wide circulation.

D. Training of Board Members: The Company's Board of Directors consists of professionals with expertise in their respective field and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshop and seminars to keep themselves abreast with the changing business environment

E. Mechanism for evaluating Non-Executive Board Members: The Company has adopted a policy for evaluation of Non-Executive Board members based on primarily of attendance and a few other factors including contribution at the Board Meeting and at Meeting of the Audit Committee of the Board.

iv) Code of Conduct

The Board of Company has laid down a code of conduct for all the Board Members and the Senior Management personnel. All the Board Members and Senior Management personnel comply the code of conduct. A declaration have been made to give effect to the code signed by the Executive Director.

v) CEO Certification

As required under the Clause 49 of the Listing Agreement a certificate duly signed by Mr.S. Pannalal Tatia, Chairman cum Executive Director and of the Company was placed at the meeting of the Board of Directors.

7. MEANS OF COMMUNICATION

I. The quarterly results and audited results for the financial year **2013-2014** as per the requirement of Clause 41 of the Listing Agreement are published within 48 hours in two newspapers, one in English daily **Trinity Mirror** and one in Regional (Tamil) Language **Makkal Kural**.

II. The quarterly results, shareholding pattern and other mandatory information are available at the website of Bombay Stock Exchange Ltd, i.e. www.bseindia.com.

8. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date : 29th September 2014

Time : 11.00 A.

Venue : Samudhaya Nala Koodam, Vallanur, Ambattur, Chennai – 600062

Financial Calendar:

Financial Year : 1st April 2013 to 31st March 2014

For the year ended 31st March 2014, results were announced on

First Quarter	: 31.07.2013
Half Year	: 31.10.2013
Third Quarter	: 31.01.2014
Annual	: 30.05.2014

For the year ending 31st March, 2015 results will be announced as follows

Unaudited Financial Results:

First Quarter ending 30th June' 2014	: on or Before 15.08.2014
Half Year ending 30th Sept'2014	: on or Before 15.11.2014
Third Quarter ending 31st Dec' 2014	: on or Before 15.02.2015
Annual	: on or Before 30.05.2015

(ii) Date of Book Closure/Record Date

The Register of Member and Share Transfer Books shall be closed for a period of Seven days starting 20/09/2014 to 29/09/2014 (Inclusive of Both Days).

(iii) Listing on Stock Exchanges

At present, the Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and . Madras Stock Exchange Ltd. The annual listing for the financial year 2014-15 has been paid.

(iv) Stock Code

a) Bombay Stock Exchange Limited

Stock Code: 530139 (For Equity Shares of the Company)

b) Madras Stock Exchange Limited
Stock Code: TATIAFIN (For Equity Shares of the Company)

c) DEMAT ISIN in NSDL and CDSL for equity shares is INE302CO1018.

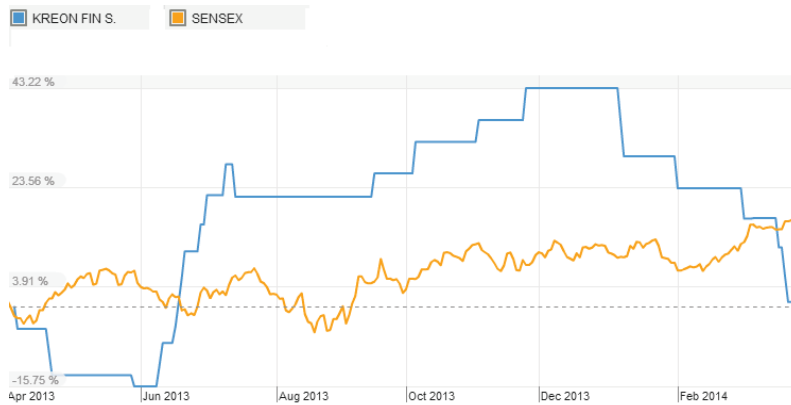
(v). Market Price Data

Bombay Stock Exchange: High and Low quotations of the Company's shares during the period from 1st April 2013 to 31st March 2014:

Table 7: Market Price Data

Year	Month	High (Rs.)	Low (Rs.)	Monthly close
2013	April	12.45	10.26	10.26
2013	May	10.0	10.0	10.0
2013	June	13.8	10.5	13.8
2013	July	15.21	14.45	14.45
2013	August	14.45	14.45	14.45
2013	September	15.0	15.0	15.0
2013	October	15.74	15.74	15.74
2013	November	17.0	16.25	17.0
2013	December	17.0	17.0	17.0
2014	January	16.2	15.4	15.4
2014	February	14.65	14.65	14.65
2014	March	13.95	11.98	11.98

vi) Performance in comparison to BSE sensex



(vii) . Registrar and Share Transfer Agents

M/s. Purva Sharegistry India Private Limited
Unit. No. 9, Shiv Shakthi Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai – 400 001.
Phone: 022 - 2301 6761, 2301 8261
Fax: 022 - 2301 2517, Email: busicomp@vsnl.com

(viii). Share Transfer System

Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt, if the documents are in order in all respects. Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

(ix). Distribution of Shareholding:

