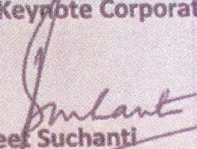

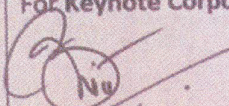

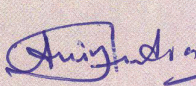

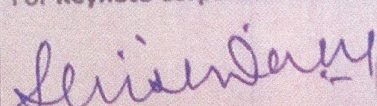



## FORM A

**Pursuant to Clause 31(1) of the Listing Agreement  
Covering letter of the Annual Audit Report to be filed with the Stock Exchange  
(SEBI Circular No.CIR/CFD/DIL/7/2012 dated 13<sup>th</sup> August, 2012)**

1.	Name of the Company	:	Keynote Corporate Services Limited
2.	Annual Standalone Financial Statements for the year ended	:	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	:	Pending approval of the Central Government for recovery of remuneration of Rs.16.50 lacs paid in the F.Y. 2013-14 for the services rendered by a Director in his professional capacity.
4.	Frequency of observation	:	Emphasis of matter notified for the first time.
5.	To be Signed --	:	<p>• <b>Managing Director</b></p> <p style="text-align: center;">For Keynote Corporate Services Limited</p> <p style="text-align: center;"> Vineet Suchanti Managing Director</p> <p style="text-align: right;"></p> <p>• <b>CFO</b></p> <p style="text-align: center;">For Keynote Corporate Services Limited</p> <p style="text-align: center;"> Uday S. Patil Director and CFO</p> <p style="text-align: right;"></p> <p>• <b>Auditor of the Company</b></p> <p style="text-align: center;">For Haribhakti &amp; Co. LLP Chartered Accountants ICAI Firm Registration No.103523W</p> <p style="text-align: center;"> Amit Hundia Partner Membership No. 120761</p> <p style="text-align: right;"></p> <p>• <b>Audit Committee Chairman</b></p> <p style="text-align: center;">For Keynote Corporate Services Limited</p> <p style="text-align: center;"> Shishir Dalal Chairman Audit Committee</p> <p style="text-align: right;"></p>

KEYNOTE



KEYNOTE CORPORATE SERVICES LTD.

**KEYNOTE CORPORATE SERVICES LIMITED  
ANNUAL REPORT 2014 – 2015**

<b>CONTENTS</b>	<b>PAGE NO.</b>
• Board of Directors .....	3
• Notice .....	4
• Explanatory Statement .....	9
• Director's Report .....	13
• Director's Report on Corporate Governance .....	36
• Certificate on Corporate Governance .....	54
• Auditor's Report to the Shareholders .....	55
• Balance Sheet .....	58
• Profit and Loss Account .....	59
• Notes to the Accounts .....	60
• Cash Flow Statement .....	69
<b>CONSOLIDATED ACCOUNTS:</b>	
• Auditor's Report .....	70
• Balance Sheet .....	74
• Profit and Loss Account .....	75
• Notes to the Accounts .....	76
• Cash Flow Statement .....	87
• Statement pursuant to first proviso to sub-section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies .....	88

**BOARD OF DIRECTORS**

**Shri B. Madhuprasad**  
Chairman

**Shri Uday S. Patil**  
Director – Investment Banking

**Shri Hitesh Shah**  
Director

**Shri Anish Malhotra**  
Director

**Smt. Rinku Suchanti**  
Director (Since 31<sup>st</sup> March, 2015)

**Shri Vineet Suchanti**  
Managing Director

**Shri Sujal Shah**  
Director (Upto 4<sup>th</sup> May, 2015)

**Shri Manish Desai**  
Director

**Shri Shishir Dalal**  
Director (Since 4<sup>th</sup> May, 2015)

**BOARD COMMITTEES**

<b>Audit Committee</b>	<b>Shareholder/Investors Grievance Committee</b>
Shri Sujal Shah – Chairman (Upto 4 <sup>th</sup> May, 2015)	Shri B. Madhuprasad – Chairman
Shri Hitesh Shah – Member	Shri Uday S. Patil – Member
Shri Manish Desai – Member	Shri Hitesh Shah – Member
Shri Shishir Dalal – Chairman (Since 4 <sup>th</sup> May, 2015)	
<b>Management Committee</b>	<b>Nomination and Remuneration Committee</b>
Shri Vineet Suchanti – Chairman	Shri Anish Malhotra – Chairman
Shri B. Madhuprasad – Member	Shri B. Madhuprasad – Member
Shri Uday S. Patil – Member	Shri Hitesh Shah – Member
Shri Manish Desai – Member	

Secretary - Shri Rajguru Undage

**REGISTERED OFFICE**

Keynote Corporate Services Limited  
The Ruby, 9<sup>th</sup> floor,  
Senapati Bapat Marg,  
Dadar (West)  
Mumbai – 400 028  
CIN: L67120MH1993PLC072407

**SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai – 400 078  
Tel : (022) 25963838  
Fax : (022) 25946969  
[www.Linkintime.co.in](http://www.Linkintime.co.in)

**BANKERS**

Indian Bank  
State Bank of India  
ICICI Bank Limited  
Punjab National Bank  
Kotak Mahindra Bank Limited

**AUDITORS**

Haribhakti & Co. LLP  
Chartered Accountants,  
701, Leela Business Park,  
Andheri Kurla Road,  
Andheri (East),  
Mumbai – 400 059  
[www.dhc.co.in](http://www.dhc.co.in)

**Twenty-second Annual General Meeting**

On Tuesday, 29<sup>th</sup> September, 2015 at 10.00 a.m.  
At Homi J. H. Taleyarkhan Memorial Hall,  
Indian Red Cross Society, 141, Shahid Bhagat Singh Road, Fort,  
(Town Hall Compound), Mumbai – 400 001

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWENTYSECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF KEYNOTE CORPORATE SERVICES LIMITED WILL BE HELD ON TUESDAY, 29<sup>TH</sup> DAY OF SEPTEMBER, 2015 AT HOMI J. H. TALEYARKHAN MEMORIAL HALL, INDIAN RED CROSS SOCIETY, 141, SHAHID BHAGAT SINGH ROAD, (TOWN HALL COMPOUND), FORT, MUMBAI – 400 001 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31<sup>st</sup> March, 2015 and the Report of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Shri B. Madhuprasad (DIN: 00004632), who retires by rotation and being eligible offers himself for reappointment.

**SPECIAL BUSINESS:**

4. **Appointment of M/s. NMAH & Co., Chartered Accountants, Mumbai (Firm Registration No. 135966W) as Statutory Auditors of the Company.**

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

“**RESOLVED THAT** to appoint M/s. NMAH & Co., Chartered Accountants, Mumbai (Firm Registration No. 135966W) as Statutory Auditors of the Company in place of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2016.”

5. **Appointment of Smt. Rinku Suchanti as a Non-Executive Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Smt. Rinku Suchanti (DIN: 00012903), who was appointed as an Additional Director of the Company with effect from 31<sup>st</sup> March, 2015 by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the company, liable to retire by rotation.”

6. **Appointment of Shri Shishir Dalal as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri Shishir Dalal (DIN 00007008), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 28<sup>th</sup> September, 2020”

**7. Re-appointment of Shri Uday S. Patil as a Whole-Time Director 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 provision of Sections 196, 197, and 198 other applicable provisions, if any, of Companies Act, 2013 (“the Act”), as amended or re-enacted from time to time, read with Schedule V to the Act, the Company hereby approves the re-appointment and terms of remuneration of Shri Uday S. Patil (DIN: 00003978) as a Whole-Time Director of the Company for a period of 3 (three) years with effect from 13<sup>th</sup> November, 2015 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Shri Uday S. Patil.”

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

By Order of the Board  
For **Keynote Corporate Services Limited**

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

Date: 10<sup>th</sup> August, 2015  
Place: Mumbai

**NOTES:**

- 1) An Explanatory Statement pursuant to Section 102 of the companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under items No. 3, 5, 6 and 7 of the Notice, are also annexed.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 [FORTY-EIGHT] HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**  
**A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 [ten] percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- 3) The Register of Members and share transfer books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2015 to 29<sup>th</sup> September, 2015 (both days inclusive).
- 4) The dividend for the financial year 31<sup>st</sup> March, 2015, as recommended by the Board of Directors, if approved by the Members, will be paid after Annual General Meeting to those Members holding shares in physical form whose names shall appear on the Company's Register of Members on closure of business hours i.e. 22<sup>nd</sup> September, 2015; in respect of the shares held in dematerialized form the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on 22<sup>nd</sup> September, 2015.
- 5) The Dividend is proposed to be disbursed by way of National Electronic Clearing Service (NECS). For this purpose, the details such as, name of the Bank, name of the branch, 9-digit code number appearing on the

## ANNUAL REPORT 2014-2015

MICR band of the cheque supplied by the Bank, account type, account number etc. are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.

- 6) The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy.
- 7) Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years is required to be transferred to "The Investor Education & Protection Fund" constituted by the Central Government.

Hereunder are the details of Dividends paid by the Company and their proposed dates and year of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government.

Date of Declaration of Dividend	Dividend for the year	Proposed date for transfer to Investor Education and Protection Fund (IEPF)
24 <sup>th</sup> September, 2008	2007 - 2008	1 <sup>st</sup> November, 2015
25 <sup>th</sup> August, 2009	2008 - 2009	2 <sup>nd</sup> October, 2016
29 <sup>th</sup> September, 2010	2009 - 2010	6 <sup>th</sup> November, 2017
30 <sup>th</sup> September, 2011	2010 - 2011	7 <sup>th</sup> November, 2018
27 <sup>th</sup> September, 2012	2011 - 2012	4 <sup>th</sup> November, 2019
25 <sup>th</sup> September, 2013	2012 - 2013	2 <sup>nd</sup> November, 2020
9 <sup>th</sup> September, 2014	2013 - 2014	17 <sup>th</sup> October, 2021

All the members are requested to note that as per the notification of Ministry of Corporate Affairs (MCA) dated 10<sup>th</sup> May, 2012 full details of shareholders and dividend amount pending encashment have been uploaded by us on website of MCA (i.e. [www.mca.gov.in](http://www.mca.gov.in)) and on Companies website (i.e. [www.keynoteindia.net](http://www.keynoteindia.net)). Said information for the period upto 9<sup>th</sup> September, 2014 has been made available and will be updated as per the requirements. The members may check the details for unclaimed dividend if any and approach the Company and Registrar for getting the same paid.

**It may please be noted that once the unclaimed/un-encashed dividends is transferred to "The Investor Education & Protection Fund" as above, no claim shall lie in respect of such amount by the shareholder.**

- 8) All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday & Sunday between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
- 9) Members are requested to:
  - i. Intimate changes, if any, in their registered address at the earliest.
  - ii. Furnish PAN with Income Tax Ward/Range/District to the Company.
  - iii. Quote ledger folio nos. in all the correspondence with the Company and the Transfer Agent. In case shares are held in dematerialized mode, please quote the DP ID No. and client ID in all the correspondence.
  - iv. Bring the copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - v. Send the queries, if any, at least 7 (Seven) days in advance of the meeting so that the information can be made available at the meeting.
- 10) Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 and Circular No.18/2011 dated 29<sup>th</sup> April, 2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's

Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Limited Unit : Keynote Corporate Services Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, for the purpose of service of documents under Section 20 of the Companies Act, 2013. The members are also requested to update their e-mail address in the Depository Account holding shares of the Company in dematerialized mode enabling the Registrar to consider the same. The form for sending the response is annexed at the end of the Annual Report.

**11) Voting through electronic means**

In compliance with provisions of Section 108 of Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM.

The E-voting period for all items of business contained in this Notice shall commence from Saturday, 26<sup>th</sup> September, 2015 (10.00 a.m. IST) and will end on Monday 28<sup>th</sup> September, 2015 (5.00 p.m. IST) During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 22<sup>nd</sup> September, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting there after. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently or cast vote again.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the meeting through ballot.

Any person, who acquires shares of the Company, becomes a member of the company after dispatch of the Notice and holding shares as of the cut-off date may follow the same procedure as mentioned for e-Voting.

The Company has appointed an Independent Professional (Practicing Company Secretary – M/s. Uma Lodha & Co.) as Scrutinizer to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing who shall countersign the same.

The results along with Scrutinizer's report shall be placed on the website (i.e. [www.keynoteindia.net](http://www.keynoteindia.net)) of the Company and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Saturday, 26<sup>th</sup> September, 2015 (10.00 a.m. IST) and will end on Monday 28<sup>th</sup> September, 2015 (5.00 p.m. IST). 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 Tuesday 22<sup>nd</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,



ANNUAL REPORT 2014-2015

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
 c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.  
 (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.  
 (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.  
 (x) Members holding shares in physical form will then directly reach 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.  
 (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.  
 (xii) Click on the EVSN for Keynote Corporate Services Limited on which you choose to vote.  
 (xiii) 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.  
 (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.  
 (xv) 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.  
 (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.  
 (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.  
 (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.  
 (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

**In respect of Item No. 4**

M/s. Haribhakti & Co. LLP, Chartered Accountants, will retire as Statutory Auditors of the Company after conclusion of this Annual General Meeting. The Statutory Auditors were appointed by shareholders at the Annual General Meeting held on 9th September, 2014. M/s. Haribhakti & Co. LLP, Chartered Accountants, is not seeking re-appointment and has no objection in company appointing any other Statutory Auditors as company may deem fit. With this retirement, vacancy has been caused and appointment of Statutory Auditors is required to be approved by the shareholders. A consent letter has been received from M/s. NMAH & Co., Chartered Accountants, Mumbai (Firm Registration No. 135966W) who have agreed to be appointed as Statutory Auditors to fill the vacancy caused by retirement of the erstwhile Statutory Auditors, to the effect that the said appointment, if made, will be in accordance with regulations as specified under Section 139 and 141 of the Companies Act, 2013 read with Rule IV of Chapter X- the Companies (Audit and Auditors) Rules, 2014. The matter, as such is being placed before members to consider appointment of M/s. NMAH & Co., Chartered Accountants, Mumbai (Firm Registration No. 135966W) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting. The appointment of new Statutory Auditors is justifiable looking at size of operations of the Company.

The Directors recommended the Special Resolution of Item No. 4 for approval by the members.

**In respect of Item No. 5**

On 31<sup>st</sup> March, 2015, the Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Smt. Rinku Suchanti [spouse of Shri Vineet Suchanti, Managing Director of the Company] as an Additional Director in terms of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 to hold office up to the date of the ensuing Annual General Meeting (AGM) of the Company. Smt. Rinku Suchanti, is a Bachelor of Commerce and Completed Diploma in Interior Designing. She has wide experience in interior designing.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Smt. Rinku Suchanti for the office of Director of the Company. Smt. Rinku Suchanti is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

The Board of Directors propose the appointment of Smt. Rinku Suchanti as a Non-Executive Director of the Company and recommend the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the members at the ensuing Annual General Meeting.

Other than Smt. Rinku Suchanti, Shri Vineet Suchanti and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

The other details of Smt. Suchanti in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

The Directors recommended the Ordinary Resolution of Item No. 5 for approval by the members.

**In respect of Item No. 6**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Shri. Shishir Dalal, Chartered Accountant, as an Additional Director of the Company since 4<sup>th</sup> May, 2015.

Shri. Shishir Dalal is a Senior Chartered Accountant, having more than Thirty years of experience in the fields of Audit, Taxation, Advisory, etc. and has served as a Senior Partner the renowned firm of M/s Dalal & Shah, Chartered Accountants which boasted of a diversified clientele across sectors. The list of clientele of M/s Dalal & Shah included high profile groups such as Kirloskar, Bajaj, Kalyani, Jain irrigation, Parle Bisleri, Bharat Forge, Bharat Bijlee, Century, Raymonds, Mukund, etc, to name just a few.

Shri. Dalal has also served as a senior partner to the renowned firm M/s PWC India, Chartered Accountants, after M/s Dalal & Shah, Chartered Accountants, became an associate firm of M/s PWC India.

Shri. Dalal also has a wide experience in assignments in an advisory capacity having helped in successful completion of landmark acquisition deals such as the acquisition of Parle Soft Drink Brands like Thums-up, Maaza, etc by M/s Coca cola, U.S.A. Presently, Shri. Dalal, serves as a director on the Boards of several multi-national companies in India as well as in Dubai.

Shri. Shishir Dalal is also presently, a senior partner in the firm of M/s. Dalal Doshi & Associates which provides audit, taxation, advisory, representation and related services, other than consultancy services in niche areas of Merger and Acquisition, Investment planning, Wealth management, etc.

The other details of Shri Dalal in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

In terms of Section 161 of the Companies Act, 2013 read with Article 67 of the Articles of Association of the Company, Shri. Dalal holds office as Additional Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from one of the members signifying his intention to propose the appointment of Shri. Dalal as a Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 6 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof other than Shri Dalal is concerned or interested in the Resolution at Item No. 6 of the Notice.

The Directors recommended the Special Resolution of Item No. 6 for approval by the members.

**In respect of Item No. 7**

Shri Uday S. Patil had been the Whole-Time Director of the company from 12<sup>th</sup> November, 1999 and has been with the Company Since May, 1994.

The Board of Directors of the company at its Meeting held on 10<sup>th</sup> August, 2015 has re-appointed Shri Uday S. Patil as the Whole-Time Director of the company for the period of 3 (three) years w.e.f 13<sup>th</sup> November, 2015 subject to the approval of the members of the Company.

**DETAILS OF REMUNERATION PAYABLE TO SHRI UDAY S. PATIL ARE AS FOLLOWS:**

Overall remuneration of ₹ 42.00 lacs p.a. comprising of

Salary: ₹ 2.85 lacs p.m. to be reviewed year on year basis.

Perquisites: ₹ 7.80 lacs p.a. which include following:

- a) Medical Reimbursement for self and family will be as per rules of the Company.
- b) Leave Travel expenses for self and family will be as per rules of the Company.
- c) Club fees (excluding admission to life membership fee) will be on actual basis.
- d) Expenses on children's education not exceeding ₹ 15,000/- per annum per child, subject to maximum of two children.

## KEYNOTE CORPORATE SERVICES LIMITED

- e) Personal Accident Insurance and Mediclaim Insurance for self and family will be as per company's rules.
- f) Contribution to Provident Fund, Superannuation fund or Annuity:  
As per rules of the company to the extent these, either singly or put together are not taxable under the Income Tax Act.
- g) Gratuity:  
Half a months salary for each completed year of service.
- h) Earned Leave and encashment of leave:  
21 days leave for every year of service out of which 15 days is encashable.
- i) Provision of car: For use on Company's business.
- j) Reimbursement of Expenses actually incurred for Company's business:  
Against submission of supporting.
- k) Actual travelling and other related expenses for self touring in India and abroad on Company's Work.  
He shall not be paid any sitting fees for attending the meetings of the Board of Directors/Committees thereof.  
The Annual increment shall be determined by the Board from time to time and subject to approval of the Central Government, if any.

The appointment can be terminated by either side by giving six months notice in writing.

Shri Uday S. Patil, is concerned or interested in the resolution and the terms and conditions mentioned herein.