The Distribution of Shareholding as at 31st March, 2014

Total Authorised Value Rs. 20,00,00,000 Nominal value of each share Rs.10/-

Total Paid – up Value Rs. 10,06,10,000 Paid up value per share is Rs.10/-

Total number of shares- 1,00,61,000 Distinctive Nos. 0000001 to 1,00,61,000

Table 8: Distribution of Shareholding

Share holding of nominal value of Rs. 1	Shareholders		Shareholding	
	Number 2	% to Total Nos. 3	In. Rs. 4	% to Total Amount 5
Upto – 5000	2060	73.81	4196230	4.17
5001 -10000	337	12.33	2837790	2.82
10001-20000	187	6.84	2908910	2.89
20001-30000	65	2.38	1659310	1.65
30001-40000	28	1.02	984210	0.98
40001-50000	23	0.84	1087890	1.08
50001-100000	37	1.35	2607630	2.59
100001 and above	39	1.43	84328030	83.82
Total	2778	100.00	100610000	100.00

(x). Dematerialization of Equity Shares and Liquidity

DEMAT ISIN in NSDL and CDSL for equity shares is INE302CO1018. Authorised Capital of Rs.20,00,00,000/- comprising of into 2,00,00,000 Equity shares of Rs.10/- each. Paid up Capital of the Company as on 31st March 2014 is Rs.10,06,10,000/- comprising of 1,00,61,000 Equity shares of Rs.10/- each. Out of the above shares 25,50,900 Equity shares representing 25.35% are held physically and balance 75,10,100 Equity shares representing 74.65% is held in dematerialized form.

(xi). Outstanding GDR / FCCB / Warrants

The company at no point of time has issued GDR, FCCB, till date.

(xii). Plant Location

The Company is engaged in financial business which is carried out at the registered office Address of the company situated at No.81 B Ambattur Industrial Estate, 2nd Main Road , Chennai – 600 058.

(xiii) . Address for Correspondence

The Registered Office of the Company is situated at following address. Further all correspondence with the Company can be done at following address, addressing to

M/s. Kreon Financial Services Limited

No 81 B, Second Main Road, Ambattur Industrial Estate, Chennai – 600 058.

Ph: 044 - 42138702, Fax: 044 – 43084750, Email: tatia@vsnl.com, Website: www.kreon.in

M/s. Purva Sharegistry India Private Limited
Unit. No. 9, Shiv Shakthi Industrial Estate, J.R. Boricha Marg, Lower Parel (E),
Mumbai – 400 001.
Phone: 022 - 2301 6761, 2301 8261, Fax: 022 - 2301 2517 Email: busicomp@vsnl.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted the Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the financial year ended 31st March 2014 received from the Management Personnel of the Company and the Members of the Board a declaration of Compliance with the code of conduct as applicable to them.

**By order of the Board of Directors
For KREON FINANCIAL SERVICES LIMITED**

Sd/-
S. PANNALAL TATIA
CHAIRMAN
DIN.No. 01208913

Place: Chennai
Date: 01.09.2014

AUDITOR'S CERTIFICATE

To,
The members of
KREON FINANCIAL SERVICES LIMITED

I have examined the compliance of conditions of Corporate Governance by Kreon Financial Services Limited for the period from 1st April 2013 to 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the company, as per the record maintained by the share transfer cum investor relation committee of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**K SUBRAMANYAM & CO.,
CHARTERED ACCOUNTANTS,**

Sd/-
K SUBRAMANYAM
PROPRIETOR
M.No.023663
Firm Regn No.004146S

Place : Chennai
Date : 30.05.2014

**CERTIFICATE BY EXECUTIVE DIRECTOR
(Under Clause 49(V) of Listing Agreement)**

I, **S.Pannalal Tatia Chairman cum Executive Director** of Kreon Finaancial Services Limited, certify that –

(a) I had reviewed financial statements and the cash flow statement for the year ended **31.03.2014** and that to the best of their knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I had evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I had disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit committee

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**By order of the Board of Directors
For KREON FINANCIAL SERVICES LIMITED**

Sd/-
S. PANNALAL TATIA
CHAIRMAN
DIN.No. 01208913

Place: Chennai
Date: 01.09.2014

XV. Shareholding pattern as at 31st March 2014

Statement Showing Shareholding Pattern

Name of the Company : KREON FINANCIAL SERVICES LTD., Script Code : 530139 Quarter Ended : 31.03.2014					Total shareholding as a percentage of total number of shares*	
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	As a percentage of(A+B) ¹	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	4	1678419	1678419	16.68	13.75
(b)	Central Government/ State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	2	3402700	2450000	33.82	33.82
(d)	Financial Institutions/ Banks	0	0	0	0	0
(e)	Any Others(Specify)					
	Sub Total(A)(1)	6	5081119	4128419	50.50	50.50
2	Foreign	0	0	0	0.00	0.00
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	5081119	4128419	50.50	50.50
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00
B 2	Non-institutions					
(a)	Bodies Corporate	55	2458865	2377165	24.44	24.44
(b)	Individuals					
I	Individuals -i. Individual share holders holding nominal share capital up to Rs 1 lakh	2676	1823131	499831	18.12	18.12
I	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	25	646379	465379	6.42	6.42
(c)	Any Other (specify)					
(c-i)	HUF	16	51506	51506	0.51	0.51
	Sub-Total (B)(2)	2772	4979881	3393881	49.50	49.50
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2772	4979881	3393881	49.50	49.50
	TOTAL (A)+(B)	2778	10061000	7522300	100	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	2778	10061000	7522300	100	100

* Shares pledged or otherwise encumbered is "NIL"

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of **M/s. KREON FINANCIAL SERVICES LIMITED** (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, I report that:

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- b. In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In my opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**for K. Subramanyam & Co.,
Chartered Accountants.,
sd/-**

**K. Subramanyam
Proprietor**

**Membership No. 023663
Firm Regn. No. 004146S**

**Place:Chennai
Date: 30.05.2014**

**ANNEXURE REFERRED TO IN PARAGARAPH REPORT ON OTHER LEGAL AND REGULATORY
REQUIREMENTS OF OUR REPORT OF EVEN DATE
RE: M/s. KREON FINANCIAL SERVICES LIMITED**

(I) In respect of its fixed assets:

(a) The company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.

(b) The company has physically verified certain assets during the year in accordance with a programme of verification, which in my opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information & explanation given to me no material discrepancies were noticed on such verification.

(II) In respect of its inventories:

There are no inventories in the Company during the year.

(III) (a) The company has given loan as under to the companies covered in the register maintained under section 301 of the Act 1956.

S.no	Name	Out Standing Amount Rs.	Interest Amount Rs.	Closing Balance Rs.
1.	Tatia Global Vennture Ltd	1700000	16767	NIL

(b) The terms and conditions, as to the repayments, interest thereon are not prejudicial to the interest of the company. There are no overdue amounts outstanding.

(IV) In my opinion and according to the information and explanation given to me, there are adequate Internal control procedures commensurate with the size of the company and nature of its business.

(V) In my opinion and according to the information and explanation given to me, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301, exceeding the value of Rs 5 lakhs, in respect of any party during the year.

(VI) The company has not accepted any deposits from the public during the period under review.

(VII) In my opinion, the company has adequate internal audit system commensurate with the size of business.

(VIII) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1) (d) of the Act.

(IX) The company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities. According to the information and explanation given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, at the yearend for a period of more than six months from the date they became payable.

(X) The Company has made cash profit of Rs 5.57 lakhs during the year. The company has accumulated losses during the year of Rs. 51.16 lakhs

(XI) Based on my audit procedures and on the information and explanation given by the management, I am of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(XII) According to the information and explanations given to me, the company has given any loans and advances on the basis of security by way of Pronotes, post dated instruments, pledge of shares, debentures and other securities. The loans advanced are subject to confirmation.

(XIII) In my opinion the company is not a chit fund or nidhi/mutual benefit fund/society. therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(XIV) In my opinion the company is dealing in or trading in shares, securities, debentures and other investments. Accordingly, the company has complied with provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003.

(XV) According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from bank or financial institutions.

(XVI) There were no term loans obtained by the company during the year.

(XVII) According to the cash flow statement and other records examined by me and the information and explanations given to me, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa, other than temporary deployment pending application.

(XVIII) The Company has not made any preferential allotment during the year nor does the company have any outstanding debentures during the year.

(XIX) The company has not issued any debentures and no securities and charges are required to be created.

(XX) The company has not raised any money by public issue during the year.

(XXI) To the best of my knowledge and belief and according to the information explanation given to me, no fraud on or by the company was noticed or reported during the year.

**for K. Subramanyam & Co.,
Chartered Accountants.,
sd/-**

**K. Subramanyam
Proprietor**

**Membership No. 023663
Firm Regn. No. 004146S**

**Place:Chennai
Date: 30.05.2014**

M/S. KREON FINANCIAL SERVICES LIMITED**Balance Sheet as at 31st March, 2014**

Particulars	Note No	Figures for the current reporting period 31/03/2014	Figures for the previous reporting period 31/03/2013
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	100610000	100610000
(b) Reserves and Surplus	2	24047864	23350846
(c) Money received against share warrants		-	
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		97,600	97600
(c) Other Long term liabilities	3	523130	2175116
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	4	204000	3929351
(c) Other current liabilities		-	-
(d) Short-term provisions	5	15000	15,000
Total		125497594	130177913
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	6	12513	34933
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	26014286	50777888
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	91651471	51117814
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	9	4040184	26163441
(d) Cash and cash equivalents	10	2144486	761103
(e) Short-term loans and advances		-	-
(f) Other current assets	11	1634654	1322734
Total		125497594	130177913