Disclosure Pursuant to Section II of Part II of Schedule V of the Companies Act, 2013

### I. General Information:

1.	Nature of Industry	:	Merchant Baking/Corporate Advisory Services
2.	Date or expected date of commencement of commercial production	:	Not Applicable
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable
4.	Financial performance based on given indicators during financial year ended 31 <sup>st</sup> March, 2015	:	(₹ in lacs)
		:	Total Income : 583.68
		:	Expenses : 504.67
		:	Profit : 79.01
		:	EPS (₹) : 0.74
		:	P/E Ratio (times) : 37.16
		:	Total Assets : 5,040.27
5.	Foreign investment or collaborators, if any	:	As on 31 <sup>st</sup> March, 2015, the foreign shareholding in the company is 5,66,144 Equity Shares representing 8.06% of the total capital.

### II. Information about Shri Uday S. Patil, Whole-Time Director

#### 1. Background Details:

Uday S. Patil is a Science graduate with a Law Degree and also a certified Associate of Indian Institute of Bankers. An ex-banker with rich hands-on experience on various fields of Banking and Investment Banking.

#### 2. Past remuneration:

For the financial year 2014-2015 Shri Uday S. Patil, total remuneration was ₹ 37.52 lacs

#### 3. Recognition or awards:

He has been Guest faculty at Alkesh Dinesh Mody Institute of Financial and Management Studies [ADMI], Jamanalal Bajaj Institute of Management Studies [JBIMS] of University of Mumbai, The Institute of Chartered Accountants of India [ICAI], National Institute of Securities Market [NISM] etc. His quote's on primary market related topics find place in leading newspapers & magazines such as Economic Times, Business Standard etc.

**4. Job profile and his suitability:**

Shri Uday S. Patil has been with the Company since 1994. He has been the member of Board of Directors since September, 1997. He is having about 3 decades of experience in various fields of Commercial Banking & Investment Banking. He is instrumental in forming various processes/procedures for the company as a whole & for Merchant Banking activities of the company which is a core business of the company. His immense contribution as Director (Investment Banking) has helped the company to execute & complete many transactions such as IPOs, Rights Issues, Buy Back, Takeovers etc. The execution capabilities & developing the team with capabilities to handle transactions of various natures has been one of the strengths of Shri Uday S. Patil. He is well suited for the job profile.

**5. Remuneration proposed:**

The remuneration of Shri Uday S. Patil is set out above.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Shri Uday S. Patil, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

**7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Other than the remuneration stated above, Shri Uday S. Patil has no other pecuniary relationship directly or indirectly with Company.

**III. Other Information**

**1. Reason of loss of inadequate profits**

The Company has reported PAT of ₹ 52.09 lacs for the financial year ended 31<sup>st</sup> March, 2015. The company being engaged in corporate advisory services, the performance of the company is directly related to the status of capital market and more particularly primary market segment. The income is earned on completion of various assignments.

**2. Steps taken or proposed to be taken for improvement**

The Company has well defined growth strategy wherein focus on completion of various assignments is laid. The efforts to complete the transactions within the said timelines are on. The execution team has been assigned structured timelines to adhere.

**3. Expected increase in productivity and profits in measurable terms.**

The Company expects to increase the productivity and profit considerably. Various mandates at various stages of execution are reviewed from time to complete. As a result company expects to improve both the top line and the bottom line growth.

**IV. Disclosures**

The remuneration details of Shri Uday S. Patil, Whole-Time Director are set out in the explanatory statement. The Board recommends the passing of the Special Resolution as set out in item No. 7 of the accompanied notice. Except Shri Uday S. Patil, none of the Directors and Key Managerial personnel of the company and their relative is concerned or interested, financial or otherwise, in the resolution set out at item no. 7. The Directors recommended the Special Resolution of Item No. 7 for approval by the members.

By Order of the Board  
For **Keynote Corporate Services Limited**

Sd/-

**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

Date: 10<sup>th</sup> August, 2015  
Place: Mumbai

**KEYNOTE CORPORATE SERVICES LIMITED**

**DIRECTORS' REPORT**

**The Members of KEYNOTE CORPORATE SERVICES LIMITED**

Dear Shareholder(s),

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2015.

(₹ In lacs)

Details	Year Ended 31-03-2015	Year Ended 31-03-2014
Total Income	583.68	942.12
Gross Operating Profit	130.52	319.10
Depreciation	37.39	34.06
Exceptional Items	14.12	—
Profit Before Tax	79.01	285.04
Provision for :		
Current Tax	12.25	61.57
Deferred Tax Liability/(Assets)	14.67	16.93
Profit After Tax	52.09	206.53
Add/Less : Excess Provision/Short Provision	—	(0.26)
Profit/(Loss) brought forward from Previous year	1,597.61	1,494.07
Surplus available for appropriations	1,649.70	1,700.35
Proposed Dividend	70.18	70.18
Tax on Dividend	11.93	11.93
Transferred to General Reserve	—	20.63
Balance carried forward	1,567.59	1,597.61

**DIVIDEND**

Your directors are pleased to recommend a dividend of ₹ 1/- per Equity Share of face value of ₹ 10/- each (i.e.10%) for the year ended 31<sup>st</sup> March, 2015. The dividend will be paid subject to approval of members at the 22<sup>nd</sup> Annual General Meeting (AGM).

**OPERATIONS:**

The financial year 2014-15 saw major change in political scenario in the country. The new government with a majority assumed charge at the centre. The expectations of markets including financial markets increased due to stable government with a general sense of optimism & enthusiasm. Though the capital market showed signs of improvement, the primary market conditions did not improve drastically. However, few IPOs were launched in the capital market and resource raising in the form of equity through capital market issuances have improved. Your company also has been able to get a few mandates for IPOs, Rights Issues & other Advisory services in respect of preferential allotment, private equity placement etc. During financial year, your company filed the draft offer documents in respect of 2 Public issues and 3 Rights issues besides handling other assignments. However, many of the transactions could not be completed due to adverse primary market conditions which has resulted in sharp fall in income from operations. Company was able to complete certain assignments in 'Corporate Finance' area such as advising companies on raising debt from Banks, corporate advisory services, valuation services etc. Company continued to provide advisory services in respect of ESOP transactions. There has been a strain on profitability. During the financial year, company could post total income of ₹ 583.68 lacs with a profit

after tax of ₹ 52.09 lacs as against income of ₹ 942.12 lacs and profit after tax of ₹ 206.53 lacs for the previous financial year 31<sup>st</sup> March, 2014. The company has to maintain the team of professionals which is essential to cope up with future possibilities of improvement in business environment. Company is hopeful of overall improvement in the capital market and would be able to post reasonable good income levels in years to come.

#### **OPERATIONS OF SUBSIDIARY**

Presently your company has two 100% subsidiaries namely Keynote Capitals Limited (KCL) an integrated broking house and Keynote Fincorp Ltd. (KFIN) a NBFC. KCL is a member of BSE & NSE as well as Depository Participant of Central Depository Services India Limited. KCL has a subsidiary namely Keynote Commodities Ltd. which is member of Multi Commodity Exchange of India (MCX).

During the last financial year subsidiary restructured the operations by exiting from retail business via process of realignment of business. KCL focuses on institutional trading & other trading activities of large and high net worth investors. KCL posted a total income of ₹ 618.41 lacs for 31<sup>st</sup> March, 2015 as compared to ₹ 919.22 lacs for 31<sup>st</sup> March, 2014. Profit After Tax stood at ₹ 79.17 lacs as compared to ₹ 81.62 lacs for the previous year.

#### **SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

Keynote Capitals Limited (KCL) and Keynote Fincorp Limited (KFIN) are our wholly owned subsidiary companies. Presently Keynote Capitals Limited has one wholly owned subsidiary namely Keynote Commodities Limited.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

The financial statement of the subsidiary Companies are kept for inspection by the shareholders at the Registered Office of the Company. The company shall provide free of cost, the copy of the financial statement of its subsidiary companies to the shareholders upon their request. The statements are also available on the website of the Company i.e. [www.keynoteindia.net](http://www.keynoteindia.net)

As stipulated by Clause 32 of the listing agreement with the stock exchanges, the consolidated financial statement have been prepared by the Company in accordance with the applicable Accounting standards. The audited consolidated financial statements together with Auditors Report form part of the Annual Report.

The company had formulated a policy for determining 'material' subsidiaries and such policy disclosed the company's website [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Material%20Subsidiary%20Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Material%20Subsidiary%20Policy.pdf)

#### **TRANSFER TO RESERVES**

During the year your Company has not transferred any amount to general reserve.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

#### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Companies Act, 2013 and the listing agreement with the Stock exchanges require compliances with specified Corporate Governance practices. These practices have been fully implemented and a certificate from the Practicing Company Secretary as well as a detailed report on Corporate Governance approved by the Board of Directors of the Company is set out in the annual report. The Company is regularly complying with Corporate Governance practices and also uploading the information under Corporate Filing & Dissemination System (corpfilling). Your Company has also been enlisted in the new SEBI compliant redressal system (SCORES) enabling the investors to register their complaint if any for speedy redressal.

#### **LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company continued to be listed and traded on the BSE Limited (BSE) and National

Stock Exchange of India Ltd. (NSE). The scrip code number of the Equity Shares of the Company on BSE is 512597 and on NSE is KEYCORPSE. The Company has paid upto date listing fees to both the stock exchanges.

**DEMATERIALIZATION**

The Equity Shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Ltd., (NSDL) Central Depository Services (India) Ltd., (CDSL) and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders. The International Securities Identification Number (ISIN), allotted to the Company is INE681C01015. The Equity Shares of the Company are listed and traded on BSE and NSE. On BSE the equity shares of the Company are traded in "B" segment. The Equity Shares of the Company are being traded in compulsory dematerialized mode. Presently 96.52% of equity capital of the company is in dematerialized mode.

**PUBLIC DEPOSIT**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and the necessary rules made there under during the year ended 31<sup>st</sup> March, 2015.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees and investment have been disclosed in the notes to the financial statements.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to Managing Director. The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and based on the report of internal audit the management undertakes corrective action in the respective areas and thereby strengthens the controls. Significant audit observations and recommendations if any, along with corrective actions thereon are required to be presented to the Audit Committee of the Board. During this financial year no such observations have been made.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company understands and values Corporate Social Responsibility (CSR) initiatives of the Government and have also noted the requirements of CSR activities in terms of Companies Act, 2013. The requirement of mandatory implementation of CSR activity is not applicable to your company due to inadequacy of profits in past three financial years.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

**(A) Conservation of energy:**

Considering the nature of business activities carried out by the Company, your directors have nothing to report with regard to conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**(B) Technology absorption:**

The management keeps itself abreast of the technological advancements in the industry and has adopted the state of the art transaction, billing and accounting systems and also risk management solutions.

**(C) Foreign exchange earnings and Outgo:**

- a) The foreign exchange earnings ₹ 57.17 lacs (previous year ₹ 86.52 lacs).
- b) The foreign exchange expenditure ₹ 2.20 lacs (previous year ₹ 16.42 lacs).



## ANNUAL REPORT 2014-2015

### STATE OF AFFAIRS

During the year under review, your Company enjoyed cordial relationship with employees at all levels.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

#### (i) Changes in Directors and Key Managerial Personnel (KMP):

- (a) At the Board meeting held on 10<sup>th</sup> February, 2015 your Company has appointed Shri Uday S. Patil, Whole-Time Director of the Company also as 'Chief Financial Officer (CFO)'
- (b) Vide Circular Resolution dated 31<sup>st</sup> March, 2015 your Company has appointed Smt. Rinku Suchanti (DIN: 00012903) as an Additional Director of the Company to hold office upto the ensuing Annual General Meeting of the Company. Thus the Company is in compliance with the provision relating to having at-least one Woman Director on the Board in terms of requirement of Corporate Governance,
- (c) Vide Circular Resolution dated 4<sup>th</sup> May, 2015 your Company has appointed Shri Shishir Dalal [DIN: 00007008] as an Additional Director of the Company in the category of Independent Director to hold office upto the ensuing Annual General Meeting of the Company and accepted resignation of Shri Sujal Shah (DIN: 00058019) as a Director of the Company and
- (d) In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Shri B. Madhuprasad Director (DIN: 00004632) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Board recommends his re-appointment.

#### (ii) Appointment of Independent Director:

At the Annual General Meeting of the members of the Company held on 9<sup>th</sup> September, 2014, your Company appointed following persons as the Independent Directors of the Company:

Sr. No.	Name of the Director	DIN	Designation	Date of Appointment as Independent Director
1.	Shri Hitesh Shah	00061296	Independent Director	9 <sup>th</sup> September, 2014
2.	Shri Sujal Shah*	00058019	Independent Director	9 <sup>th</sup> September, 2014
3.	Shri Anish Malhotra	02034366	Independent Director	9 <sup>th</sup> September, 2014
4.	Shri Manish Desai	02925757	Independent Director	9 <sup>th</sup> September, 2014

\* During the period Shri Sujal Shah has resigned as an Independent Director of the Company w.e.f. 4<sup>th</sup> May, 2015. Shri Shishir Dalal has been appointed as an Independent Director from the said date.

### DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Clause 49 of the Listing Agreement.

### BOARD EVALUATION

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee

meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on 7<sup>th</sup> August, 2014 formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in "**Annexure [A]**" to this Report.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, Directors of your Company hereby state and confirm that

- (a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had 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 and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**STATUTORY AUDITORS**

M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai Statutory Auditors of the company will retire at the ensuing Annual General Meeting. The Board of Directors proposes to appoint M/s. NMAH & Co., Chartered Accountants, Mumbai (Firm Registration No. 135966W) as a Statutory Auditors of the Company. Members are requested to consider appointment of M/s. NMAH & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company at a remuneration to be decided by the Board of Directors.

Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued there under.

## ANNUAL REPORT 2014-2015

### **AUDITORS' REPORT**

The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.

### **EXTRACT OF THE ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014, the Extract of Annual Return (Form No. MGT-9) as on the financial year ended on 31<sup>st</sup> March, 2015 is enclosed as "**Annexure – [B]**" to the Directors' Report.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/S Uma Lodha & Co., Practising Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "**Annexure - [C]**" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEES**

Your Board of Directors has duly met four (4) times during the financial year i.e. on 27<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 10<sup>th</sup> February, 2015 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Audit Committee has duly met four (4) times during the financial year i.e. on 27<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 10<sup>th</sup> February, 2015 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

The purpose of the "Whistleblower Policy" is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy. The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Whistle%20Blower%20Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Whistle%20Blower%20Policy.pdf)

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as "**Annexure-D**". The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Policy%20on%20Related%20Party%20Transactions.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Policy%20on%20Related%20Party%20Transactions.pdf)

**CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website [www.keynoteindia.net](http://www.keynoteindia.net)

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**RISK MANAGEMENT**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the Company has formulated risk management policy the same has been placed on the company website. [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Risk%20Management%20Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Risk%20Management%20Policy.pdf)

At present the company has not identified any element of risk which may threaten the existence of the company.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have confirmed compliance with the Code.

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

**General**

- a. Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b. Your Company does not have any ESOP scheme for its employees/Directors.

**ACKNOWLEDGMENT**

We take this opportunity to express our deep sense of gratitude to Securities and Exchange Board of India (SEBI), BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Registrar of Companies (ROC), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Association of Investment Bankers of India (AIBI), Link Intime India Pvt. Limited, M/s. Haribhakti & Co. LLP Statutory Auditors, M/s. R. B. Pandya & Co. Internal Auditors, our Clients, Bankers and other Government Agencies for their continued support.

By Order of the Board  
For **Keynote Corporate Services Limited**

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN: 00004031)

Date: 10<sup>th</sup> August, 2015  
Place: Mumbai

**Annexure [A] to Board's Report**

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

**Particulars of employees**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Non-executive directors	Ratio to median remuneration
Shri Sujal Shah	0.043
Shri Manish Desai	0.043
Executive Directors	
Vineet Suchanti	9.15
Uday S.Patil	8.05

**b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Vineet Suchanti	Nil
Uday S.Patil	Nil

**c. The percentage increase in the median remuneration of employees in the financial year: 5.47 %****d. The number of permanent employees on the rolls of Company: 21****e. The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 5.12%. The individual increments varied from 1.17% to 8.70%, based on individual performance. Your company is committed in ensuring fair pay and healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. During the year there has been no increase in remuneration of Whole-Time Directors.

**f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ lacs)	80.21
Revenue (₹ lacs)	583.68
Remuneration of KMPs (as % of revenue)	13.74
Profit before Tax (PBT) (₹ lacs)	79.01
Remuneration of KMP (as % of PBT)	101.49

**g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (₹ lacs)	1930.04	1989.70	-3.00%
Price Earnings Ratio	37.16	9.64	285.39%

KEYNOTE CORPORATE SERVICES LIMITED

- h. Percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	Market price as on March 31, 2015 (₹)	Last public issue price (₹)	% Change
Market Price (BSE)	27.50	60	(-)54.17%
Market Price (NSE)	37.45	60	(-)37.58%

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 5.12%. However, during the course of the year, the total increase is approximately 8.70%, after accounting for promotions and other event based compensation revisions. The management wish to retain the well settled manpower by making annual increment inspite of not so good workings. There has been no increase in remuneration to Whole-Time Directors for past two financial years.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Shri Vineet Suchanti Managing Director	Shri Uday S. Patil Whole-Time Director
Remuneration in FY15 (₹ lacs)	42.69	37.53
Revenue (₹ lacs)	583.68	
Remuneration as % of Revenue	7.31	6.43
Profit before Tax (PBT) (₹ lacs)	79.01	
Remuneration (as % of PBT)	54.01	47.48

- k. The key parameters for any variable component of remuneration availed by the directors: NIL**

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**Annexure [B] to Board's Report**  
**Extract of Annual Return as on 31<sup>st</sup> March, 2015**  
**Form No. MGT-9**

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014]**

**I. REGISTRAION AND OTHER DETAILS:**

i.	Corporate Identity Number (CIN)	:	L67120MH1993PLC072407
ii.	Registration Date	:	16 <sup>th</sup> June, 1993
iii.	Name of the Company	:	Keynote Corporate Services Limited
iv.	Category/Sub-Category of the Company	:	Public Company limited by shares
v.	Address of the Registered office and contact details	:	The Ruby, 9 <sup>th</sup> floor, Senapati Bapat Marg, Dadar (West) Mumbai – 400 028 Tel : (022) 30266000 Fax : 022) 30266088 Email: <a href="mailto:investors@keynoteindia.net">investors@keynoteindia.net</a> Website: <a href="http://www.keynoteindia.net">www.keynoteindia.net</a>
vi.	Whether listed Company (Yes/No)	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Link Intime India Pvt. Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 Telephone No.: (022)25963838 Fax Number : (022) 25946969 Email ID: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Merchant Banking	67	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of Shares held	Applicable Section
1.	Keynote Capitals Limited	U67120MH1995PLC088172	Subsidiary	100	2(87)(ii)
2.	Keynote Fincorp Limited	U67120MH1995PLC084814	Subsidiary	57.14	2(87)(ii)
3.	Keynote Commodities Limited	U72900MH2000PLC127047	Subsidiary of Keynote Capitals Limited	100 of Keynote Capital Limited	2(87)(ii)