Notes Annexed to Forming Part of Accounts 17

As per my report of even date

for K SUBRAMANYAM & CO.,

Sd/-

K SUBRAMANYAM

Proprietor

Membership No. 023663

Firm Regn.No. 004146S

Place: Chennai

Dated: 30/05/2014

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

Sd/-

S. PANNALAL TATIA

Chairman Cum Executive Director

DIN.No. 01208913

Sd/-

E SUBBARAYAN

Director

DIN.No. 01186153

M/S. KREON FINANCIAL SERVICES LIMITED

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	Figures for the	Figures for the
		current reporting period 31/03/2014	previous reporting period 31/03/2013
		Rs.	Rs.
I. Revenue from operations	12	7864188	130507552
II. Other Income		-	-
III. Total Revenue (I + II)		7864188	130507552
IV. <u>Expenses:</u>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	125130407
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	13	462802	1109667
Financial costs	14	5350	457713
Depreciation and amortization expense	15	6738	319992
Other expenses	16	6692281	1309523
Total Expenses		7167170	128327302
V. Profit before exceptional and extraordinary items and tax (III - IV)		697018	2180250
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		697018	2180250
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		697018	2180250
X. Tax expense:			
(1) Current tax		-	-
(2) Short Provision for Previous year		-	-
(2) Deferred tax		-	(6,270)
		697018	2186520
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		697018	2186520
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Statutory Reserves		139404	437304
XV. Profit/(Loss) for the period (XI + XIV)		557614	1749216
XVI. Earning per equity share:			
(1) Basic		0.06	0.17
(2) Diluted		0.06	0.17

As per my report of even date

for K SUBRAMANYAM & CO.,

Sd/-

K SUBRAMANYAM

Proprietor

Membership No. 023663

Firm Regn.No. 004146S

Place: Chennai

Dated: 30/05/2014

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

Sd/-

S. PANNALAL TATIA

Chairman Cum Executive Director

DIN.No. 01208913

Sd/-

E SUBBARAYAN

Director

DIN.No. 01186153

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2014

	31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and extraordinary items	697018	2076816
Adjustments for :		
Add : Miscellaneous Expenditure w/off	6738	397600
Add : Depreciation	-	23192
Add : Tax provision	-	-
Less; Deferred tax Adjustments	-	(11696)
Less: Statutory Provision	-	123279
Less : Misc. Expenses during the year	-	-
	<u>703755</u>	<u>2386021</u>
Operating Profit before working Capital Changes		
Adjustments for		
Less : Increase in Current Assets	18722320	3650060
Add : Increase in current Liabilities	-	-
Add : Decrease in Current Assets	-	-
Less : Decrease in current Liabilities	(5377337)	18512598
Cash Flow From Operating activities(A)	(A) <u>(23395902)</u>	<u>(19776637)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments during the year	24763603	(12638361)
Cash Flow From Investment Activities (B)	(B) <u>24763603</u>	<u>(12638361)</u>
C. CASH FLOW FROM FINANCE ACTIVITIES		
Cash Flow From finance Activities (C)	(C) 15682	32638126
Increase / (Decrease) in cash and cash equivalent (A+B+C)	<u>1383383</u>	<u>223128</u>
Cash and cash Equivalents as on 31.03.2013	761103	537975
Cash and cash Equivalents as on 31.03.2014	<u>2144486</u>	<u>761103</u>
Net Increase/(Decrease) in Cash Balances	<u>1383383</u>	<u>223128</u>

I have examined the above Cash Flow Statement of M/s. Kreon Financial services Ltd for the year ended March 31st 2014. 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 2014 to the members of the company.

for K. Subramanyam & Co.,
Chartered Accountants.,
sd/-
K. Subramanyam
Proprietor
Membership No. 023663
Firm Regn. No. 004146S

Place: Chennai
Date: 30.05.2014

Note No	Schedules forming Part of Accounts	Figures for the current reporting period		Figures for the previous reporting period	
1	2	3		4	
	No. of Shares	31/03/2014	31/03/2013	Rs.	Rs.
1	Share Capital				
	Equity Share Capital				
	Authorised Share capital	20000000	<u>200000000</u>	<u>200000000</u>	
	Issued, subscribed & fully paid share capital				
	10061000 Equity Shares of Rs.10/-each	10061000	100610000	50165000	
	Less: Calls in Arrears		-	-	
	(From Directors-Nil)		-	-	
	Note:50,44,500 Equity Shares allotted on 6.7.2013 @Rs. 10 Each				
	Total		<u>100610000</u>	<u>50165000</u>	
A	Details of Share Holders Holding More Than 5% of the Company	No. of Shares	%	No. of Shares	%
		31.3.2014		31.3.2013	
1	Tatia Global Vennture Ltd	2450000	24.35	2450000	24.35
2	Subh Labh Infrastructure Pvt Ltd	1759500	17.49	2094500	20.82
3	Jaijash Tatia	623300	6.20	623300	6.20
4	Chandrakantha Tatia	504800	5.47	504,800	5.47
5	Ashram Online.Com Ltd	952700	9.47	952700	9.47
	Total	<u>6840519</u>	<u>67.99</u>	<u>6840519</u>	<u>67.99</u>
2	Reserves and Surplus				
	Capital Reserves			27097500	27097500
	Securities Premium Reserves			-	-
	Other Statutory Reserve / fund			1927038	1509336
	Add: During The Year			139404	417702
	Total A			<u>29163942</u>	<u>29024538</u>
	General Reserve				
	Profit & Loss Account (opening blance)			(5673692)	(7221219)
	Add/Less: Profit/Loss for the current year			557614	1670806
	Less: Allocation / Appropriations			-	123279
	Total B			<u>(5116078)</u>	<u>(5673692)</u>
	Grand Total A + B			<u>24047864</u>	<u>23350846</u>
3	Non - Current Libalities				
	Other Long Term Libalities				
	Secured				
	Other Long Term Liabilities			-	-
	Unsecured				
	Provison for Liabilities			-	1679399
	Provision for Standard Assets			489129	489129
	Salary Payable			34000	-
	TDS Payable			-	6588
	Total			<u>523129</u>	<u>2175116</u>

Note No	Schedules forming Part of Accounts	Figures for the	Figures for the
		current reporting period	previous reporting period
		31/03/2014	31/03/2013
		Rs.	Rs.
4	Current Liabilities		
	Trade Payable		
	Secured	-	-
	Unsecured	204000	3929351
	Total	204000	3929351
5	Short-term provisions		
	Provision for Income tax	-	-
	Audit fees	15,000	15,000
	Total	15,000	15,000
6	Tangible Assets		
	Land/ Building/ Plant & Equipment/ Furniture & fixtures/ Vehicles/ Office Equipment/ Others (individually)		
	Gross Block:		
	Opening Balance	3,44,589	344589
	Other Adjustments	19250	-
	Sub total	363839	344589
	Less: Disposals	34932	-
	Gross Block at year end (a)	328907	344589
	Less: Depreciation		
	Opening Depreciation	309657	286465
	Depreciation for the year	6737	23192
	Total accumulated depreciation (b)	316394	309657
	Net Block (A-B)	12513	34932
8	Long Term Loans and Advances		
	Unsecured considered good	-	-
	Loans & Advances to Related Parties	-	-
	Other loans and advances (Considered Good)	91651471	51117814
	Total	91651471	51117814
9	Trade receivables		
	Unsecured (Considered Good)	4040184	26163441
	Total	4040184	26163441
10	Cash and cash equivalents		
	Balances with banks	1399569	12537
	Cash on hand	744917	748566
	Others	-	-
	Total	2144486	761103

Note : 7 Non - Current Investments	31.03.2014			31.03.2013		
	i.Quoted	Qty	Cost Rs.	Market Value Rs.	Qty	Cost Rs.
Appolo Hospital Ltd	20	4,093	18,318	20	4,093	16,660
Arihant foundation ltd	11	443	244	11	443	492
Beckon Inds Ltd	500	4,440	225	500	4,440	185
BGR energy Ltd	1	746	132	1	746	192
Cals Refineries Ltd	150,000	66,000	13,500	1,50,000	66,000	16,500
Cera Sanitarwar	2	268	1,781	2	268	887
CNI Research Ltd	1,000	16,570	1,990	1,000	16,570	2,950
Dabar Indi Ltd	200	8,808	35,910	200	8,808	27,410
DLF Limited	11	1,987	1,943	11	1,987	2,581
GMR Infrastructure Ltd	10	583	220	10	583	216
Gokul Refoil Ltd	1	56	13	1	56	19
GVK Power & Infrstructure Ltd	10	447	110	10	447	92
IFICI Ltd	14,639	406,662	4,03,560	14,639	4,06,662	3,82,078
Jain Granites & Project India Ltd	1,470	14,700	14,700	1,470	14,700	14,700
J I K Industries Ltd	210	3,409	183	210	3,409	214
Karturi Global Ltd	1,110	9,325	1,743	1,110	9,325	3,452
King fisher Airline ltd	24,200	213,928	53,724	24,200	2,13,928	1,93,116
Kohinoor Food ltd	10	908	433	10	908	228
K.S.oil	1,000	10,110	1,230	1,000	10,110	2,170
Lovable Lingerie Ltd	10	3,843	3,463	10	3,843	2,452
Marg Ltd	10	1,529	65	10	1,529	193
Medione global Entertainment Ltd	1	90	45.25	1	90	32
MRF Ltd	1	7,204	21,739	1	7,204	11,993
Munoth Financial Ltd	100	821	1,046	100	821	1,128
ONGC Ltd	40	6,368	12,960	40	6,368	12,446
Power Soft Ltd	400	3,964	1,140	400	3,964	500
Page Insutries Ltd	10	3,383	64,827	10	3,383	33,224
Reliance Com Ltd	10	1,642	1,289	10	1,642	552
Reliance Industries Ltd	1	869	929.50	-	-	-
Reliance power Ltd	25	6,466	1,759	25	6,466	1,539
Rupa & Company ltd	100	14,149	22,000	100	14,149	16,555
Rural Electrification Ltd	3	628	686	-	-	-
SBI Ltd	500	11,926	9,59,150	10	11,926	20,728
Sesa Goa Ltd	10	4,497	1,880	10	4,497	1,557
Shree Asthivinayak Ltd	100	1,396	47	100	1,396	119
Sonarji Jewellery Ltd	10,000	125,000	1,25,000	10,000	1,25,000	1,00,000
Spicejet ltd	3,600	31,333	50,940	3,600	31,333	95,940
Tata Investments Ltd	10	5,085	4,565	10	5,085	4,302
Tata Teleservices Ltd	113	1,190	837	100	1,190	790
Tatia Global Vennture Ltd	12,381,985	23,170,553	58,19,533	1,23,81,985	2,31,70,553	1,96,87,356
Timber Home Ltd	500	19,160	5565	500	19,159	1,26,000
TT Ltd	500	7,968	12,025	500	7,968	13,100
The Ramco Cements	500	29508	1,07,450	500	29,508	10,950
Vijayshanthi Builders Ltd	61,010	1,232,065	7,20,528	61,010	12,32,065	10,31,069
Total A	1,26,54,505	2,54,54,118	84,89,427	1,26,53,437	2,54,52,620	2,18,36,666