KEYNOTE CORPORATE SERVICES LIMITED

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 1st April, 2014)				No. of Shares held at the end of the year (i.e. 31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	651052	—	651052	9.28	651052	—	651052	9.28	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	3411166	3411166	48.60	3411166	3411166	48.60			
e) Banks/FI	—	—	—	—	—	—	—	—	—
f) Any Other.....	—	—	—	—	—	—	—	—	—
<b>Sub-Total (A) (1):-</b>									
(2) Foreign									
a) NRIs- Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A)(2) :-</b>	—	—	—	—	—	—	—	—	—
<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>4062218</b>	<b>—</b>	<b>4062218</b>	<b>57.88</b>	<b>4062218</b>	<b>—</b>	<b>4062218</b>	<b>57.88</b>	<b>—</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	—	13900	13900	0.20	—	13900	13900	0.20	—
b) Bank/FI	300	—	300	0.00	300	—	300	0.00	—
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	561348	—	561348	8.00	561348	—	561348	8.00	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-Total (B)(1):-</b>	<b>561648</b>	<b>13900</b>	<b>575548</b>	<b>8.20</b>	<b>561648</b>	<b>—</b>	<b>575548</b>	<b>8.20</b>	<b>—</b>



ANNUAL REPORT 2014-2015

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 1 <sup>st</sup> April, 2014)				No. of Shares held at the end of the year (i.e. 31 <sup>st</sup> March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	124491	31600	156091	2.22	118436	31200	149636	2.13	0.09
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	324735	201836	526571	7.50	324890	196086	520976	7.42	0.08
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	234129	—	234129	3.34	245659	—	245659	3.50	0.16
c) Others									
i) Non-resident Indians	2046	2100	4146	0.06	2066	2100	4166	0.06	—
ii) Non Resident (Non Repatriable)	630	—	630	0.01	630	—	630	0.01	—
iii) Trust	1451702	200	1451902	20.69	1451702	200	1451902	20.69	—
iv) Hindu Undivided Family	850	500	1350	0.02	650	500	1150	0.02	—
v) Clearing Member	5754	—	5754	0.08	6454	—	6454	0.09	0.01
<b>Sub-Total (B)(2)</b>	<b>2144337</b>	<b>236236</b>	<b>2380573</b>	<b>33.92</b>	<b>2150487</b>	<b>230086</b>	<b>2380573</b>	<b>33.92</b>	<b>—</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2705985</b>	<b>250136</b>	<b>2956121</b>	<b>42.12</b>	<b>2712135</b>	<b>243986</b>	<b>2956121</b>	<b>42.12</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Promoter and Promoter Group</b>	—	—	—	—	—	—	—	—	—
<b>Public</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>6768203</b>	<b>250136</b>	<b>7018339</b>	<b>100.00</b>	<b>6774353</b>	<b>243986</b>	<b>7018339</b>	<b>100.00</b>	<b>—</b>

**KEYNOTE CORPORATE SERVICES LIMITED**

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 1 <sup>st</sup> April, 2014			Share holding at the end of the year i.e. 31 <sup>st</sup> March, 2015			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company to total shares	% of shares pledged/ encumbered	
1.	NSS Digital Media Limited	2932256	41.78	—	2932256	41.78	—	—
2.	Nirmal Suchanti – HUF	282499	4.03	—	282499	4.03	—	—
3.	Concept Production Limited	241600	3.44	—	241600	3.44	—	—
4.	Dhanviridhi Tie up Pvt. Limited	184010	2.62	—	184010	2.62	—	—
5.	Pushpa Nirmal Suchanti	132308	1.89	—	132308	1.89	—	—
6.	Nirmal Suchanti	117647	1.68	—	117647	1.68	—	—
7.	Naga Accounts Management Pvt. Ltd.,	53300	0.76	—	53300	0.76	—	—
8.	Vivek Suchanti	49440	0.70	—	49440	0.70	—	—
9.	B. Madhuprasad	48550	0.69	—	48550	0.69	—	—
10.	Vineet Suchanti	11977	0.17	—	11977	0.17	—	—
11.	Rita Suchanti	4829	0.07	—	4829	0.07	—	—
12.	Rinku Suchanti	3802	0.05	—	3802	0.05	—	—
	<b>Total</b>	<b>4062218</b>	<b>57.88</b>	<b>—</b>	<b>4062218</b>	<b>57.88</b>	<b>—</b>	<b>—</b>

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	There is no change in Promoters' Shareholding between 01-04-2014 to 31-03-2015			
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	There is no change in Promoters' Shareholding between 01-04-2014 to 31-03-2015			
3.	At the End of the year	There is no change in Promoters' Shareholding between 01-04-2014 to 31-03-2015			

ANNUAL REPORT 2014-2015

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014)/ end of the year (31-03-2015)	% of total Shares of the company				No. of Shares	% of total Shares of the Company
1.	India Max Investment Fund Ltd.	561348	8.00	01-04-2014	0	NIL Movement during the year	561348	8.00
		561348	8.00	31-03-2015				
2.	Gaurav Himatsingka	121000	1.72	01-04-2014	0	NIL Movement during the year	121000	1.72
		121000	1.72	31-03-2015				
3.	Skunk Agents Private Limited	41914	0.59	01-04-2014	0	NIL Movement during the year	41914	0.59
		41914	0.59	31-03-2015				
4.	Gulu Khuba Watumull	36071	0.51	01-04-2014	0	NIL Movement during the year	36071	0.51
		36071	0.51	31-03-2015				
5.	Bela Properties Private Limited	35775	0.51	01-04-2014	0	NIL Movement during the year	35775	0.51
		35775	0.51	31-03-2015				
6.	Manoj J. Bagadia	24850	0.35	01-04-2014		Purchase	24880	0.35
		24880	0.35	31-03-2015	30			
7.	Varsha Berlia	16000	0.22	01-04-2014	0	NIL Movement during the year	16000	0.22
		16000	0.22	31-03-2015				
8.	Vikash Berlia	14000	0.19	01-04-2014	0	NIL Movement during the year	14000	0.19
		14000	0.19	31-03-2015				
9.	CRB Trustee Ltd A/c. CRB Mutual Fund	13900	0.19	01-04-2014	0	NIL Movement during the year	13900	0.19
		13900	0.19	31-03-2015				
10.	Mina Pruthviraj Parikh	11808	0.16	01-04-2014	0	NIL Movement during the year	11808	0.16
		11808	0.16	31-03-2015				

KEYNOTE CORPORATE SERVICES LIMITED

v.) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014)/ end of the year (31-03-2015)	% of total Shares of the company				No. of Shares	% of total Shares of the Company
<b>Directors:</b>								
1.	Shri B. Madhuprasad	48550	0.69	01-04-2014	0	NIL Movement during the year	48550	0.69
		48550	0.69	31-03-2015				
2.	Shri Vineet Suchanti	11977	0.17	01-04-2014	0	NIL Movement during the year	11977	0.17
		11977	0.17	31-03-2015				
3.	Shri Uday S. Patil	2500	0.03	01-04-2014	0	NIL Movement during the year	2500	0.03
		2500	0.03	31-03-2015				
4.	Shri Hitesh Shah	0	0	01-04-2014	0	NIL holding/ Movement during the year	0	0
		0	0	31-03-2015				
5.	Shri Sujal Shah	0	0	01-04-2014	0	NIL holding/ Movement during the year	0	0
		0	0	31-03-2015				
6.	Shri Anish Malhotra	0	0	01-04-2014	0	NIL holding/ Movement during the year	0	0
		0	0	31-03-2015				
7.	Shri Manish Desai	0	0	01-04-2014	0	NIL holding/ Movement during the year	0	0
		0	0	31-03-2015				
8.	Smt. Rinku Suchanti (w.e.f. 31-03-2015)	3802	0.05	01-04-2014	0	NIL Movement during the year	3802	0.03
		3802	0.03	31-03-2015				
<b>Key Managerial Personnel</b>								
1.	Shri Uday S. Patil	2500	0.03	01-04-2014	0	NIL Movement during the year	2500	0.03
		2500	0.03	31-03-2015				

ANNUAL REPORT 2014-2015

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount (₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01-04-2014</b>				
i) Principal Amount	47,12,008.37	—	3,00,000.00	50,12,008.37
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	8,850.36	—	—	8,850.36
Total (i+ii+iii)	47,20,858.73	—	3,00,000.00	50,20,858.73
<b>Change in Indebtedness during the financial year</b>				
+ Addition	5,250.14	—	—	5,250.14
- Reduction	14,51,601.65	—	—	14,51,601.65
<b>Net Change</b>	14,46,351.51	—	—	14,46,351.51
<b>Indebtedness at the end of the financial year – 31-03-2015</b>				
i) Principal Amount	32,74,507.22	—	3,00,000.00	35,74,507.22
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	5,250.14	—	—	5,250.14
Total (i+ii+iii)	32,79,757.36	—	3,00,000.00	35,79,757.36

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹)
		Shri Vineet Suchanti – Managing Director	Shri Uday S. Patil – Whole-Time Director	
1.	Gross Salary	(₹)	(₹)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42,68,743/-	37,52,500/-	80,21,243/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- As % of Profit	—	—	—
	- Others specify	—	—	—
5.	Others, please specify			
	<b>Total (A)</b>			<b>80,21,243/-</b>
	Ceiling as per the Act			84,00,000/-

**KEYNOTE CORPORATE SERVICES LIMITED**

**B. Remuneration of other Directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹)
		Shri Sujal Shah	Shri Manish Desai	
<b>1.</b>	<b>Independent Directors</b>			
	• Fees for attending board committee meetings	20,000/-	20,000/-	40,000/-
	• Commission	Nil	Nil	Nil
	• Others	Nil	Nil	Nil
	<b>Total (1)</b>	20,000/-	20,000/-	40,000/-

	Particulars of Remuneration	Name of the Director		Total Amount (₹)
		Shri B. Madhuprasad		
<b>2.</b>	<b>Other Non-Executive Directors</b>			
	• Fees for attending board committee meetings	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil
	• Others (Professional fees)	18,00,000/-*		18,00,000/-
	<b>Total (2)</b>	18,00,000/-		18,00,000/-

<b>Total B = (1+2)</b>		18,40,000/-
Total Managerial Remuneration		18,40,000/-
Ceiling as per the Act	* As per Resolution passed by the Nomination & Remuneration Committee of the company.	

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Besides Managing Director and Whole-Time Director the Key Managerial Personnel (KMP), viz. the Company Secretary was paid remuneration of ₹ 1.44 lacs during the financial year. The Company Secretary was in office till 18<sup>th</sup> October, 2014.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There are no instances of penalties/punishment/compounding of offences against Company, Directors and Officers during the financial year 2014-2015.

**Annexure [C] to Board's Report**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

**To**

**The Members of**

**Keynote Corporate Services Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. Keynote Corporate Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s. Keynote Corporate Services Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by M/s. Keynote Corporate Services Limited for the financial year ended 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
Not applicable to the Company for the year under review
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
Not applicable to the Company for the year under review
  - (f) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009 and;  
Not applicable to the Company for the year under review
  - (h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;  
Not applicable to the Company for the year under review

Other Applicable laws:

- Securities Exchange Board of India (Merchant Bankers) Regulation, 1992
- Employees state Insurance Act, 1948 and rules made there under
- The Employees Provident fund and miscellaneous Provisions Act, 1952
- The payment of Bonus Act, 1965 and rules made there under.
- Payment of Gratuity Act, 1972 and rules made there under. Acts as prescribed under Direct tax and indirect tax.
- Acts as prescribed under Shop and Establishment Act of various local authorities.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with BSE Ltd., and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- The Company Secretary of the Company has resigned on 18<sup>th</sup> October 2014. The Company is in the process of appointing a Company Secretary as per the provisions of Section 203 of the Companies Act, 2013

**We further report that** during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Uma Lodha & Company  
Practising Company Secretaries

Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593

Place : Mumbai

Date : 10<sup>th</sup> August 2015

**Note:** This report is to be read with our letter of even date which is annexed as "ANNEXURE B(i)" and forms an integral part of this report.



**ANNEXURE - B(i)**

**To,  
The Members,  
Keynote Corporate Services Limited**

Our report of even date is to be read along with this letter.

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

For Uma Lodha & Company  
Practising Company Secretaries

Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593

Place : Mumbai  
Date : 10<sup>th</sup> August 2015

**KEYNOTE CORPORATE SERVICES LIMITED**

**Annexure [D] to Board's Report**

**FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party and nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e)	Date(s) of approval by the Board, if any:	
f)	Amount paid as advance, if any:	

**For any on behalf of the Board**

Place : Mumbai  
Date : 10<sup>th</sup> August, 2015

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a. Industry structure and developments

Your company falls under the segment of SEBI registered capital market intermediaries. The capital market regulator discharges its function of Regulation through the process of registering the intermediaries conducting various businesses as defined. Every capital market intermediary can function within the framework of rules & regulations of the regulator prescribed for each functional activity. SEBI registers the market participants such as Stock Exchanges, Brokers, Merchant Bankers, Foreign Portfolio Investors, Depositories, Depository Participants, Bankers to the issue, Underwriters, Venture Capital Funds and so on. Your company is a SEBI registered Category I Merchant Banker since December 1993. As on 31<sup>st</sup> March, 2015 there are 197 Merchant Bankers registered with SEBI. Your subsidiary Keynote Capitals Limited (KCL) is registered as 'Corporate Broker' under cash and equity derivative segment. There are 3757 Corporate Brokers registered with SEBI and 2990 Brokers under equity derivative market segment as on 31<sup>st</sup> March, 2015. The subsidiary is also Depository Participant (DP) of CDSL. As on 31<sup>st</sup> March, 2015 there are 854 entities registered with SEBI as DPs of NSDL & CDSL. The industry structure is well organized as the intermediaries are required to function within the framework of regulations made by SEBI & Stock Exchanges. Over the period industry has seen various developments and has become more and more regulations driven. All the corporate entities particularly in listed segment are bound by various disclosures and other requirements of SEBI and the roles of intermediaries has turned out to be of the specialized character. Recently SEBI has commenced issuing permanent registrations to Merchant Banks who fulfill eligibility criterias. Your company has also received Permanent Registration as Merchant Banker on 8<sup>th</sup> June, 2012. SEBI has also initiated process of education to the capital market intermediaries through National Institute of Securities Market (NISM) by making it compulsory for the officials/executives of intermediaries to undergo examination and/or process of Continuing Professional Education (CPE). SEBI & other regulators act swiftly to align its policies in tune with global market conditions/practices.

### b. Opportunities and Threats

With the vibrant economic conditions and capital market conditions there are many opportunities for Merchant Bankers and other intermediaries to provide services to the clients. The capital raising is a specialized job on account of various applicable regulations which gives better opportunities for well structured organizations with good base of experienced & highly educated employees. However, the industry is marred with large size of transactions making it difficult for many small and medium enterprises to raise equity resources easily. The size of operations of mid market Merchant Bankers can pose a threat as they may become irrelevant unless specialized skills are acquired and practiced.

### c. Segment-wise performance

Your company derives income mainly from advisory services in the field of Merchant Banking, Corporate & ESOP Advisory. On a consolidated basis company also derives income from broking and related activities, trading in securities and financing activities. Your company reported an income of ₹.408.67 lacs for the year ended 31<sup>st</sup> March, 2015 which is fallen by 46.75% over last financial year income of ₹.767.42 lacs. Similarly the income on consolidated basis has fallen to ₹ 1,317 lacs from income of ₹. 1,842 lacs in the last financial year registering a drop of 28.50%. This is mainly attributable to the volatile market conditions resulting in fall in resource raising activities on an overall basis. The competition in the stock broking activities have also become intense resulting in drop in brokerage and other income.

### d. Outlook

The outlook for the current financial year looks optimistic on account of political stability at the centre with expectation of well defined process of decision making at government & other levels. However, the Indian markets are bound to react to the international events. The uncertainty as regards crisis in Greece, Chinese economy and other factors are likely to play very important role as far as Indian capital market is concerned.

### e. Risks & Concerns

Industry is always facing the risk of adverse effects on business on account of external factors. The capability of execution and completion of mandates remains a challenge on account of various factors. Though there

are many registered Merchant Bankers, the number of entities which are active in the said segment is very less. The institutionalization of the Merchant Banking business by the large players remains a concern for many mid market participants to cope up with fast growing and changing landscape in the financial market.

**f. Internal Control**

The company being in existence as Merchant Banker since past 2 decade has developed well structured internal control systems to conduct the business within the framework of Regulations. The present structure & systems are adequate and commensurate to the size of operations of your company.

**g. Discussion on financial performance with respect to operational performance**

The financial year 2014-15 saw major change in political scenario in the country. The new government with a majority assumed charge at the centre. The expectations of markets including financial markets increased due to stable government with a general sense of optimism & enthusiasm. Though the capital market showed signs of improvement, the primary market conditions did not improve drastically. However, few IPOs were launched in the capital market and resource raising in the form of equity through capital market issuances have improved. Your company also has been able to get a few mandates for IPOs, Rights Issues & other Advisory services in respect of preferential allotment, private equity placement etc. During financial year, your company filed the draft offer documents in respect of 2 Public issues and 3 Rights issues besides handling other assignments. However, many of the transactions could not be completed due to adverse primary market conditions which has resulted in sharp fall in income from operations. Company was able to complete certain assignments in 'Corporate Finance' area such as advising companies on raising debt from Banks, corporate advisory services, valuation services etc. Company continued to provide advisory services in respect of ESOP transactions. There has been a strain on profitability. During the financial year, company could post total income of ₹ 583.68 lacs with a profit after tax of ₹ 52.09 lacs as against income of ₹ 942.12 lacs and profit after tax of ₹ 206.53 lacs for the previous financial year 31<sup>st</sup> March, 2014. The company has to maintain the team of professionals which is essential to cope up with future possibilities of improvement in business environment. Company is hopeful of overall improvement in the capital market and would be able to post reasonable good income levels in years to come.

**h. Material developments in Human Resources/Industrial Relations front, including number of people employed**

You company operates with a sleek employee structure. The employee strength of the company and its subsidiaries is about 47. The company has already put in place adequate processes, facilities, infrastructure and environment enabling the employees to function in an appropriate manner. The company has adequate compensation structure at each level of employee resulting in appropriate relationship. There are no significant developments in this regard during last financial year except a few resignations and appointments which are routine in nature.

**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The philosophy of governance has been deeply rooted in the culture of the Company over a long period of time. The Company continues to deliver value to its various stakeholders. The practice of responsible governance has enabled the Company to maintain sustainability, while meeting the expectations of all stakeholders and the society at large. Besides complying with Clause 49 of the Listing Agreement, the Company has adopted various practices and set reasonable standards of business. The Company endeavours to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing value for its shareholders.

The Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement(s).

**GOVERNANCE FRAMEWORK**

The Company's Governance structure consists of Board of Directors, its Committees and the Management.

**Board Structure:**

**Board Leadership:** The Company has a well-balanced Board of Directors with members from diverse backgrounds who have years of experience and expertise in various fields. Out of 8 members on the Board, 4 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence. 2 out of 8 members are Non-Executive/Promoter Directors. 2 out of 8 members are Whole-Time Directors. The Managing Director is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors. The Board over the period of years has created a culture of leadership to provide long-term vision and policy approach to improve performance and quality of governance in the Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

**Board Committees:** Committees have been constituted by the Board with specific terms of reference and have an optimum representation of Board members. These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them. Presently there are four (4) Committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Management Committee (Non-mandatory).

**BOARD OF DIRECTORS**

**Composition:**

The composition of the Board is in conformity with Clause 49 of the Listing Agreement as well as the Companies Act, 2013. The Company has a Non-Executive Chairman and an optimum representation of Independent Directors on the Board of Directors of the Company.