Note : 6	31.03.2014			31.03.2013		
	Qty	Cost Rs.	Market Value Rs.	Qty	Cost Rs.	Market Value Rs.
ii.Unquoted/Unlisted						
Krios Business Services Pvt Ltd.	-	-	-	10,000	1,65,000	1,50,000
Aran Kitchen World Pvt. Ltd	-	-	-	24,76,510	2,46,00,100	2,46,00,100
Total B	-	-	-	24,86,510	2,47,65,100	2,47,50,100
Share Application Money						
Bay organics Pvt ltd	10,000	100,000	100,000	10,000	100,000	100,000
Total C	10,000	100,000	100,000	10,000	100,000	100,000
iii) Bullion						
366.64 gms Bullion	-	460,168	9,08,534	-	460,168	598,356
Total D	-	460,168	9,08,534	-	460,168	598,356
Grand Total (A+B+C+D)	1,26,64,505	2,60,14,286	94,97,961	1,51,49,947	5,07,77,888	4,77,81,553

Note No	Schedules forming Part of Accounts	Figures for the current reporting period	Figures for the previous reporting period
		31/03/2014 Rs.	31/03/2013 Rs.
11	Other Current Assets		
	Karvy Comtrade Ltd.	25,000	25,000
	Salary Advance	12000	1000
	Income Refund	1552654	1296734
	Fixed Deposit	45000	-
	Total	<u>1634654</u>	<u>1322734</u>
12	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Share of products	-	-
	Sale of services	-	-
	Other operating revenues	7864188	5429433
	Less: Excise Duty	-	-
	Total	<u>7864188</u>	<u>5429433</u>
13	Employee Benefits Expense		
	Salaries and wages	462802	1109667
	Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
	Staff welfare expenses	-	-
	Total	<u>462802</u>	<u>1109667</u>
14	Finance Costs		
	Interest expenses	3250	452497
	Bank commission /Charges	2100	5216
	Total	<u>5350</u>	<u>457713</u>
15	Depreciation and Amortisation of Expenses		
	Depreciation of Tangible Assets	6738	23192
	Amortisation of Deferred Revenue Expenses	-	397600
	Total	<u>6738</u>	<u>420792</u>

Note No	Schedules forming Part of Accounts	Figures for the current reporting period	Figures for the previous reporting period
		31/03/2014 Rs.	31/03/2013 Rs.
16	Other Expenses		
	Advertisement	15534	17275
	AGM & Board meeting Expenses	2225	2100
	Audit Fees	15000	15,000
	Bad Debts	6298885	-
	CDSL Fees	33708	20980
	Consultancy Fees	1600	10300
	Filing Fees	1495	4310
	General Expenses	23271	116749
	Listing fees	44944	62048
	Loss on Sale of Shares	-	842476
	NSDL Fees	75610	27840
	Postage & Telegram	55201	23129
	Printing & Stationary	23645	33096
	Professional Fees	3090	75843
	Processing Fees	12419	-
	Rent, Rates & Taxes	30000	42593
	Trading Loss	-	54927
	Travelling & Conveyance Expenses	55654	15783
	Total	<u>6692281</u>	<u>1364449</u>

Note – 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2014

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 of the Companies Act, 1956.
2. Method of Accounting – The Company maintains its accounts on accrual basis.
3. The Accounting Standards recommended by The Institute of Chartered Accountants of India have been followed wherever applicable to the Company.

B. REVENUE RECOGNITION

In respect of income from financing, the Company has accounted on a accrual basis the interest due from the respective parties.

C. FIXED ASSETS, DEPRECIATION & IMPAIRMENT

1. The Fixed Assets are stated at cost of their acquisition less depreciation.
2. Depreciation is provided on fixed assets, on written down value method, as per the Income Tax Act, 1961.

D. VALUATION OF CLOSING STOCK

There are no inventories in the company

E. INVESTMENTS

Investments are classified as Long-term investments and current investment including the share application made by the company. Long-term investments are shown at cost. Current Investment have been valued at cost In case of both investments temporary diminution in the value has not been recognized.

F. RETIREMENT BENEFITS

Contribution of Provident fund, Gratuity and Leave encashment benefits wherever applicable is being accounted on actual liability basis as and when arises. However the above referred provisions are not applicable to the company as it does not have employees who have served minimum period to become eligible for retirement benefits.