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2015 is as follows:

Category	:	Name of Directors
Promoter Directors	:	Shri B. Madhuprasad Chairman – Non Executive Shri Vineet Suchanti Managing Director Smt. Rinku Vineet Suchanti Non-Executive
Executive Director	:	Shri Uday S. Patil
Independent Directors	:	Shri Hitesh Shah Shri Sujal Shah Shri Anish Malhotra Shri Manish Desai

Smt. Rinku Vineet Suchanti is the spouse of Shri Vineet Suchanti appointed w.e.f. 31<sup>st</sup> March, 2015. None of the other directors are related to any other director on the Board.

## KEYNOTE CORPORATE SERVICES LIMITED

Shri Sujal Shah resigned from Board of Directors w.e.f. 4<sup>th</sup> May, 2015 and Shri Shishir Dalal has been appointed w.e.f. 4<sup>th</sup> May, 2015 as Independent Director.

Board Meetings held during the financial year 2014-2015.

The Board of Directors had met 4 times during the financial year 2014-2015. These meetings were held on 27<sup>th</sup> May, 2014, 7<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 10<sup>th</sup> February, 2015. Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31<sup>st</sup> March, 2015, as applicable, is tabulated hereunder:

Name of the Director	No. of Board Meeting attended	Attendance at previous AGM on 09/09/2014	No. of outside Directorships held (Excluding Keynote Corporate Services Limited.)	No. of Membership/ Chairmanship in other Board Committees (Excluding Keynote Corporate Services Limited)		Nature of Directorship in the Company
				Member	Chairman	
Shri B. Madhuprasad [DIN-00004632]	3	Yes	2	Nil	Nil	Non-Executive
Shri Vineet Suchanti [DIN-00004031]	4	Yes	5	3 #	4 ##	Executive
Shri Uday S. Patil [DIN-00003978]	3	Yes	2	Nil	Nil	Executive
Shri Hitesh Shah [DIN-00061296]	1	No	1	1*	Nil	Independent
Shri Sujal Shah [DIN-00058019]	4	Yes	13	4@	5@@	Independent
Shri Anish Malhotra [DIN-02034366]	1	No	4	Nil	Nil	Independent
Shri Manish Desai [DIN-02925757]	4	No	3	Nil	Nil	Independent
Shrimati. Rinku Suchanti** [DIN-00012903]	—	Not Applicable	3	—	—	Non-Executive

# Member of Share Transfer Committee, Stakeholder Relationship Committee and CSR Committee of LKP Finance Limited.

## Chairman of Audit Committee of LKP Finance Limited, Keynote Capitals Limited and Chairman of Nomination and Remuneration Committee of Keynote Capitals Limited and LKP Finance Ltd.,

\* Member of Audit Committee of Keynote Capitals Limited.

@ Member of Audit Committee of Amal Limited, Rudolf Atul Chemicals Limited, Pramerica Trustees Private Limited and Amrit Corp. Limited.

@ @ Chairman of Audit Committee of Reliance Asset Reconstruction Co. Limited, Hindoostan Mills Limited, Reliance MediaWorks Limited, i-Process Services (India) Pvt. Limited and Chairman of Remuneration Committee of Bishma Realty Limited.

\*\* Appointed as an Additional Director of the Company w.e.f. 31<sup>st</sup> March, 2015.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board/ Committees of the Board of other companies. As per the disclosures received, none of the Directors of the Company hold membership in more than 10 committees or act as the Chairman of more than five committees across all companies in which he/she is a director.

### INDEPENDENT DIRECTORS:

Company has at its last Annual General Meeting (AGM) held on 9<sup>th</sup> September, 2014, appointed Shri Hitesh Shah, Shri Sujal Shah, Shri Anish Malhotra and Shri Manish Desai as Independent Directors pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules

## ANNUAL REPORT 2014-2015

issued thereunder and Clause 49 of the Listing Agreement for the period of five (5) consecutive years commencing from 9<sup>th</sup> September, 2014. The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the Listing Agreement; a statement in this regard forms part of the Board's Report. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement. A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: [http://www.keynoteindia.net/document-hosting/Appointment Letters Corporate Governance/Appointment % 20 Letters% 20 to % 20 Independent % 20 Directors.pdf](http://www.keynoteindia.net/document-hosting/Appointment%20Letters%20to%20Independent%20Directors.pdf)

### **The shareholding of the Non-Executive Directors of the company as on 31<sup>st</sup> March, 2015 is as follows:**

Name of the Director	Nature of Directorship	No. of Shares held	% to the paid up Share Capital
Shri B. Madhuprasad	Non-Executive Chairman/Promoter	48550	0.69
Shri Hitesh Shah	Independent Director	Nil	Nil
Shri Sujal Shah	Independent Director	Nil	Nil
Shri Anish Malhotra	Independent Director	Nil	Nil
Shri Manish Desai	Independent Director	Nil	Nil
Smt. Rinku Suchanti	Non-Executive Director/Promoter	3802	0.05

Shri Vineet Suchanti, Managing Director holds 11977 (0.17%) Equity Shares of the company as on 31<sup>st</sup> March, 2015 and Shri Uday S. Patil, Whole-Time Director and CFO holds 2500 (0.03%) Equity Shares of the company as on 31<sup>st</sup> March, 2015.

### **Board Procedures**

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members are, on a quarterly basis, appraised by the Managing Director on the overall performance of the Company through presentations and detailed notes.

Presentations are also made by the Executive Directors on the Company's plans, performance, operations and other matters on a periodic basis. The Board has complete access to any information within the Company which includes the information as specified in Annexure-X to Clause 49 of the Listing Agreement and they are updated about their roles and responsibilities in the Company.

The Board, inter alia, reviews annual operating and capital expenditure plans and budgets, financial statements of business segments, compliance report(s) of all laws applicable to the Company, major legal and tax issues, policies/charters of committees of the Company, appointment and remuneration to Directors, minutes of the Board Meetings of the Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, risk management, transactions involving sale of material investments, subsidiaries, assets, which are not in normal course of business, foreign currency exposure, status of all investments made by the Company, minutes of meetings of the Committees of the Board, declaration of dividend, issue of securities, short-term borrowings, any other proposal from the management regarding mergers, acquisitions and restructuring of investments, etc.

The proceedings of each meeting of the Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

### **Directors' Induction and Familiarization**

The provision of an appropriate induction for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Managing Director

is responsible for ensuring that such induction programme is provided to Directors. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

- a. build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The details of Director's induction and familiarization are available on the Company's website at [http://www.keynoteindia.net/document-hosting/financial\\_results/Familiarization %20 Program %20 for %20 Independent %20 Directors % 20 of %20 Keynote.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Familiarization%20Program%20for%20Independent%20Directors%20of%20Keynote.pdf)

**Separate Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on 10<sup>th</sup> February, 2015, without the attendance of Non-Independent Directors and members of the management.

**Evaluation of Board Effectiveness**

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March, 2015. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

**COMMITTEES OF THE BOARD**

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement. The minutes of Committee meetings are tabled at the Board meetings and the Chairman of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013.

The Board has currently established the following statutory and non-statutory Committees.

**AUDIT COMMITTEE**

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes oversight of the financial reporting process, the audit process, the adequacy of internal controls and compliance with applicable laws and regulations.

The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The members of the Audit Committee are financially literate and have requisite experience in financial management. The Committee invites the Managing Director, CFO and Statutory Auditor to attend its meetings.

The previous annual general meeting (AGM) of the Company was held on 9<sup>th</sup> September, 2014 and was attended by Shri Sujal Shah, Chairman of Audit Committee.



The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March, 2015 are detailed below:

The Audit Committee comprises of 3 members namely Shri Sujal Shah, Shri Hitesh Shah and Shri Manish Desai. All are Independent Directors. The Committee met 4 (four) times during the year under review. The audit committee met prior to the finalization of the accounts for the year ended 31<sup>st</sup> March, 2015.

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended upto 31 <sup>st</sup> March, 2015
1.	Shri Sujal Shah *	Chairman	Independent	4
2.	Shri Hitesh Shah	Member	Independent	1
3.	Shri Manish Desai	Member	Independent	4

\* Shri Sujal Shah resigned from Board of Directors w.e.f. 4<sup>th</sup> May, 2015

The necessary quorum was present for all the meetings.

During the period Shri Sujal Shah, Director of the company resigned from the Board w.e.f. 4<sup>th</sup> May, 2015 and Shri Shishir Dalal is appointed as a Chairman of the Audit Committee w.e.f. 4<sup>th</sup> May, 2015. Accordingly, Audit Committee was reconstituted as under:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri Shishir Dalal **	Chairman	Independent
2.	Shri Hitesh Shah	Member	Independent
3.	Shri Manish Desai	Member	Independent

\*\* Shri Shishir Dalal appointed as a Chairman of the Audit Committee w.e.f. 4<sup>th</sup> May, 2015

The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**The role of the Audit Committee, inter alia, includes the following:**

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
  - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with listing and other legal requirements relating to financial statements;
  - d. Disclosure of any Related Party Transactions (RPTs); and
  - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies and investments made by the unlisted subsidiary companies (including joint ventures if any);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;

## KEYNOTE CORPORATE SERVICES LIMITED

- b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
  8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
  10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
  11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
  14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
  15. Evaluating the internal financial controls and risk management policies/system of the Company;
  16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
  17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
  18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
  19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
  20. Reviewing the statements of significant related party transactions submitted by the management; if any
  21. Reviewing and Scrutinizing the inter-corporate loans and investments;
  22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
  23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialised services;
  25. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
  26. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

## ANNUAL REPORT 2014-2015

27. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
28. Review and approve policy formulated for determination of material subsidiaries;
29. Review and approve policy on materiality of related party transactions and also dealing with related party transactions; and
- 30 Any other matter referred to by the Board of Directors.

The Audit Committee during the year has approved the overall framework for RPTs, the Policy on dealing with the RPTs, the Policy on materiality of RPTs and the criteria for granting omnibus approval in line with the policy of dealing with RPTs in accordance with provisions of the Companies Act, 2013 and/or Clause 49 of the Listing Agreement. The Committee also reviews the internal financial controls.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee broadly plays a dual role of determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce.

During the financial year 2014-15, in compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, "Nomination and Remuneration Committee" of the Board of Directors of the Company was formed after change nomenclature and re-constitution of the erstwhile "Remuneration Committee."

The erstwhile Remuneration Committee had met on 4<sup>th</sup> April, 2014.

The composition of the "Nomination and Remuneration Committee" is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee met four (4) times during the financial year ended 31<sup>st</sup> March, 2015 on 4<sup>th</sup> April, 2014, 8<sup>th</sup> August, 2014, 10<sup>th</sup> February, 2015 and 30<sup>th</sup> March, 2015. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2015 is detailed below:

#### **The details of Nomination and Remuneration Committee are as follows:**

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended upto 31 <sup>st</sup> March, 2015
1.	Shri Anish Malhotra	Chairman	Independent	1
2.	Shri B. Madhuprasad	Member	Non Executive	3
3.	Shri Hitesh Shah	Member	Independent	4
4.	Shri Manish Desai	Member	Independent	4

#### **The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference, *inter alia*, to:**

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
2. Carry on the evaluation of every Director's performance;
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
4. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
5. Formulate criteria for evaluation of Independent Directors and the Board;
6. Devise a policy on Board Diversity; and
7. Undertake any other matters as the Board may decide from time to time.

In accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on 11<sup>th</sup> November, 2014 formulated the Nomination and Remuneration Policy of the Company on the recommendations of the Nomination and Remuneration Committee.

**Nomination and Remuneration Policy of the Company:**

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, *inter alia*, the following responsibilities:

1. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. Identify persons who are qualified to be Directors: The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. Nominate candidates for Directorships subject to the approval of Board: The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. Approve the candidates required for senior management positions: The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director, CFO, Company Secretary and Executive Directors of the Company.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive compensation: The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of each financial year. The Committee shall also approve his/her/ their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.
7. Review performance and compensation of senior management: The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
8. Recommend to the Board, commission (if any) to the Non-Executive Directors: The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

**Remuneration to the Managing Director**

The shareholders of the Company at the 21<sup>st</sup> Annual General Meeting held on 9<sup>th</sup> September, 2014 approved the re-appointment of the Managing Director of the Company for a period of five (5) years commencing from 5<sup>th</sup> May, 2014 to 4<sup>th</sup> May, 2019. The terms and conditions of his appointment including remuneration payable to him was approved which was in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force). The details of the Remuneration paid to the Managing Director is stated in the Form MGT- 9 – Extract of the Annual Return which forms part of the Board's Report in this Annual Report.

## ANNUAL REPORT 2014-2015

### **Details of remuneration paid to Non-Executive Directors during the year 2014-15:**

During the financial year ended 31<sup>st</sup> March, 2015, the Company paid ₹ 40,000/- (Rupees Forty Thousand only) as sittings fees for attending the Board meetings to the Independent Directors and ₹ 18,00,000/- (Rupees Eighteen Lacs only) as a professional fees to Shri B. Madhuprasad, Chairman of the Company.

### **Details of the remuneration paid to the Executive Directors of the Company for the financial year ended 31<sup>st</sup> March, 2015 is as follows:**

During the financial year ended 31<sup>st</sup> March, 2015, the Company paid to total amount ₹ 80,21,243/- (Rupees Eighty Lacs Twenty One Thousand Two Hundred Forty Three only) to Whole-Time Directors of the Company.

Company has not granted any stock options to any of its Directors.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the financial year ended 31<sup>st</sup> March, 2015, the nomenclature of the "Shareholders/Investors Grievance Committee" was changed to "Stakeholders Relationship Committee" pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Stakeholders Relationship Committee of Directors to look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Company has also been enlisted in the new SEBI compliant redressal system (SCORES) enabling the investors to register their complaint if any for speedy redressal.

The details of "Stakeholders Relationship Committee" are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri B. Madhuprasad	Chairman	Non Executive
2.	Shri Hitesh Shah	Member	Independent
3.	Shri Uday S. Patil	Member	Executive

The Committee meets on every 15<sup>th</sup> day of the month to consider the status of shareholders grievances/complaints, if any.

The Committee takes on record the details of submissions made by Registrar & Transfer Agent (RTA) on every 15<sup>th</sup> day of the month and also consider status of grievances/complaints pending on the same day.

During the financial year 2014-2015 few communications were received from shareholders and Investors. These communications were of routine nature regarding duplicate shares certificates, corrections/change in address, and issuance of demand draft against dividend warrant due to expiry of the date etc and were addressed promptly.

All valid requests for share transfer received during 2014-2015 have been acted upon by the Company and no transfer/grievances/complaints are pending.

### **MANAGEMENT COMMITTEE**

The Company has constituted a "Management Committee" (Non-mandatory) of Directors consisting of:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri Vineet Suchanti	Chairman	Executive
2.	Shri B. Madhuprasad	Member	Non-Executive
3.	Shri Uday S. Patil	Member	Executive

The said committee of Board of Director is constituted for the purposes of operational convenience in respect of Merchant Banking assignment handled by the company under the authority of Board of Directors in January,

## KEYNOTE CORPORATE SERVICES LIMITED

2006. The committee has powers to open and operate Escrow/Special Accounts and/or any such accounts with Banks for take-over, Buy Back offers and other assignments accepted by the company in the course of Merchant Banking activities.

Further the Board Meeting held on 6<sup>th</sup> September, 2011 had delegated powers to Management Committee to place the Inter Corporate Deposits (ICDs) with known corporate entities.

The Board of Directors of the Company at their meeting held on 7<sup>th</sup> February, 2013 delegated the powers to Management Committee comprising of directors of the Company to give loan to the various body corporates.

### GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2011-2012	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001	27 <sup>th</sup> September, 2012	10.00 a.m.
2012-2013	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001	25 <sup>th</sup> September, 2013	10.00 a.m.
2013-2014	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001	9 <sup>th</sup> September, 2014	10.00 a.m.

Details of Special Resolutions passed in previous three Annual General Meetings.

Date of Annual General Meeting	Number of Special Resolutions passed	Details of Special Resolutions Passed
27 <sup>th</sup> September, 2012	1	1. Re-appointment of Shri Uday S. Patil, [DIN-00003978] as Whole-Time Director of the Company for a period of 3 years wef. 13 <sup>th</sup> November, 2012.
25 <sup>th</sup> September, 2013	1	1. Approval of Professional fees paid to Shri B. Madhuprasad, Chairman – Non Executive of the Company w.e.f. 1 <sup>st</sup> May, 2013
9 <sup>th</sup> September, 2014	6	1. Appointment of Shri Hitesh Shah [DIN-00061296] as an Independent Director of the Company for five consecutive years commencing from 9 <sup>th</sup> September, 2014 2. Appointment of Shri Sujal Shah [DIN-00058019] as an Independent Director of the Company for five consecutive years commencing from 9 <sup>th</sup> September, 2014. 3. Appointment of Shri Anish Malhotra [DIN-02034366] as an Independent Director of the Company for five consecutive years commencing from 9 <sup>th</sup> September, 2014.

## ANNUAL REPORT 2014-2015

Date of Annual General Meeting	Number of Special Resolutions passed	Details of Special Resolutions Passed
		<p>4. Appointment of Shri Manish Desai [DIN-02925757] as an Independent Director of the Company for five consecutive years commencing from 9<sup>th</sup> September, 2014.</p> <p>5. Re-appointment of Shri Vineet Suchanti [DIN-0004031] as Managing Director of the Company for five years w.e.f. 5<sup>th</sup> May, 2014.</p> <p>6. Adoption of new Articles of Association of the Company, substituted in place of existing Articles of Association on based on Table "F" of the Companies Act.</p>

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

### Postal Ballot

During the year, no resolutions were passed through postal ballot.

### Extraordinary General Meeting

During the year, no extraordinary General Meeting of the members was held.

### DISCLOSURES

#### i. Related Party Transactions

During the financial year 2014-2015, the Company had no materially significant Related Party Transaction (RPT) which is considered to have potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Policy%20on%20Related%20Party%20Transactions.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Policy%20on%20Related%20Party%20Transactions.pdf)

#### ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2012-13, 2013-14 and 2014-15 respectively: NIL

#### iii. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link: [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Whistle%20Blower%20Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Whistle%20Blower%20Policy.pdf)

#### iv. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### v. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees and the same has been posted on the website of the company (i.e. [www.keynoteindia.net](http://www.keynoteindia.net))

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2015. The Annual Report of the Company contains a Certificate by the Managing Director in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

#### **SUBSIDIARY COMPANIES**

Keynote Capitals Limited (KCL) and Keynote Fincorp Limited (KFIN) are our wholly owned subsidiaries companies. Presently Keynote Capitals Limited has one wholly owned subsidiary namely Keynote Commodities Limited.

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the board of directors of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at [http://www.keynoteindia.net/document-hosting/financial\\_results/Keynote\\_Material%20Subsidiary%20Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Material%20Subsidiary%20Policy.pdf)

#### **MEANS OF COMMUNICATION**

##### **1. Publication of quarterly financial results:**

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading English and vernacular language newspapers, viz., Free Press Journal and Navshakti, Mumbai newspapers.

"Limited Review" by the Statutory Auditors of the Company for the quarterly results was sent to BSE Limited and National Stock Exchange of India Limited where the shares of the company are listed. Shareholders can also access the quarterly results on the website of these exchanges where the equity shares of the company are listed (i.e. [www.bseindia.com](http://www.bseindia.com) [www.nseindia.com](http://www.nseindia.com))

##### **2. Website and News Releases:**

A separate dedicated section under 'Investors Relations' on the Company's website gives information of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-monthly and Annual financial results along with the applicable policies of the Company.

##### **3. Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

##### **4. NEAPS (NSE Electronic Application Processing System):**

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

##### **5. BSE Corporate Compliance & Listing Centre:**

<http://listing.bseindia.com/> is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.



## ANNUAL REPORT 2014-2015

### GENERAL SHAREHOLDER'S INFORMATION

#### Annual General Meeting

Date and time	: Tuesday, 29 <sup>th</sup> September, 2015, 10.00 a.m.
Venue	: Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001
Financial Year Ending	: 31 <sup>st</sup> March, 2015
Tentative Schedule for declaration of results during the financial year 2015-2016	
• 1 <sup>st</sup> Quarter (June, 2015)	: First week of August, 2015.
• 2 <sup>nd</sup> Quarter (September, 2015)	: First week of November, 2015
• 3 <sup>rd</sup> Quarter (December, 2015)	: Second week of February, 2016
• 4 <sup>th</sup> Quarter (March, 2016) and Audited Financial Results for the year ended 31 <sup>st</sup> March, 2016	: Last week of May, 2016
Date of Book Closure	: From Wednesday, 23 <sup>rd</sup> September, 2015 to Tuesday, 29 <sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend which will be subject to approval of shareholders.
Dividend Payment date • Final Dividend 2014-2015 recommended by the Board of Directors at its Meeting held on 28 <sup>th</sup> May, 2015	: After 30 <sup>th</sup> September, 2015 (Subject to approval of the shareholders)
Listing on Stock Exchange and Stock Code	: Equity Shares of the Company are listed at BSE Limited, (Scrip Code : 512597) and National Stock Exchange of India Limited, (Symbol: KEYCORPSE).
Face Value of Equity Shares	: ₹ 10/- each.

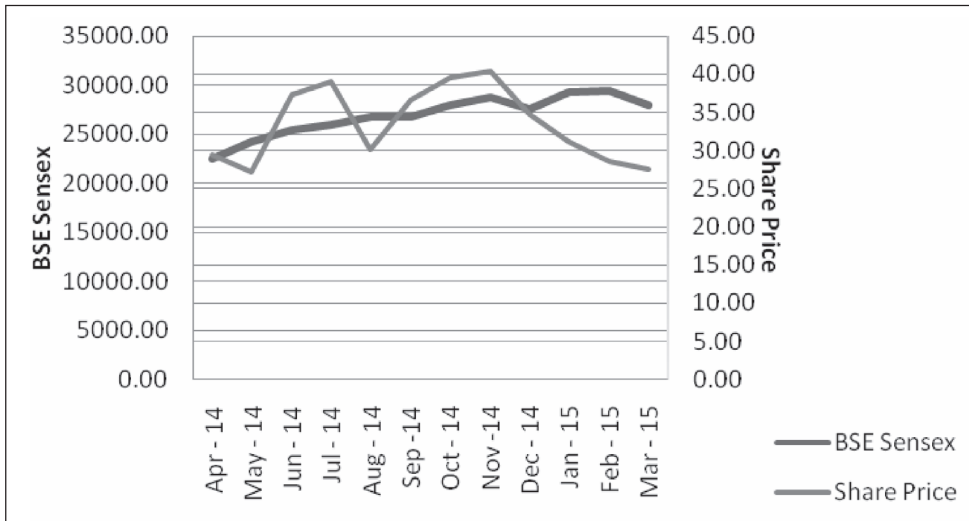
#### Monthly High/Low price of Equity Shares of the Company during the financial year 2014-2015 on BSE Limited and National Stock Exchange of India Limited.

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April, 2014	30.90	26.95	32.55	32.55
May, 2014	32.25	24.35	34.00	32.55
June, 2014	38.90	27.70	41.75	35.75
July, 2014	44.35	35.45	39.50	37.55
August, 2014	41.65	29.15	37.50	35.85
September, 2014	36.70	28.00	37.50	35.85
October, 2014	39.75	37.80	35.70	35.70
November, 2014	44.00	40.35	37.45	35.70
December, 2014	42.00	34.65	NT	NT
January, 2015	36.10	31.10	NT	NT
February, 2015	32.65	25.80	NT	NT
March, 2015	27.50	27.50	NT	NT

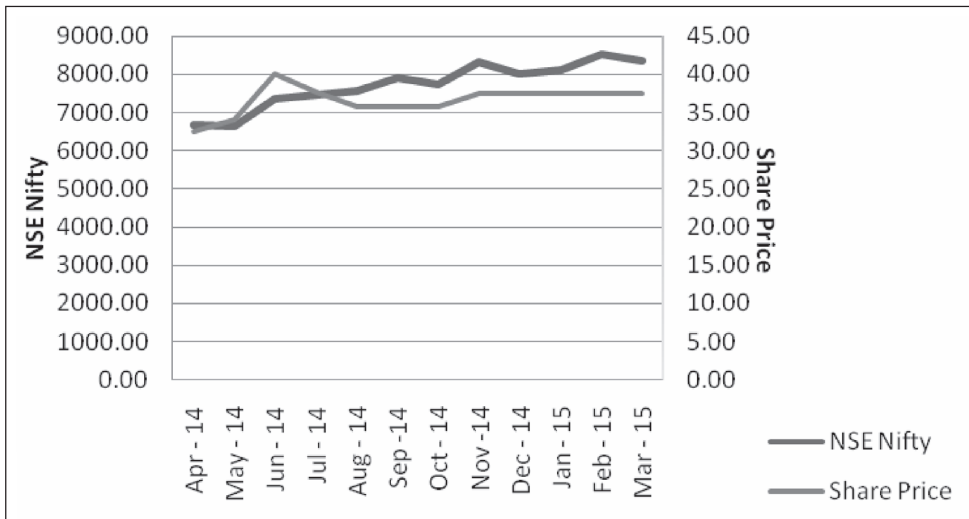
NT: No Trading

Source: BSE and NSE website

**Graphical Representation of Performance of Keynote's share price in comparison with BSE Sensex**



**Graphical Representation of Performance of Keynote's share price in comparison with NSE Nifty.**



**REGISTRAR AND TRANSFER AGENT**

For any queries relating to the shares of the Company, correspondence may please be addressed to:  
 Link Intime India Pvt. Ltd.,  
 C-13, Pannalal Silk Mills Compound,  
 LBS Marg, Bhandup (West),  
 Mumbai – 400 078  
 Tel : (022) 2596 3838  
 Fax : (022) 2594 6969  
[www.linkintime.co.in](http://www.linkintime.co.in)

## ANNUAL REPORT 2014-2015

### SHARE TRANSFER SYSTEM

The Company's shares being in compulsory Demat list are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the "Stakeholders Relationship Committee." The share transfer process is reviewed by the said committee.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Clause 47 (C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges on or before the due date.

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015

	No. of Shares	Shareholders	Shareholding	
	Number	%	Number	%
Upto 500	2,215	91.34	3,03,635	4.33
501 to 1000	94	3.88	75,737	1.08
1001 to 2000	48	1.98	73,320	1.04
2001 to 3000	25	1.03	62,732	0.89
3001 to 4000	10	0.41	35,673	0.51
4001 to 5000	3	0.12	14,829	0.21
5001 to 10000	7	0.29	48,528	0.69
10001 and above	23	0.95	64,03,885	91.25
<b>TOTAL</b>	<b>2425</b>	<b>100.00</b>	<b>70,18,339</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2015

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<b>Promoter &amp; Promoter Group :</b>		
	(a) Individuals/Hindu Undivided Family	6,51,052	9.28
	(b) Bodies Corporate	34,11,166	48.60
	Sub Total :	40,62,218	57.88
(B)	<b>Public Shareholding :</b>		
	1. Institutions		
	(a) Mutual Funds/UTI	13,900	0.20
	(b) Financial Institutions/Banks	300	0.00
	(c) Foreign Institutional Investors	5,61,348	8.00
	2. Non-Institutions		
	(a) Bodies Corporate	1,49,636	2.13
	(b) Individuals	7,66,635	10.92
	(c) Non-Resident Indians	4166	0.06
	(d) Non-Resident (Non-Repatriable)	630	0.01
	(e) Trust	14,51,902	20.69
	(f) Hindu Undivided Family	1,150	0.02
	(g) Clearing Members	6,454	0.09
	Sub Total :	29,56,121	42.12
	<b>GRAND TOTAL</b>	<b>70,18,339</b>	<b>100.00</b>

**Dematerialization of Shares:** 67,74,353 Equity Shares of ₹ 10/- each (i.e. 96.52%) of the total capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2015.

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact the Registrar and Transfer Agent of the Company.

**Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:**

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March, 2015.

**ADDRESS FOR CORRESPONDENCE:**

**Keynote Corporate Services Limited**

The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.

E-mail : [investors@keynoteindia.net](mailto:investors@keynoteindia.net)

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Transfer Agent.

**National Electronic Clearing System (NECS) for dividend:**

The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective 1st October, 2009. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, the Company will print details available in its records on the dividend warrants to be issued to the shareholders.

**For shares held in physical form:**

Investors who would like to avail NECS facility and are holding shares in physical form may send in their NECS Mandate Form, duly filled in to the Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd . The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with the Company.

**For shares in electronic/dematerialized form:**

Investors holding shares in dematerialized or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar and Transfer Agent cannot make any change in such records received from the Depository.

**Transfer of unclaimed dividend to Investor Education and Protection Fund:**

In terms of Sections 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

By Order of the Board  
For **Keynote Corporate Services Limited**

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

Date: 10<sup>th</sup> August, 2015  
Place: Mumbai

ANNUAL REPORT 2014-2015

<b>Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting.</b>			
<b>Name, Age, Qualification and Address of Director</b>	<b>Experience/Expertise in specific functional area</b>	<b>Directorship held in other companies</b>	<b>Number of shares held in the Company</b>
<p><b>Shri B. Madhuprasad</b> (Director due to retire by rotation seeking re-appointment) Age : 65 years</p> <p>Qualification: B.Com A.C.A. Address : C-1/72, 7<sup>th</sup> floor, Textila Co-Op. Housing Society Ltd., Twin Tower Lane, Off. V. S. Marg, Prabhadevi, Mumbai – 400 025</p>	<p><b>Shri B. Madhuprasad</b>, is rank holder Chartered Accountant from the Institute of Chartered Accountants of India having rich experience in Merchant Banking. He has to his credit the experience of handling more than 600 public issues of various corporates during his stint with PNB Capital Services Limited and Keynote Corporate Services Limited. He is a guest faculty in various prominent capital market institutions such as Indian Institute of Capital Markets, IFCI and academic institutions such as Narsee Monjee Institute of Management studies. He was a member of the Board of Studies at SIES College of Management Studies. He is also a regular guest lecturer on BSE Training Institute. He is Chairman of Association of Investment Bankers of India (AIBI). He is with the Company since inception.</p>	<ul style="list-style-type: none"> <li>• Naga Accounts Management Co. Pvt. Ltd.,</li> <li>• Association of Investment Bankers of India</li> </ul>	48550
<p><b>Smt. Rinku Suchanti</b> (Director seeking appointment) Age : 43 years Qualification: B.Com. Address : 13-B, Jolly Maker Apartment-I, Cuffe Parade, Mumbai-400 005</p>	<p><b>Smt. Rinku Suchanti</b>, joined the Board of Directors on 31<sup>st</sup> March, 2015. She is a Bachelor of Commerce and Completed Diploma in Interior of Designing. She has wide experience interior designing.</p>	<ul style="list-style-type: none"> <li>• Akshara Advertising Limited</li> <li>• Alishan Tracom Private Limited</li> <li>• Dhanvirdhi Tie up Pvt. Limited</li> </ul>	3802
<p><b>Shri Shishir Dalal</b> (Director seeking appointment) Age : 59 years Qualification: B.Com. FCA. Address : Pallav Bunglow, Garden Colony, Near Sir Lalubhai Park, Andheri (West), Mumbai – 400 058</p>	<p><b>Shri Shishir Dalal</b> joined the Board of Directors on 4<sup>th</sup> May, 2015. He is a Bachelor of Commerce and a qualified Chartered Accountant (FCA). He has wide experience in the field of Corporate Law, Taxation and Finance etc.</p>	<ul style="list-style-type: none"> <li>• Imagine Real Indo-German Real Estate &amp; Business Solutions Private Limited.</li> <li>• Sustainable Agro-Commercial Finance Limited.</li> <li>• Windsor Machines Limited.</li> <li>• Eurus Management Services Private Limited.</li> <li>• Euclid Wealth Management Private Limited.</li> <li>• TC Capital Advisory (India) Private Limited</li> </ul>	NIL
<p><b>Shri Uday S. Patil</b> Re-appointment of Whole-Time Director) Age : 56 years Qualification: B.Sc. LL.B. (Gen) CAIIB Address : B-4, Shree Yashwant Society, Near Hotel Meghraj, 90 Feet Road, Ghatkopar (East) Mumbai – 400 077</p>	<p><b>Shri Uday S. Patil</b> is Science graduate with a Law Degree and also a Certified Associate of Indian Institute of Bankers. An ex-banker with rich hands-on experience on various fields of Banking/ Investment Banking. Having handled various issue Assignments, Portfolio Investments, Project Appraisal and Merchant Banking functions, he is a force to reckon with as far as structuring, creativity and servicing is concerned. He is a guest faculty at Alkesh Dinesh Mody Institute of Financial and Management Studies (ADMI) &amp; Jamanalal Bajaj Institute of Management Studies (JBIMS) of University of Mumbai and delivered lectures at Institute of Chartered Accountants of India, National Institute of Securities Markets etc. He is with the Company since inception.</p>	<ul style="list-style-type: none"> <li>• Spire Investments &amp; Trading Pvt. Limited</li> <li>• Keynote Fincorp Limited</li> </ul>	2500

**Declaration by Managing Director**

I, Vineet Suchanti, Managing Director of Keynote Corporate Services Limited, hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Clause 49 (II)(E)(ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended 31<sup>st</sup> March, 2015.

By Order of the Board  
For **Keynote Corporate Services Limited**

Date: 10<sup>th</sup> August, 2015  
Place: Mumbai

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

**Managing Director Certification**

I, Vineet Suchanti, Managing Director of Keynote Corporate Services Limited hereby certify that:

- (a) We have reviewed financial statement and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that -
  - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there has not been any instances during the year of significant fraud of which we had 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.

For **Keynote Corporate Services Limited**

Date: 28<sup>th</sup> August, 2015  
Place: Mumbai

Sd/-  
**Vineet Suchanti**  
Managing Director  
(DIN - 00004031)

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members of Keynote Corporate Services Limited**

We have examined the compliance of conditions of Corporate Governance by Keynote Corporate Services Limited (the Company) for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchange of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We 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.

For **Uma Lodha & Co.**  
Practising Company Secretaries

Place: Mumbai  
Date: 10<sup>th</sup> August, 2015

Sd/-  
**Uma Lodha**  
Proprietor  
C.P. No. 2593

## INDEPENDENT AUDITOR'S REPORT

### **To the Members of Keynote Corporate Services Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Keynote Corporate Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to the note no.38 in the standalone financial statements regarding pending approval of the Central Government for recovery of remuneration of ₹ 16,50,000 paid in the F.Y.2013-14 for the services rendered by a director in his professional capacity.



Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of

Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W

Sd/-  
**Amit Hundia**  
Partner  
Membership No.120761

**Place:** Mumbai  
**Date:** May 28, 2015.

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keynote Corporate Services Limited on the standalone financial statements for the year ended March 31, 2015.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company did not have any inventory during current financial year so, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Act.
- (a) There is no stipulation as regards repayment of principal and payment of interest. The Company has received the principal amount and interest whenever called for.
- (b) Since there is no stipulation as regards repayment of principal and payment of interest, clause 3(iii)(b) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, service tax, cess and any other material statutory dues applicable to it. However, there have been slight delays in few cases. As explained to us, the provisions regarding sales tax, duty of customs, duty of excise and value added tax are presently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues outstanding with respect to income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (d) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W

Sd/-  
**Amit Hundia**  
Partner

Membership No.120761

Place: Mumbai  
Date: May 28, 2015.

ANNUAL REPORT 2014-2015

<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015</b>			
(Amount in ₹)			
PARTICULARS	NOTE NO.	AS AT 31-March -2015	AS AT 31-March -2014
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds:</b>			
(a) Share Capital	3	70,183,390	70,183,390
(b) Reserves and Surplus	4	400,799,069	403,800,661
TOTAL(A)		<u>470,982,459</u>	<u>473,984,051</u>
<b>2. Non Current Liabilities:</b>			
(a) Long-term borrowings	5	1,694,175	3,274,507
(b) Deferred tax liabilities (Net)	6	5,358,380	3,891,102
(c) Other Long term liabilities	7	300,000	—
(d) Long-term provisions	8	1,670,082	2,075,927
TOTAL(B)		<u>9,022,637</u>	<u>9,241,536</u>
<b>3. Current liabilities:</b>			
(a) Other current liabilities	9	13,700,360	12,648,918
(b) Short-term provisions	10	10,321,646	10,945,563
TOTAL(C)		<u>24,022,006</u>	<u>23,594,481</u>
<b>TOTAL (A+B+C)</b>		<u><u>504,027,102</u></u>	<u><u>506,820,068</u></u>
<b>II. ASSETS:</b>			
<b>1. Non Current assets:</b>			
(a) Fixed assets			
(i) Tangible assets	11	100,709,070	105,775,117
(b) Non-current investments	12	242,760,571	232,767,292
(c) Long-term loans and advances	13	3,444,324	779,559
TOTAL(D)		<u>346,913,965</u>	<u>339,321,968</u>
<b>2. Current assets:</b>			
(a) Current Investment	14	40,473,541	—
(b) Trade receivables	15	16,329,796	4,803,788
(c) Cash and Bank Balances	16	7,109,034	98,365,193
(d) Short-term loans and advances	17	84,332,746	60,915,594
(e) Other current assets	18	8,868,020	3,413,525
TOTAL(E)		<u>157,113,137</u>	<u>167,498,100</u>
<b>TOTAL (D+E)</b>		<u><u>504,027,102</u></u>	<u><u>506,820,068</u></u>
<b>Significant Accounting Policies</b>	1 & 2		
<b>Notes forming part of accounts</b>	24 to 39		
<b>Notes referred to above form an integral part of the financial statements</b>			
<b>As per our report of even date Attached</b>			
<b>For Haribhakti &amp; Co. LLP</b>		<b>For and on behalf of the Board of</b>	
<b>Chartered Accountants</b>		<b>Keynote Corporate Services Ltd.</b>	
<b>ICAI Firm Registration No. 103523W</b>			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>Amit Hundia</b>		<b>Vineet Suchanti</b>	<b>Uday Patil</b>
Partner		Managing Director	Director & CFO
Membership No :120761			
Place : Mumbai		Place : Mumbai	
Date : 28 <sup>th</sup> May 2015		Date : 28 <sup>th</sup> May 2015	

KEYNOTE CORPORATE SERVICES LIMITED

<b>STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015</b>			
(Amount in ₹)			
PARTICULARS	NOTE NO.	For The Year Ended 31-March -2015	For The Year Ended 31-March -2014
<b>INCOME</b>			
Revenue from operations	19	40,867,038	76,642,464
Other Income	20	17,501,230	17,569,037
<b>TOTAL (A)</b>		<b>58,368,268</b>	<b>94,211,501</b>
<b>EXPENSES</b>			
Employee benefits expenses	21	24,390,049	32,149,695
Finance Costs	22	503,416	492,024
Depreciation and amortisation expenses	11	3,738,858	3,406,342
Other Expenses	23	20,422,531	29,659,750
<b>TOTAL (B)</b>		<b>49,054,854</b>	<b>65,707,811</b>
<b>Profit before exceptional item and tax (C) = (A) - (B)</b>		<b>9,313,414</b>	<b>28,503,691</b>
Exceptional items (D)	37	1,411,710	—
<b>Profit before taxation (E) = (C) - (D)</b>		<b>7,901,704</b>	<b>28,503,691</b>
<b>Less: Provision for taxation</b>			
i) For Current Year			
Current Tax		1,224,912	6,157,396
Deferred Tax		1,467,277	1,693,029
ii) For Previous Year(s) (income tax)		—	25,750
Total Tax Expenses (F)		<b>2,692,189</b>	<b>7,876,175</b>
<b>Profit after tax for the year (E-F)</b>		<b>5,209,514</b>	<b>20,627,515</b>
<b>Earnings Per Share (Face Value Per Share ₹ 10 /- )</b>			
<b>Basic</b>	28	<b>0.74</b>	<b>2.94</b>
<b>Diluted</b>	28	<b>0.74</b>	<b>2.94</b>
<b>Significant Accounting Policies</b>	1 & 2		
<b>Notes forming part of accounts</b>	24 to 39		
<b>As per our report of even date Attached</b>			
<b>For Haribhakti &amp; Co. LLP</b>		<b>For and on behalf of the Board of</b>	
<b>Chartered Accountants</b>		<b>Keynote Corporate Services Ltd.</b>	
<b>ICAI Firm Registration No. 103523W</b>			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>Amit Hundia</b>		<b>Vineet Suchanti</b>	<b>Uday Patil</b>
Partner		Managing Director	Director & CFO
Membership No :120761			
Place : Mumbai		Place : Mumbai	
Date : 28 <sup>th</sup> May 2015		Date : 28 <sup>th</sup> May 2015	

## ANNUAL REPORT 2014-2015

### Notes to financial statements for the year ended 31st March 2015

#### 1. Corporate information

Keynote Corporate Services Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, i.e., Bombay Stock Exchange Ltd.(BSE) & National Stock Exchange Ltd. (NSE).The company is Engaged in providing services of Investment Banking, Corporate Advisory Services & ESOPs Advisory etc.