G. TAX ON INCOME

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.

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) .

H.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 Rs. 0.06 as compared to the previous year of Rs. 0.17. The EPS reported is basic and diluted.

Schedules forming Part of Accounts		
Earnings Per Share		
The Following reflects the profit and share data used in the basic and diluted EPS Computations		
	31/03/2014	31/03/2013
	Rs	Rs
Total Operation for the year		
Profit / (Loss) after tax	557614	1749216
Less Dividends on convertible preference shares and tax thereon	-	-
Net Profit/ (Loss) for calculation of basic EPS	557614	1749216
Net Profit/ (Loss) as above	557614	1749216
Add : Dividends on convertible preference shares & tax thereon	-	-
Add : Interest on bonds convertible into equity shares (net of tax)	-	-
Net Profit/ (Loss) for calculation of diluted EPS	557614	1749216
Continuing Operations		
Profit / (Loss) after tax	557614	1749216
Less Dividends on convertible preference shares and tax thereon	-	-
Net Profit for calculation of basic EPS	557614	1749216
Net Profit as above	557614	1749216
Add : Dividends on convertible preference shares & tax thereon	-	-
Add : Interest on bonds convertible into equity shares (net of tax)	-	-
Net Profit/ (Loss) for calculation of diluted EPS	557614	1749216
Weighted average number of equity shares in calculating basic EPS	0.06	0.17
Effect of Dilution :		
Convertible Preference Shares	-	-
Convertible Bonds	-	-
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating basic EPS	0.06	0.17

I. RELATED PARTY DISCLOSURES

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

a. Investment in Group Companies			
S.no	Script Name	No.of Shares	Remarks
1	Tatia Global Vennture Ltd	12381985	Group Company

b. Loans				
S.no	Script Name	Amount	Interest Amount	Remarks
1.	Tatia Global Vennture Ltd	Rs. 1700000	Rs. 16767	Group Company

c. Current Account Transaction			
S.no	Script Name	Amount	Remarks
1.	S. Pannalal Tatia	Rs. 4937469	Director

J. IMPAIRMENT OF ASSETS

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

K. SEGMENTAL REPORTING

The company is engaged primarily in the business of financing and investments and accordingly there are no separate reportable segment as per the accounting standard 17 (Segmental Reporting) issue by the Institute of Chartered Accountants of India.

L. 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, 2014

M. AUDITOR REMUNERATION

Auditor Remuneration			
S.no	Particulars	2013 - 2014	2012 - 2013
1.	Statutory Audit Fees	Rs. 15000/-	Rs. 15000/-

N. GENERAL

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

Signatories to Schedule 1 to 17

As per my Report of even date attached
For K SUBRAMANYAM & CO
For and on behalf of the Board of Directors
Chartered Accountants
Sd/-
K SUBRAMANYAM
Proprietor
M.No. 023663
Firm Regn.no. 004146S
Place: Chennai
Date: 30.05.2014

Sd/-
S PANNALAL TATIA
Chairman cum Executive Director
DIN.No. 01208913

Sd/-
E.SUBBARAYAN
Director
DIN.No. 01186153

Schedule to the Balance Sheet for the Year Ended March 31,2014 (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988)

S.no	Particulars	Amount Outstanding	(Rs in Lakhs)
			Amount Overdue
1	Liabilities Side :-		
	a. Debentures : Secured : Unsecured (other than falling with in the meaning of public deposits)	—	
	b. Deffered Credits	—	
	c. Term Loans	—	
	d. Inter - Corporate loans and borrowings	—	
	e. Commercial Paper	—	
	f. Public Deposits * (note1)	—	
	g. Other Loans (Specify Nature)	—	
2	Break-up of (1) (f) above (outstanding of public deposits inclusive of accrued interest there on)	—	
	a. In the form of Unsecured debentures	—	
	b. In the form of partly secured debentures i.e. debentures where there is shortfall in value of security	—	
	c. Other Public Deposit	—	
	Asset Side :-		
3	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
	a. Secured	—	
	b. Unsecured	916.51	
4	Break-up of Leased Assets and stocks on hire and hypothecation loans counting towards EL/HP business	—	
	(i) Lease assets including lease rentals under sundry debtors :-	—	
	(a) Financial Lease	—	
	(b) Operating Lease	—	
	(ii) Stock on hire including hire charges under sundry debtors :	—	
	(a) Assets on hire	—	
	(b) Repossessed Assets	—	
	(iii) Hypothecation loans counting towards EI/HP activities	—	
	(a) Loans where assets have been repossessed	—	
	(b) Loans other than (a) above	—	
5	Break-up of Investments:-		
	Current Investments :		
	1. Quoted:		
	(i) Shares (a) Equity	—	
	(b) Preference	—	
	(ii) Debentures and Bonds	—	
	(iii) Units of mutual funds	—	
	(iv) Government Securities	—	
	(v) Others (specify)	—	
	2. Unquoted		
	(i) Shares (a) Equity	—	—
	(b) Preference	—	—
	(ii) Debentures and Bonds	—	—
	(iii) Units of mutual funds	—	—
	(iv) Government Securities	—	—
	(v) Others (specify)	—	—