#### 2. Basis of preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of Companies Act, 2013 and the other relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and reported amount of assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### b. Tangible fixed assets and Capital Work-in-Progress

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The advances given for acquiring for Fixed Assets are shown under Loans and advances (Capital advance).

##### c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis as per the useful life of the assets including property held as Investment as prescribed under the Schedule II of the Companies Act, 2013, Except for the following assets where the management has estimated useful life which differs from the useful life of 60 Years prescribed under the Act.

Assets	Balance useful life (Years) From the date of acquisition (date of construction not available)
Investment Property	60 years

For this asset, based on assessment of technical expert, the management believes that the useful lives as given above best represents the period over which management expects to use this asset. Hence, useful lives for this assets are different from the useful lives as prescribed under schedule II of Companies Act 2013.

##### d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

##### e. Leases

###### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified

as operating leases. Operating lease expenses are charged to the statement of profit and loss as per the terms of the lease arrangements.

###### Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed asset/Investment property. Lease income on an operating lease is recognized in the statement of profit and loss as per the terms of lease arrangements.

##### f. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

##### g. Impairment of tangible and intangible assets

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit and loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimates of the recoverable amount and such loss either no longer exists or has decreased.

##### h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long-term Investment.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### i. Investment Property

Property given on lease is shown as Investment in property under Non Current Investment and is depreciated using Straight Line method as per useful life prescribed under schedule II to the Companies Act 2013.

##### j. Revenue recognition

Revenue is recognized to the extent that it can be reliably measured and there are no uncertainty about ultimate collection.

- i) Fees including issue Management fees is recognized with reference to achievement of milestones defined in the engagement Letter/mandate letter entered with counter party.
- ii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii) The company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreement entered with the counter parties
- iv) Dividend from investments is accounted for as income when the right to receive the dividend is established.
- v) Other income is recognized on accrual basis.

##### k. Foreign currency transactions

Foreign Exchange transactions are recorded at the closing rate prevailing on dates of the transactions. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit & Loss.

## KEYNOTE CORPORATE SERVICES LIMITED

Monetary assets & liabilities denominated in foreign currencies are converted at the closing rates as on Balance sheet date. The resultant exchange difference is recognized in the Statement of Profit and Loss.

Non-Monetary assets & liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of transaction.

### i. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund & ESIC is a defined contribution scheme. The contributions to the Provident Fund & ESIC are charged to the statement of profit and loss for the year when the contributions are due.

The company operates defined benefit plan for its employees, viz., gratuity the costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation.

### m. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

#### Current tax

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

#### Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

### n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

### p. Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also

arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

3. SHARE CAPITAL	31-March -2015	31-March -2014
	₹	₹
<b>Authorized Shares:</b>		
1,50,00,000 (P.Y.:1,50,00,000) equity Shares of ₹ 10/-each	150,000,000	150,000,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued :</b>		
1,12,74,417 (P.Y.:1,12,74,417) equity Shares of ₹ 10/- each	112,744,170	112,744,170
<b>Total</b>	<b>112,744,170</b>	<b>112,744,170</b>
<b>Subscribed and fully paid-up shares:</b>		
70,18,339 (P.Y.: 70,18,339) equity Shares of ₹ 10/-each.	70,183,390	70,183,390
<b>Total</b>	<b>70,183,390</b>	<b>70,183,390</b>

#### a. Terms/rights attached to equity shares

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. All Shares rank pari passu with regard to dividend & repayment of capital. During the year ended 31st March 2015, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 1/- (P.Y.: ₹ 1/- per share). In the event of liquidation of company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31-March -2015		31-March -2014	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	7,018,339	70,183,390	7,018,339	70,183,390
Issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>7,018,339</b>	<b>70,183,390</b>	<b>7,018,339</b>	<b>70,183,390</b>

#### c. Details of shareholders holding more than 5% shares in the company

Equity shares of ₹10 each fully paid	31-March -2015		31-March -2014	
	No. of Shares	% holding	No. of Shares	% holding
i) NSS Digital Media Ltd	2,932,256	41.78	2,932,256	41.78
ii) Keynote Trust	1,451,702	20.68	1,451,702	20.68
iii) India Max Investment Fund Limited	561,348	8.00	561,348	8.00

4. RESERVES AND SURPLUS	31- March- 2015	31- March- 2014
	₹	₹
<b>Securities premium account</b>		
Opening Balance	230,648,293	230,648,293
<b>Closing Balance</b>	<b>230,648,293</b>	<b>230,648,293</b>
<b>General reserve</b>		
Opening Balance	13,391,679	11,328,928
Add: Transferred during the year	—	2,062,751
<b>Closing Balance</b>	<b>13,391,679</b>	<b>13,391,679</b>



## KEYNOTE CORPORATE SERVICES LIMITED

11. FIXED ASSETS <span style="float: right;">(₹)</span>											
Sr. No.	Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2013	Additions During the Year	Deductions	As at 31.03.2014	Upto 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Premises	89,134,571	—	—	89,134,571	1,401,147	1,452,894	—	2,854,041	86,280,530	87,733,424
2	Motor Cars	8,589,804	3,770,970	1,745,347	10,615,427	3,278,694	901,479	1,127,390	3,052,783	7,562,644	5,311,110
3	Furniture & Fixtures	8,487,115	—	—	8,487,115	745,709	537,235	—	1,282,944	7,204,171	7,741,406
4	Air conditioners	2,028,570	—	—	2,028,570	334,844	96,357	—	431,201	1,597,369	1,693,726
5	Office Equipments	917,106	18,849	—	935,955	46,191	44,229	—	90,420	845,535	870,915
6	Computers	3,037,762	161,435	—	3,199,197	1,816,602	310,607	—	2,127,209	1,071,988	1,221,160
7	Electrical Fittings	1,337,699	—	—	1,337,699	61,278	63,541	—	124,819	1,212,880	1,276,462
	<b>TOTAL</b>	<b>113,532,627</b>	<b>3,951,254</b>	<b>1,745,347</b>	<b>115,738,534</b>	<b>7,684,465</b>	<b>3,406,342</b>	<b>1,127,390</b>	<b>9,963,417</b>	<b>105,775,117</b>	<b>105,848,162</b>

12. NON-CURRENT INVESTMENT (AT COST)									
Sr. No.	Particulars	Subsidiary/ Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Face Value	Amount in Rupees	
			31- March- 2015	31- March- 2014				31- March- 2015	31- March- 2014
<b>Non-Trade Investments</b>									
(a)	<b>Investment in Property (Gross)</b>							700,000	700,000
	Less: Accumulated Depreciation on Property							268,213	261,492
	Closing WDV							431,787	438,508
	Total (a)							431,787	438,508
(b)	<b>Investment in Equity Instruments</b>								
	Keynote Corporate Services Ltd (held by Keynote Trust)	Others	1,451,702	1,451,702	Quoted	Fully paid	10	12,970,873	12,970,873
	Keynote Capitals Ltd	Subsidiary	11,266,667	11,266,667	Unquoted	Fully paid	10	175,500,010	175,500,010
	Keynote Fincorp Ltd	Subsidiary	2,000,000	2,000,000	Unquoted	Fully paid	10	37,500,000	37,500,000
	Investment in Keynote Trust (Initial Corpus Fund)	Others	—	—	Unquoted			20,000	20,000
	Indo Count India Limited	Others	9,900	9,900	Unquoted	Fully paid	10	212,355	212,355
	Coromandal Engineering Co Ltd	Others	20,100	20,100	Quoted	Fully paid	10	402,000	402,000
	Scanpoint Geomatics Ltd	Others	400	400	Quoted	Fully paid	10	1,156	1,156
	Mitcon Consultancy & Eng Services Ltd	Others	40,000	40,000	Quoted	Fully paid	10	2,440,000	2,440,000
	Dugar Finance Ltd	Others	700	700	Unquoted	Fully paid	10	2,870	2,870
	Dugar Housing Ltd	Others	800	800	Unquoted	Fully paid	10	9,520	9,520
	Stella Exports Ltd	Others	10,000	10,000	Unquoted	Fully paid	10	30,000	30,000
	Eagleeye Research & Media Pvt Ltd	Others	9,600	9,600	Unquoted	Fully paid	10	3,240,000	3,240,000
	Total (b)							232,328,784	232,328,784
(c)	<b>Investment in Debentures</b>								
	ECL Finance-NCD		10,000	—	Unquoted	Fully paid	1,000	10,000,000	—
	Total (c)							10,000,000	—
	<b>Total (a+b+c)</b>							<b>242,760,571</b>	<b>232,767,292</b>

Particulars	C.Y.	P.Y.
Aggregate amount of quoted investments	15,814,029	15,814,029
Market Value of quoted investments	42,788,620	43,598,187
Aggregate amount of unquoted investments	226,514,755	216,514,755
Aggregate provision for diminution in value of investment	—	—



## ANNUAL REPORT 2014-2015

13. LONG TERM LOAN & ADVANCES		31- March- 2015	31- March- 2014
		₹	₹
<b>Unsecured, considered good</b>			
Security deposit		310,600	—
<b>Other Loans &amp; Advances</b>			
Prepaid expenses		11,586	—
Loans to employees		73,356	49,356
Advance Income Tax- (Net of Provision for taxation ₹ 8,01,24,131/- and (P.Y. ₹ 7,89,52,286)		3,048,782	730,203
<b>Total</b>		<b>3,444,324</b>	<b>779,559</b>

14. CURRENT INVESTMENTS									
Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / unquoted	Partly paid / Fully paid	Face Value	Amount in Rupees	
			31- March-2015	31- March-2014				31- March-2015	31- March-2014
<b>(a) Investment in Equity Instruments (At Cost)</b>									
	Ajantha Pharma Ltd	Others	115	—	Quoted	Fully Paidup	2	75,666	—
	Bharti Infratel Ltd	Others	776	—	Quoted	Fully Paidup	10	224,609	—
	Capital First Ltd	Others	522	—	Quoted	Fully Paidup	10	137,246	—
	Cox & Kings Ltd	Others	778	—	Quoted	Fully Paidup	5	235,144	—
	Gati Ltd	Others	2,222	—	Quoted	Fully Paidup	2	354,141	—
	HDFC Bank Ltd	Others	65	—	Quoted	Fully Paidup	2	52,881	—
	Indusind Bank Ltd	Others	80	—	Quoted	Fully Paidup	10	43,538	—
	Jenburkt Pharmaceuticals Ltd	Others	638	—	Quoted	Fully Paidup	10	125,415	—
	Mold-Tek Packaging Ltd	Others	1,876	—	Quoted	Fully Paidup	10	338,766	—
	Motherson Sumi Systems Ltd	Others	413	—	Quoted	Fully Paidup	1	157,516	—
	Orbit Exports Ltd	Others	194	—	Quoted	Fully Paidup	10	54,376	—
	Mastek Ltd	Others	401	—	Quoted	Fully Paidup	5	155,392	—
	Lyka Labs Ltd	Others	596	—	Quoted	Fully Paidup	10	22,697	—
	EICHER Motors Ltd	Others	13	—	Quoted	Fully Paidup	10	200,168	—
	PTC India Financial Services Ltd	Others	12,217	—	Quoted	Fully Paidup	10	518,273	—
	Ratnamani Metals & Tubes Ltd	Others	110	—	Quoted	Fully Paidup	2	46,434	—
	Saria Performance Fibres Ltd	Others	452	—	Quoted	Fully Paidup	10	143,455	—
	Sun Pharmaceuticals Industries Ltd	Others	215	—	Quoted	Fully Paidup	1	171,210	—
	Tata Motors Ltd	Others	504	—	Quoted	Fully Paidup	2	202,399	—
	Transport Corporation of India Ltd	Others	652	—	Quoted	Fully Paidup	2	145,379	—
	V-Mart Retail Ltd	Others	132	—	Quoted	Fully Paidup	10	51,314	—
	Wim Plast Ltd	Others	343	—	Quoted	Fully Paidup	10	378,975	—
<b>Investment in Equity Instruments (At Market Value)</b>									
	JBF Industries Ltd (Cost)	Others	1,476	—	Quoted	Fully Paidup	10	357,977	—
	Less: Provision for Diminution in the Value of Investments							(45,951)	—
								312,026	—
	Infrastructure Development Finance Company Ltd (Cost)	Others	1,288	—	Quoted	Fully Paidup	10	223,091	—
	Less: Provision for Diminution in the Value of Investments							(8,188)	—
								214,903	—
	Fiem Industries Ltd (Cost)	Others	533	—	Quoted	Fully Paidup	10	401,614	—
	Less: Provision for Diminution in the Value of Investments							(64,891)	—
								336,723	—
	Control Print Ltd (Cost)	Others	793	—	Quoted	Fully Paidup	10	167,715	—
	Less: Provision for Diminution in the Value of Investments							(9,591)	—
								158,124	—
	<b>Total (a)</b>							<b>4,856,770</b>	<b>—</b>
<b>(b) Investment in Mutual Funds</b>									
	HDFC Liquid Fund Post IPO Collection A/c	Others	804,844	—	Unquoted	Fully Paidup	10	20,787,407	—
	HDFC Gilt Fund Long Term-Growth	Others	181,948	—	Unquoted	Fully Paidup	10	5,000,000	—
	HDFC Liquid-DD	Others	12,067	—	Unquoted	Fully Paidup	10	123,000	—
	ICICI Prudential Saving Fund-Regular Plan-Growth	Others	34,665	—	Unquoted	Fully Paidup	10	7,000,000	—
	Reliance Liquid Fund-Treasury plan Growth option	Others	825	—	Unquoted	Fully Paidup	10	2,706,364	—
	<b>Total (b)</b>							<b>35,616,771</b>	<b>—</b>
	<b>Total (a+b)</b>							<b>40,473,541</b>	<b>—</b>

Particulars	C.Y.	P.Y.
Aggregate amount of quoted investments	4,856,770	—
Market Value of quoted investments	6,150,657	—
Aggregate amount of unquoted investments	35,616,771	—
Aggregate provision for diminution in value of investment	128,621	—

## KEYNOTE CORPORATE SERVICES LIMITED

	31- March- 2015	31- March- 2014		31- March- 2015	31- March- 2014
	₹	₹		₹	₹
<b>15. TRADE RECEIVABLES</b>			<b>20. OTHER INCOME</b>		
<b>Unsecured, considered good</b>			<b>Interest income on</b>		
Outstanding for a period exceeding six months from the date they are due for payment	649,248	822,805	Bank deposits	171,214	175,215
Others	15,680,548	3,980,983	Intercorporate Deposit/Loan	11,019,880	5,401,260
<b>Total</b>	<b>16,329,796</b>	<b>4,803,788</b>	<b>Dividend income on</b>		
			Current investments	67,700	1,656,437
			Non current investments	1,451,702	2,177,553
			<b>Profit on Sale of Investments</b>		
			Current investments		
			(net of loss ₹ 34520/-P.Y.Nil)	2,931,512	6,638,035
			Non current investments	—	70,545
			<b>Other non-operating income</b>		
<b>16. CASH AND BANK BALANCES</b>			Rent	1,461,060	1,449,992
<b>Cash and cash equivalents</b>			Mis Income	398,161	—
Cash on hand	423,524	426,689	<b>Total</b>	<b>17,501,230</b>	<b>17,569,037</b>
<b>Bank Balance :</b>					
– In current accounts	3,308,458	94,873,526			
– In Fixed Deposits (with maturity of less than three-month)	440,557	410,672	<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
	<b>4,172,539</b>	<b>95,710,887</b>			
<b>Other bank balances:</b>			Salaries, Bonus and Allowances	21,296,746	26,115,733
Fixed Deposits (maturity for more than 3 months but less than 12 months)	1,777,049	1,632,661	Contribution to provident and other fund	1,943,505	2,436,933
On Unpaid dividend account	1,159,446	1,021,645	Staff Welfare expenses	1,244,374	1,298,981
	<b>2,936,495</b>	<b>2,654,306</b>	Gratuity expenses	(94,576)	2,298,048
<b>Total</b>	<b>7,109,034</b>	<b>98,365,193</b>	<b>Total</b>	<b>24,390,049</b>	<b>32,149,695</b>
<b>17. SHORT-TERM LOANS &amp; ADVANCES</b>			<b>22. FINANCE COST</b>		
<b>Unsecured, considered good</b>			<b>Interest Cost:</b>		
Security deposit	—	1,005,050	Interest on car loan	397,119	492,024
<b>Short term loans to</b>			Interest on income tax	106,297	—
To related parties	70,213,998	50,331,116	<b>Total</b>	<b>503,416</b>	<b>492,024</b>
To others	10,000,000	5,500,000			
Advances recoverable in cash or in kind	2,989,440	1,903,600	<b>23. OTHER EXPENSES</b>		
Other receivable	390,521	867,859	Power and fuel	340,678	328,369
Service tax Credit	207,328	758,907	Business Promotion Expenses	170,807	2,613,091
Prepaid expenses	216,256	237,862	Motor Car Expenses	1,226,634	1,520,266
Loans to employees	315,204	311,200	Foreign exchange loss (net of gain ₹ 6.14/- PY ₹ 7,498/-)	6,029	20,349
<b>Total</b>	<b>84,332,746</b>	<b>60,915,594</b>	Rates and taxes	85,925	78,638
			Insurance	249,969	161,125
<b>18. OTHER CURRENT ASSETS</b>			Repairs and maintenance - Others	2,261,441	2,681,115
Interest accrued on fixed deposits/loans	8,868,020	3,413,525	Advertising and Sales promotion	86,905	2,558,248
<b>Total</b>	<b>8,868,020</b>	<b>3,413,525</b>	Travelling and conveyance	1,264,310	3,650,329
			Communication costs/Telephone	590,607	669,741
<b>19. REVENUE FROM OPERATIONS</b>			Printing & stationery	202,454	208,417
<b>(a) Revenue from operations</b>			Diminution in Value of Current Investment	128,621	—
<b>Sale of services</b>			Legal and professional fees	9,872,001	10,895,155
Income from Corporate Finance	23,119,000	40,509,008	Director's sitting fees	40,000	40,000
Income from ESOPs	8,727,328	5,000,000	Postage, Courier & Telegraphs	68,575	82,588
Income from Merchant Banking	8,876,000	29,956,995	Auditor's Remuneration	650,000	650,000
<b>Other operating revenue</b>			Subscription & Registration fees	1,305,825	1,375,258
Reimbursement of Expenses	144,710	1,176,461	Bad debts & Balances written off	654,736	603,813
<b>Total</b>	<b>40,867,038</b>	<b>76,642,464</b>	Loss on Sale of Motor Car	—	232,957
			Miscellaneous expenses	1,217,017	1,290,291
			<b>Total</b>	<b>20,422,531</b>	<b>29,659,750</b>
			<b>24. CONTINGENT LIABILITIES NOT PROVIDED FOR:</b>		
			Guarantee given by the Company to the Bankers of its subsidiary, Keynote Capitals Limited ₹ 22,00,00,000/- (Previous year ₹ 22,00,00,000) towards NSE & BSE operations.		
			<b>25. In the opinion of the board of directors, all current assets, loans &amp; Advances would be realizable at least of an amount equal to the amount at which they are stated in the balance sheet. Hence no Impairment loss recognised on fixed assets.</b>		

## ANNUAL REPORT 2014-2015

<b>26. SEGMENT INFORMATION</b>			<b>31. EMPLOYEE BENEFIT DISCLOSURE</b> (Amount in ₹)		
As per AS 17 para 4, segment has been disclosed in Consolidated Financial Statement. Hence no separate disclosures have been given in standalone financial statement.			<b>(a) Defined Contribution Plan</b> Company's Contribution Paid / Payable during the year to Provident fund and ESIC:		
<b>27. PAYMENT TO AUDITOR</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>	<b>Particulars</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>
	₹	₹		₹	₹
<b>As auditor:</b>			1) Contribution to Employees Provident Fund	1,918,041	2,411,800
Audit fees	450,000	450,000	2) Employees State Insurance Scheme	25,464	25,133
Tax audit fees	50,000	50,000			
<b>In other capacity</b>			<b>(b) Defined Benefit Plan</b>		
Other services	150,000	150,000	<b>(i) Gratuity</b>	31/03/2015	31/03/2014
Reimbursement of expenses	8,385	17,444			
	<b>658,385</b>	<b>667,444</b>	<b>I. ASSUMPTION</b>		
Add: Service tax	81,376	82,496	Discount Rate	7.90%	9.14%
<b>Total</b>	<b>739,761</b>	<b>749,940</b>	Rate of Return on plan assets	7.90%	8.70%
			Salary Escalation	8.00%	10.00%
			Attrition rate	20.67%	13.00%
			<b>II. CHANGE IN THE PRESENT VALUE OBLIGATION</b>		
<b>28. EARNINGS PER SHARE (EPS)</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>	Present value of benefit obligation as at the beginning of the year	5,864,303	6,769,954
	₹	₹	Interest Cost	535,997	541,596
Profit after Tax (₹)	5,209,514	20,627,515	Current Service Cost	363,386	412,907
Weighted average number of equity shares (Nos.)	7,018,339	7,018,339	(Benefit paid)	(300,115)	(3,461,538)
Basic/Diluted EPS (₹)	0.74	2.94	Actuarial (gains)/losses on obligations	(763,884)	1,601,384
			Present value of benefit obligation as at the end of the year	5,699,687	5,864,303
<b>29. PROVISION MADE FOR THE YEAR ENDED 31ST MARCH, 2015 COMPRISES OF</b>			<b>III. TABLE OF FAIR VALUE OF PLAN ASSETS</b>		
	Opening Balance as on 01-Apr-2014	Provided for the Year F.Y. 14-15	Provision reversed/Paid for the year F.Y. 14-15	Closing Balance as on 31-Mar-15	
Bonus	1277032	1415810	1781687	911155	
Provision for Gratuity	3230175	—	515421	2714754	
Leave Encashment	303177	148548	297012	154713	
	Opening Balance as on 01-Apr-2013	Provided for the Year F.Y. 13-14	Provision reversed/Paid for the year F.Y. 13-14	Closing Balance as on 31-Mar-14	
Bonus	1282288	1900239	1905495	1277032	
Provision for Gratuity	1338776	2310169	418770	3230175	
Leave Encashment	309789	613293	619905	303177	
<b>30. LEASES</b>					
<b>Asset given on Operating lease</b>					
The Future Minimum Lease Receivable under non cancellable operating lease is as under:					
<b>Particulars</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>			
	₹	₹			
1) Not later than one year	1,485,410	—			
2) Later than one year and not later than five year	2,812,530	—			
3) Later than five year	—	—			
<b>Total</b>	<b>4,297,940</b>	<b>—</b>			
Total lease rental income recognised in financial statement is ₹ 14,61,060/- (P.Y. ₹ 14,49,992/-) on account of lease of a premises					
<b>General Terms of Lease Rentals:</b>					
a. Lease Rental is Charged on the basis of agreed terms					
b. The lease Agreement has escalation clause of 5%					
c. Asset is given on lease for the period for 3 years					
d. The lease agreements can be renewed on mutually agreed terms with the lessee.					
			<b>IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS/LOSSES:</b>		
			Actuarial Gain/(Loss) on obligation for the period	(763,884)	1,601,384
			Actuarial Gain/(Loss) on asset for the period	(906)	214,673
			Subtotal	(764,790)	1,816,057
			Actuarial Gain/(Loss) recognized in income & expenses	(764,790)	1,816,057
			<b>V. ACTUAL RETURN ON PLAN ASSETS:</b>		
			Expected return on plan assets	229,169	472,512
			Actuarial Gain/(Loss) on plan asset	906	(214,673)
			Actual return on plan assets	230,075	257,839
			<b>VI. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>		
			Fair value of plan assets at the end of the year	2,984,933	2,634,128
			Present value of benefit obligation as at the end of the year	(5,699,687)	(5,864,303)
			Funded status	(2,714,754)	(3,230,175)
			Unrecognized past service cost at the end of the year	—	—
			Unrecognized transitional liability at the end of the year	—	—
			Net(liability)/ assets recognized in the balance sheet	(2,714,754)	(3,230,175)
			<b>VII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:</b>		
			Current Service Cost	363,386	(412,907)
			Interest Cost	306,828	541,596
			Expected return on plan assets	—	(472,512)
			Actuarial Gain/(Loss)	(764,790)	1,816,057
			Past service cost (non vested benefit) Recognized during the year	—	—
			Past service cost (vested benefit) Recognized during the year	—	—
			Transitional liability recognized during the year	—	—
			Expenses recognized in P&L	(94,576)	2,298,048

KEYNOTE CORPORATE SERVICES LIMITED

<b>VIII. BALANCESHEET RECONCILIATION:</b>					
Opening net liability	3,230,175		1,338,776		
Expenses as above	(94,576)		2,298,048		
Net transfer in (Net transfer Out)	—		—		
Employer's contribution	(420,845)		(406,649)		
Net liability / (assets) recognized in the balance sheet	2,714,754		3,230,175		
<b>IX. OTHER DETAILS:</b>					
No. of members	21		25		
Salary pm	1,160,780		1,406,288		
Prescribed contribution for next year (12 months)	1,160,780		1,406,288		
<b>X. CATEGORY OF ASSETS:</b>					
Government of India assets	—		—		
Corporate bonds	—		—		
Special Deposit scheme	—		—		
Equity shares of listed companies	—		—		
Insurer managed funds	2,984,933		2,634,128		
Other	—		—		
<b>Total</b>	<b>2,984,933</b>		<b>2,634,128</b>		
<b>XI. SCHEDULE III OF COMPANIES ACT 2013.</b>					
Current Liability	1,160,780		1,406,288		
Non- Current Liability	1,553,974		1,823,887		
<b>Total</b>	<b>2,984,933</b>		<b>2,634,128</b>		
<b>XII. Particulars</b>	<b>31- March 2015</b>	<b>31- March 2014</b>	<b>31- March 2013</b>	<b>31- March 2012</b>	<b>31- March 2011</b>
Present value of benefit obligation	5,699,687	5,864,303	6,769,954	6,108,883	5,866,950
Fair value of plan assets	2,984,933	2,634,128	5,431,178	4,750,756	3,836,067
Surplus / (Deficit)	(2,714,754)	(3,230,175)	(1,338,776)	(1,358,127)	(2,030,883)
Experience adjustment on plan liability	(542,508)	1,963,668	(531,484)	(729,151)	(217,650)
Experience adjustment on plan assets	906	(214,673)	31,034	74,513	53,510

\*Note : Experience adjustments have not been disclosed as details were not received from the Actuary.

**Note:**  
**Disclosures of plan assets**  
The company has group plan with LIC of India and has not been provided with the details of the planned assets. As a result, no disclosure for the same has been made.

(ii) **Compensated Absences:**  
As per the Company's Policy, a sum of ₹2,97,012/- (P.Y.₹6,19,905/-) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year Company has provided to the extent of ₹154713/- (P.Y. ₹3,03,177/-) as per actuarial valuation done by independent actuary.

Note : Detailed disclosures of compensated absence is not given in terms of para 132 of AS-15 "Employee Benefits".

**32. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANT OF INDIA**

- a) List of related parties:**
- A) Enterprise where control exist:**  
Subsidiary Companies:  
Keynote Capitals Ltd  
Keynote Fincorp Ltd  
Keynote Commodities Ltd (Step Down Subsidiary)
- B) Key Management Personnel:**  
Mr. B.Madhuprasad-Chairman  
Mr. Vineet Suchanti-Managing Director  
Mr. Uday S. Patil-Director & CFO
- C) Relatives of Key Management Personnel:**  
Mrs. Pushpa Suchanti  
Mrs. Rinku Suchanti-Wife of Managing Director
- D) Enterprise over which Key Management Personnel exercise Significant Influence:**  
Concept Communication Ltd.  
Concept Production Ltd  
Nirmal Suchanti HUF  
Keynote Trust  
NSS Digital Media Ltd  
Eagle Eye Research & Media Pvt. Ltd.

33. The Company had given unsecured loan to a body corporate in which one of the director was interested as a major shareholder.

**32. b) Description of the nature of transactions with the Related Parties as on 31<sup>st</sup> March, 2015:** (Amount in Rupees)

Particulars	Name of the related Party	Subsidiary Company		Key Management Personnel/Relatives		Enterprise over which key Management personnel exercise Significant Influence		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Sale of Shares/Bond	Keynote Capitals Ltd	—	75,645	—	—	—	—	—	75,645
<b>Total</b>		—	<b>75,645</b>	—	—	—	—	—	<b>75,645</b>
Receiving of Services	Concept Communication Ltd	—	—	—	—	86,905	93,248	86,905	93,248
<b>Total</b>		—	—	—	—	<b>86,905</b>	<b>93,248</b>	<b>86,905</b>	<b>93,248</b>
Managerial Remuneration	B.Madhuprasad	—	—	—	576,000	—	—	—	576,000
Managerial Remuneration	Vineet Suchanti	—	—	4,691,023	4,029,790	—	—	4,691,023	4,029,790
Managerial Remuneration	Uday Patil	—	—	4,060,300	4,029,100	—	—	4,060,300	4,029,100
<b>Total</b>		—	—	<b>8,751,323</b>	<b>8,634,890</b>	—	—	<b>8,751,323</b>	<b>8,634,890</b>
Recovery of Excess Managerial Remuneration	B.Madhuprasad	—	—	—	971,597	—	—	—	971,597
<b>Total</b>		—	—	—	<b>971,597</b>	—	—	—	<b>971,597</b>
Dividend Paid	Keynote Trust	—	—	—	—	1,451,702	2,177,553	1,451,702	2,177,553
Dividend Paid	Pushpa Suchanti	—	—	132,308	198,462	—	—	132,308	198,462
Dividend Paid	Rinku Suchanti	—	—	3,802	5,703	—	—	3,802	5,703
Dividend Paid	B.Madhuprasad	—	—	48,550	72,825	—	—	48,550	72,825
Dividend Paid	Vineet Suchanti	—	—	11,977	17,966	—	—	11,977	17,966
Dividend Paid	Nirmal Suchanti	—	—	117,647	176,471	—	—	117,647	176,471
Dividend Paid	Concept Production Ltd	—	—	—	—	241,600	362,400	241,600	362,400
Dividend Paid	NSS Digital Media Ltd	—	—	—	—	2,932,256	4,398,384	2,932,256	4,398,384
Dividend Paid	Nirmal Suchanti-HUF	—	—	—	—	282,499	423,749	282,499	423,749
<b>Total</b>		—	—	<b>314,284</b>	<b>471,427</b>	<b>4,908,057</b>	<b>7,362,086</b>	<b>5,222,341</b>	<b>7,833,513</b>

ANNUAL REPORT 2014-2015

Particulars	Name of the related Party	Subsidiary Company		Key Management Personnel/Relatives		Enterprise over which key Management personnel exercise Significant Influence		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Dividend Received	Keynote Trust	—	—	—	—	1,451,702	2,177,553	1,451,702	2,177,553
<b>Total</b>		—	—	—	—	<b>1,451,702</b>	<b>2,177,553</b>	<b>1,451,702</b>	<b>2,177,553</b>
Security Deposit paid	B.Madhyrasad	—	—	300,000	1,000,000	—	—	300,000	1,000,000
<b>Total</b>		—	—	<b>300,000</b>	<b>1,000,000</b>	—	—	<b>300,000</b>	<b>1,000,000</b>
Interest Received	Keynote Capitals Ltd	—	699,206	—	—	—	—	—	699,206
Interest Received	Keynote Fincorp Ltd	—	526,027	—	—	—	—	—	526,027
Interest Received	Eagle Eye Research & Media Pvt Ltd	—	—	—	—	470	125,445	470	125,445
Interest Received	Concept Communication Ltd	—	—	—	—	7,946,301	3,231,123	7,946,301	3,231,123
<b>Total</b>		—	<b>1,225,233</b>	—	—	<b>7,946,771</b>	<b>3,356,568</b>	<b>7,946,771</b>	<b>4,581,801</b>
Loans & advances Given	Keynote Capitals Ltd	—	64,000,000	—	—	—	—	—	64,000,000
Loans & advances Given	Eagle Eye Research & Media Pvt Ltd	—	—	—	—	65,000	—	65,000	—
Loans Given	Concept Communication Ltd	—	—	—	—	20,000,000	100,500,000	20,000,000	100,500,000
<b>Total</b>		—	<b>64,000,000</b>	—	—	<b>20,065,000</b>	<b>100,500,000</b>	<b>20,065,000</b>	<b>164,500,000</b>
Loans Repaid	Concept Communication Ltd	—	—	—	—	—	68,000,000	—	68,000,000
Loans & advances repaid	Keynote Capitals Ltd	—	80,000,000	—	—	—	—	—	80,000,000
<b>Total</b>		—	<b>80,000,000</b>	—	—	—	<b>68,000,000</b>	—	<b>148,000,000</b>
Reimbursement of exp to Director	Vineet Suchanti	—	—	137,402	417,482	—	—	137,402	417,482
Reimbursement of exp to Subsidiary	Keynote Capitals Ltd	109,493	141,863	—	—	—	—	109,493	141,863
<b>Total</b>		<b>109,493</b>	<b>141,863</b>	<b>137,402</b>	<b>417,482</b>	—	—	<b>246,895</b>	<b>559,345</b>
<b>Outstanding balance</b>									
Loan Given/(Payable)	Keynote Capitals Ltd	—	1,263,676	—	—	—	—	—	1,263,676
Loans Given	Concept Communication Ltd	—	—	—	—	70,000,000	50,000,000	70,000,000	50,000,000
Loan Given	Eagle Eye Research & Media Pvt Ltd	—	—	—	—	65,000	—	65,000	—
Loan Given	Keynote Trust	—	—	—	—	148,998	331,116	148,998	331,116
<b>Total</b>		—	<b>1,263,676</b>	—	—	<b>70,213,998</b>	<b>50,331,116</b>	<b>70,213,998</b>	<b>51,594,792</b>
Corporate guarantee	Keynote Capitals Ltd	220,000,000	—	—	—	—	—	220,000,000	—
<b>Total</b>		<b>220,000,000</b>	—	—	—	—	—	<b>220,000,000</b>	—

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said act are not ascertainable.

35. INCOME AND EXPENDITURE IN FOREIGN CURRENCY TRANSACTION

Expenditure in Foreign Currency Transaction			
Particular	31- March- 2015	31- March- 2014	
Professional charges	—	778,058	
Travelling Expenses	220,493	864,085	
<b>Income in Foreign Currency Transaction</b>			
<b>Particular</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>	
Esop Services	2,117,414	2,757,499	
Corporate Finance Services	2,400,000	5,894,750	

36. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT

a) Loan given to subsidiary company where no repayment schedule is prescribed.

Name of Subsidiary Company	Amount Outstanding	Maximum Balance Outstanding during the year
Keynote Capitals Ltd	-	-
Keynote Fincorp Ltd	-	-

37. The management of the Company has reviewed and determined remaining

useful lives of the tangible fixed asset in accordance with the provisions of schedule II, to the Companies act 2013 and depreciation has been charged accordingly as against earlier practice of charging depreciation as per schedule XIV to the Companies act 1956. Due to this change depreciation for the current year is higher by ₹ 11,68,214

In respect of assets where the remaining useful life is "Nil", as per Schedule II to the companies act 2013, carrying amount of ₹ 2,43,496 (after retaining the residual value as on 1<sup>st</sup> April 2014), has been charged to profit and loss. Both the above mentioned amounts is disclosed as Exceptional Item

38. Company has paid remuneration of ₹ 16,50,000 in F.Y. 13-14 to one of its Director who has rendered services in his professional capacity. Subsequent to such payments, it has applied to Central Government to seek its approval in accordance with the provisions of Section 309 of Companies Act, 1956. However, the said application got rejected by Central Government on 28<sup>th</sup> July 2014. Post such rejection, the Company has further applied to Central Government on 26<sup>th</sup> September, 2014 the for waiver of recovery of such remuneration from the said Director. Pending such approval, the Company has not initiated the steps to recover such amounts. In case, if it does not get the approval of waiver, then the Company will recover the specified amount from the said Director.

39. Previous year figures have been regrouped and / or rearranged wherever considered necessary.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

For and on behalf of the Board of  
Keynote Corporate Services Ltd.