S.no	Particulars	(Rs in Lakhs)	
		Amount Outstanding	Amount Overdue
	Long Terms Investments		
	1. Quoted:		
	(i) Shares (a) Equity	254.54	
	(b) Preference	—	
	(ii) Debentures and Bonds	—	
	(iii) Units of mutual funds	—	
	(iv) Government Securities	—	
	(v) Others (specify)	—	
	2. Unquoted		
	(i) Shares (a) Equity	1.00	
	(b) Preference	—	
	(ii) Debentures and Bonds	—	
	(iii) Units of mutual funds	—	
	(iv) Government Securities	—	
	(v) Others (specify) Bullion	4.60	
6	Borrower group-wise classification of all leased assets, stock on hire and loans and advances * note 2:		
	Category	Secured	Unsecured
	1. Related Parties	—	—
	(a) Subsidiaries	—	—
	(b) Companies under same group	—	—
	(c) Others	—	—
	2. Other than related parties	—	—
	Total	—	—
7	Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) * note 3 :		
	Category	Market Value	Book Value
	Related Parties		
	(a) Subsidiaries		
	(b) Companies under same group	58.19	231.7
	(c) Others	-	-
	Other than related parties	27.70	23.84
	Total	<u>85.89</u>	<u>255.54</u>
8	Other Information		
	Particulars		
	(i) Gross Non-performing Assets	—	
	(a) related parties	—	
	(b) other than related parties	—	
	(ii) Net Non - Performing Assets	—	
	(a) related parties	—	
	(b) other than related parties	—	
	(iii) Assets acquired in satisfaction of debt	—	

Name of the company	KREON FINANCIAL SERVICES LTD
CIN	L65921TN1994PLC029317
Registered office	81B, 2nd MAIN ROAD, AMBATTUR INDUSTRIAL ESTATE, CHENNAI - 600 058

PROXY FORM**(Form No:MGT-11)****(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the Member(s)	
Registered Address:	
Email Id	
Folio/ DP ID - Client ID No.:	

I/We being the member(s), holding _____ shares of _____ Limited hereby appoint:

(1)Name: _____

Address: _____

E-mail ID: _____ Signature: _____, or failing him;

(2)Name: _____

Address: _____

E-mail ID: _____ Signature: _____, or failing him;

(3)Name: _____

Address: _____

E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Monday 29th August 2014 at 10:30 a.m. at Samudhaya Nala Koodam, Vallanur Ambattur, Chennai - 600 062 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*		
		For	Against	Abstain
I	Ordinary Business:			
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March 2014 together with the Report of the Board of Directors and Auditors thereon.			
2.	Appointment of a director in place of Mr. Pannalal Tatia Jain Sampathlal who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Appointment of M/s. K.Subramanyam & Co as Statutory Auditors of the Company.			
II	Special Business:			
4.	Appointment of Mr. Pannalal Tatia as a Whole Time Director of the Company.			
5.	Appointment of Mr. Bharat Jain Tatia as a Additional Director of the Company			
6.	Appointment of Ms.D.Hemamalini as an independent Director of the Company.			
7.	Appointment of Mr.E.Subbarayan as an independent Director of the Company.			

Note:

1. *It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or Abstain column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

2. Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder _____

Affi x Rs.1/- Revenue Stamp
--

Note:

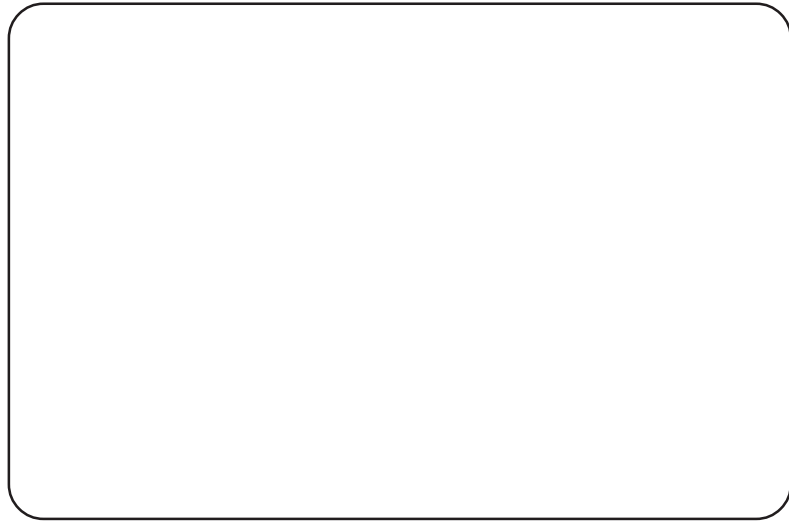
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 20th Annual General Meeting.

4. Please complete all details including details of member(s) in above box before submission.

5. Affix Rs.1/- Revenue Stamp



If undelivered, please return to :

KREON FINNANCIAL SERVICES LIMITED

**Regd. Office : "Prince Tatia Info Park",
No.81 B, Second Main Road,
Ambattur Industrial Estate,
Chennai - 600 058.**