Amit Hundia  
Partner

Vineet Suchanti  
Managing Director

Uday Patil  
Director & CFO

Place : Mumbai  
Date : 28<sup>th</sup> May 2015

Place : Mumbai  
Date : 28<sup>th</sup> May 2015

KEYNOTE CORPORATE SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the Year Ended 31st March 2015 ₹	For the Year Ended 31st March 2014 ₹
<b>Cash Flow From Operating Activities</b>		
<b>Net Profit Before Taxation</b>	<b>7,901,704</b>	<b>28,503,691</b>
Add		
1) Depreciation	5,150,568	3,406,342
2) Loss on Sale of Fixed Assets	-	232,957
3) Finance Cost	503,416	492,024
4) Diminution in the value of current investment	128,621	-
	<b>5,782,605</b>	<b>4,131,323</b>
	<b>13,684,309</b>	<b>32,635,015</b>
Less		
1) Profit on Sale of Investment	2,931,512	6,708,580
2) Dividend Income	1,519,402	3,833,990
3) Interest Income	11,191,094	5,576,475
4) Rent Income	1,461,060	1,449,992
	<b>17,103,068</b>	<b>17,569,037</b>
<b>OPERATING PROFIT</b>	<b>(3,418,759)</b>	<b>15,065,978</b>
<b>Adjustment For :</b>		
1) (Increase)/Decrease In Trade and other receivables	(11,526,008)	(1,269,849)
2) (Increase)/Decrease In Short-term loans and advances	(23,417,152)	(20,630,523)
3) (Increase)/Decrease In Long-term loans and advances	(346,186)	1,083,200
4) (Increase)/Decrease In Other non-current assets	-	408,495
5) Increase/(Decrease) In Long term provisions	(405,845)	(8,497)
6) Increase/(Decrease) In Short Term provisions	(623,917)	1,275,711
7) (Increase)/Decrease In Other Bank Balances	(282,189)	(1,154,309)
8) Increase/(Decrease) In Other Long term liabilities	300,000	-
9) Increase/(Decrease) In Other Current liabilities	908,611	944,308
	<b>(35,392,686)</b>	<b>(19,351,464)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(38,811,445)</b>	<b>(4,285,486)</b>
Taxes paid	<b>(3,543,490)</b>	<b>(11,370,667)</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>(42,354,936)</b>	<b>(15,656,153)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(77,800)	(3,951,254)
Sale of Fixed Assets	-	385,000
Purchase of Investments	(50,602,162)	(529,087,243)
Sale of Investment	2,931,512	532,978,922
Investment in Subsidiary Companies	-	(30,000,000)
Rent Received	1,461,060	1,449,992
Interest Received	5,736,596	2,861,428
Dividend Received	1,519,402	3,833,990
	<b>(39,031,392)</b>	<b>(21,529,164)</b>
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES (B)</b>	<b>(39,031,392)</b>	<b>(21,529,164)</b>
<b>Cash Flow From Financing Activities</b>		
Dividend Paid	(7,018,339)	(10,527,509)
Dividend Distribution Tax Paid	(1,192,767)	(1,789,150)
Interest Paid	(503,416)	(492,024)
Proceeds from Borrowing	-	2,892,900
Repayment of Borrowing	(1,437,497)	(1,279,800)
	<b>(10,152,019)</b>	<b>(11,195,582)</b>
<b>NET CASH (USED) IN FINANCING ACTIVITIES (C)</b>	<b>(10,152,019)</b>	<b>(11,195,582)</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(91,538,347)</b>	<b>(48,380,899)</b>
<b>Cash &amp; Cash Equivalents as at beginning of year</b>		
Cash On Hand	426,689	221,230
Balance With Bank	94,873,526	143,488,361
Fixed Deposit (Less than 3 months maturity)	410,672	382,196
<b>Total Cash &amp; Cash Equivalents as at beginning of year</b>	<b>95,710,887</b>	<b>144,091,787</b>
<b>Cash &amp; Cash Equivalents as at end of year</b>		
Cash On Hand	423,524	426,689
Balance With Bank	3,308,458	94,873,526
Fixed Deposit (Less than 3 months maturity)	440,557	410,672
<b>Total Cash &amp; Cash Equivalents as at end of year</b>	<b>4,172,539</b>	<b>95,710,887</b>

As Per Our Attached Report of Even Date

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

For and on behalf of the Board of  
Keynote Corporate Services Ltd.

Sd/-  
Amit Hundia  
Partner  
Membership No :120761  
Place : Mumbai  
Date : 28<sup>th</sup> May 2015

Sd/-  
Vineet Suchanti  
Managing Director  
Place : Mumbai  
Date : 28<sup>th</sup> May 2015

Sd/-  
Uday Patil  
Director & CFO

**INDEPENDENT AUDITOR'S REPORT**

To  
**The Members of Keynote Corporate Services Limited**  
**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Keynote Corporate Services Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries noted below the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to note no. 40 in the consolidated financial statements regarding pending approval of the Central Government for recovery of remuneration of ₹ 16,50,000 paid in the F.Y.2013-14 for the services rendered by a director in his professional capacity.

Our opinion is not modified in respect of this matter.

**Other Matter**

We did not audit the financial statements of four subsidiaries which reflect total assets of ₹ 831,734,624 as at March 31, 2015, total revenues of ₹ 104,663,951 and net cash inflows amounting to ₹ 4,046,246 for the year then ended.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is solely based on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary Companies incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply, to the extent applicable, with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. With respect to the other matters to be included in the Auditor's Report, in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer Note 28 to the consolidated financial statements;
  - ii. The Group did not have long term contracts including derivative contracts. Hence the question of making a provision for any resulting material foreseeable losses does not arise;
  - iii. In case of one subsidiary Company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund and in case of Holding Company and two subsidiaries, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For **HARIBHAKTI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W

Sd/-  
**Amit Hundia**  
Partner

Place : Mumbai  
Dated: May 28, 2015

Membership No. 120761



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keynote Corporate Services Limited on the consolidated financial statements for the year ended March 31,2015]

- (i) (a) The Holding Company and two subsidiaries have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets of the Holding Company and two subsidiaries have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion and in the opinion of the auditors of the subsidiaries, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- There are no fixed assets in case of one subsidiary, so clause (i) of paragraph 3 of the Order is not applicable to this subsidiary.
- (ii) (a) As informed to us, in case of two subsidiary Companies the inventory (securities) which are held in dematerialized form have been verified by the management. In the opinion of the auditors of the subsidiaries, the frequency of verification is reasonable.
- (b) The procedures of verification of inventory (securities) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory (securities). We are informed that no material discrepancies were noticed on physical verification between the dematerialised stocks and the book records
- The Holding Company and one subsidiary, did not have any inventory during the year so, clause (ii) of paragraph 3 of the Order is not applicable to these Companies.
- (iii) The Holding Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Act.
- (a) There is no stipulation as regards repayment of principal and payment of interest. The Holding Company has received the principal amount and interest whenever called for.
- (b) Since there is no stipulation as regards repayment of principal and payment of interest, clause 3(iii)(b) of the Order is not applicable.
- As informed, subsidiaries have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii) of the Order are not applicable to these subsidiaries.
- (iv) In our opinion and in the opinion of the auditors of the subsidiaries and according to the information and explanations given by the management of the Group there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. During the course of audit, none of us have observed any continuing failure to correct major weaknesses in internal control system of the respective entities.
- (v) In our opinion and in the opinion of the auditors of the subsidiaries and according to the information and explanations given by the management of the Group, the Group have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Group under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Group is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, service tax, cess and any other material statutory dues applicable to it. However, there have been slight delays in few cases in case of the Holding Company. As explained to us, the provisions regarding sales tax, duty of customs, duty of excise and value added tax are presently not applicable to the Holding and two subsidiaries.
- (b) According to the information and explanations given by the management of the Group no undisputed amounts payable

KEYNOTE CORPORATE SERVICES LIMITED

in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues outstanding with respect to income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with appropriate authorities on account of any dispute, except for the dues as stated hereunder for two entities:

In case of subsidiary Company–Keynote Capitals Limited

Name of the statute	Nature of dues	Amount in ₹	Period to which the amount relates (F.Y)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,705,840	2008-09	ITAT
Income Tax Act, 1961	Income Tax	5,976,740	2009-10	ITAT
Income Tax Act, 1961	Income Tax	742,946	2010-11	CIT(A)
Income Tax Act, 1961	Income Tax	221,950	2011-12	CIT(A)

In case of subsidiary Company – Keynote Fincorp Limited

Name of the statute	Nature of dues	Amount in ₹	Period to which the amount relates (F.Y)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	53,836,990	2011-12	CIT(A)

- (d) According to the information and explanations given by the management of the Group, in case of one subsidiary company, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and

Protection Fund and in case of Holding Company and two subsidiaries, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

- (viii) The Group, did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given by the management of the Group, the Group have not defaulted in repayment of dues to financial institutions or banks.
- (x) According to the information and explanations given by the management of the Group, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given by the management of the Group, the term loans taken by Holding Company have been applied for the purpose for which the loans were obtained.

The subsidiaries have not obtained any term loans; therefore clause (xi) of paragraph 3 of the Order is not applicable to these subsidiaries.

- (xii) During the course of examination of the books and records of the Group carried out by the respective auditors in accordance with the generally accepted auditing practices in India and according to the information and explanations given to each of us, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the Group.

For **HARIBHAKTI & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W

Sd/-  
**Amit Hundia**  
Partner

**Place :** Mumbai  
**Dated:** May 28, 2015

Membership No. 120761

ANNUAL REPORT 2014-2015

<b>CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015</b>			
(Amount in ₹)			
Particulars	Note No.	As at 31-March -2015	As at 31-March -2014
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds:</b>			
(a) Share Capital	3	55,666,370	55,666,370
(b) Reserve and Surplus	4	569,683,574	559,526,322
TOTAL(A)		<u>625,349,944</u>	<u>615,192,692</u>
<b>2. Non Current Liabilities:</b>			
(a) Long-term borrowings	5	2,270,056	3,784,887
(b) Deferred tax liabilities (Net)	6	9,906,111	7,295,131
(c) Other Long term liabilities	7	300,000	-
(d) Long-term provisions	8	3,189,660	3,163,128
TOTAL(B)		<u>15,665,827</u>	<u>14,243,146</u>
<b>3. Current liabilities:</b>			
(a) Short Term Borrowings	9	201,881,978	92,873,875
(b) Trade payables	10	107,287,516	174,491,136
(c) Other current liabilities	11	21,684,685	306,373,986
(d) Short-term provisions	12	11,780,837	13,267,800
TOTAL(C)		<u>342,635,016</u>	<u>587,006,797</u>
<b>TOTAL(A+B+C)</b>		<u><u>983,650,787</u></u>	<u><u>1,216,442,635</u></u>
<b>II. ASSETS:</b>			
<b>1. Non Current assets:</b>			
(a) Fixed assets			
(i) Tangible assets	13	196,528,127	203,309,340
(ii) Intangible assets	13	35,957,108	38,855,358
(iii) Goodwill on Consolidation (Net)		1,041,615	1,041,615
(b) Non-current investments	14	20,338,607	9,244,197
(c) Long-term loans and advances	15	43,449,669	141,367,816
(d) Other non-current assets	16	6,082,883	-
TOTAL(D)		<u>303,398,009</u>	<u>393,818,326</u>
<b>2. Current assets:</b>			
(a) Current Investment	17	40,473,541	-
(b) Inventory	18	6,333,625	33,638,937
(c) Trade receivables	19	50,404,488	78,670,124
(d) Cash and Bank Balances	20	241,546,748	328,635,869
(e) Short-term loans and advances	21	330,804,231	376,844,324
(f) Other current assets	22	10,690,145	4,835,055
TOTAL(E)		<u>680,252,778</u>	<u>822,624,309</u>
<b>TOTAL(D+E)</b>		<u><u>983,650,787</u></u>	<u><u>1,216,442,635</u></u>
<b>Significant Accounting Policies</b>	1 & 2		
<b>Notes forming part of accounts</b>	28 to 42		
<b>Notes referred to above form an integral part of the financial statements</b>			
<b>As per our report of even date Attached</b>			
<b>For Haribhakti &amp; Co. LLP</b>		<b>For and on behalf of the Board of</b>	
<b>Chartered Accountants</b>		<b>Keynote Corporate Services Ltd.</b>	
<b>ICAI Firm Registration No. 103523W</b>			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>Amit Hundia</b>	<b>Vineet Suchanti</b>	<b>Uday Patil</b>	
Partner	Managing Director	Director & CFO	
Membership No :120761	Place : Mumbai		
Place : Mumbai	Date : 28 <sup>th</sup> May 2015		
Date : 28 <sup>th</sup> May 2015			

KEYNOTE CORPORATE SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	(Amount in ₹)	
		For The Year Ended 31-Mar-15	For The Year Ended 31-Mar-14
<b>INCOME</b>			
Revenue from operations	23	124,877,590	167,226,557
Other Income	24	37,024,168	48,590,686
<b>TOTAL (A)</b>		<b>161,901,758</b>	<b>215,817,243</b>
<b>EXPENSES</b>			
Employee benefits expenses	25	42,419,312	65,869,220
Finance Costs	26	34,143,942	22,630,799
Depreciation and amortisation expenses	13	7,486,692	9,470,748
Other Expenses	27	51,360,301	74,187,891
<b>TOTAL (B)</b>		<b>135,410,247</b>	<b>172,158,658</b>
<b>Profit before exceptional item and tax (C) = (A) - (B)</b>		<b>26,491,511</b>	<b>43,658,585</b>
Exceptional items (D)	39	1,103,362	-
<b>Profit before taxation (E) = (C) - (D)</b>		<b>25,388,149</b>	<b>43,658,585</b>
<b>Less: Provision for taxation</b>			
i) For Current Year			
Current Tax		5,488,941	10,574,274
Deferred Tax (Assets) / Liability		2,610,981	2,877,133
ii) For Previous Year(s) (income tax)		371,572	25,750
		<b>8,471,494</b>	<b>13,477,157</b>
Profit after tax for the year (E-F)		<b>16,916,655</b>	<b>30,181,427</b>
<b>Earnings Per Share (Face Value Per Share ₹ 10 /-)</b>			
<b>Basic</b>	31	<b>3.04</b>	<b>5.42</b>
<b>Diluted</b>	31	<b>3.04</b>	<b>5.42</b>
<b>Significant Accounting Policies</b>	1 & 2		
<b>Notes forming part of accounts</b>	28 to 42		

As per our report of even date Attached

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

Sd/-  
Amit Hundia  
Partner  
Membership No :120761  
Place : Mumbai  
Date : 28<sup>th</sup> May 2015

For and on behalf of the Board of  
Keynote Corporate Services Ltd.

Sd/-  
Vineet Suchanti  
Managing Director  
Place : Mumbai  
Date : 28<sup>th</sup> May 2015

Sd/-  
Uday Patil  
Director & CFO

## ANNUAL REPORT 2014-2015

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

#### 1. Corporate information

Keynote Corporate Services Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, i.e., Bombay Stock Exchange Ltd.(BSE) & National Stock Exchange Ltd. (NSE).The company is Engaged in providing services of Investment Banking, Corporate Advisory Services & ESOPs Advisory etc.

#### 2. Basis of preparation of Consolidated Financial Statements

The Consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these Consolidated financial statements to comply in all material respects with the accounting standards notified under section 133 of Companies Act, 2013 and the other relevant provisions of the Companies Act, 2013. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

##### 2.1 Summary of significant accounting policies

##### a. Principles and assumptions used for Consolidated Financial Statements:

- The Consolidated Financial Statements have been prepared applying the principles laid in the Accounting Standard (AS) 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India as considered appropriate for the purposes of these Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, & Consolidated cash flow together referred to in as 'Consolidated Financial Statements'.
- In preparing Consolidated Financial Statements, the financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
- The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated.
- The excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is treated as goodwill & recognized as an asset in the Consolidated Financial Statements.
- When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is treated as a capital reserve in the Consolidated Financial Statements.
- Intra-group transactions are eliminated in preparation of Consolidated Financial Statements.

Following are the companies/Enterprise whose accounts have been considered for the Consolidated Financial Statements.

Name of the Subsidiary	Country of Incorporation	31-March -2015		31-March -2014	
		No of Shares/ Holdings	% of Corpus	No of Shares/ Holdings	% of Corpus
Keynote Capitals Ltd	India	11,266,667	100%	11,266,667	100%
Keynote Commodities Ltd	India	350,000	100%	350,000	100%
Keynote Fincorp Ltd	India	3,500,000	100%	500,000	100%
Keynote Trust	India	20,000	100%	20,000	100%

##### b. Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and reported amount of assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### c. Tangible fixed assets and Capital Work-in-Progress

Fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost of Fixed Assets comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its

previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The advances given for acquiring for Fixed Assets are shown under Loans and advances (Capital advance).

##### d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis as per the useful life of the assets including property held as Investment as prescribed under the Schedule II of the Companies Act, 2013, Except for the following assets where the management has estimated useful life which differs from the useful life of 60 Years prescribed under the Act.

Assets	Balance useful life (Years) From the date of acquisition (date of construction not available)
Investment Property	60 years

For this asset, based on assessment of technical expert, the management believes that the useful lives as given above best represents the period over which management expects to use this asset. Hence, useful lives for this assets are different from the useful lives as prescribed under schedule II of Companies Act 2013.

##### e. Intangible assets

- Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.
- Payment made for the membership of the Bombay Stock Exchange & National Stock Exchange has been treated as intangible asset however considering the enduring nature of the stock exchange card, the same has not been amortized.

##### f. Leases

##### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease expenses are charged to the statement of profit and loss as per the terms of the lease arrangements.

##### Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed asset/Investment property. Lease income on an operating lease is recognized in the statement of profit and loss as per the terms of lease arrangements.

##### g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

##### h. Impairment of tangible and intangible assets

Assets are reviewed for impairment at each balance sheet date. In case, events and circumstances indicate any impairment, the recoverable amount of these assets is determined. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of profit and loss in the period in which an asset is defined as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimates of the recoverable amount and such loss either no longer exists or has decreased.

##### i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long-term Investment.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on Individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## KEYNOTE CORPORATE SERVICES LIMITED

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### j. Revenue recognition

Revenue is recognized to the extent that it can be reliably measured and there are no uncertainty about ultimate collection.

- i) Fees including issue Management fees is recognized with reference to achievement of milestones defined in the engagement Letter/mandate letter entered with counter party.
- ii) Brokerage income is recognised on trade date basis and is exclusive of service tax and Securities Transaction Tax (STT)/Commodities transaction Tax (CDT), wherever applicable.
- iii) Advisory and transactional processing fees income is accounted for an accrual basis in accordance with the terms of contracts entered into between the company and the counter party.
- iv) Income from investment in Mutual Fund is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.
- v) Profit/loss on sale of securities held as stock in trade is calculated on FIFO basis.
- vi) Profit/loss on equity derivative transactions is accounted for as explained below:-
  - (a) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures or equity Index/ stock options which are released on final settlement/squaring-up of underlying contracts are disclosed under Current Assets, Loans and advances. "Mark-to-market margin- Equity Index/Stock Futures" representing the amounts paid in respect of mark to market margin is disclosed under Loans and Advances and amount received is shown under Current Liabilities.
  - (b) "Equity Index/Stock Option Premium Account" represents premium paid or received for buying or selling the options, respectively.
  - (c) On final settlement or squaring-up of contracts for equity index / stock futures, the realized profit or loss is recognized in the Profit and Loss Account. On settlement or squaring-up of equity index / stock options before expiry, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognized in the Profit and Loss Account. When more than one contract in respect of the relevant series of equity index / stock futures or equity index/stock options contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.
  - (d) As at the balance sheet date, the mark to market / Unrealized Profit/ (Loss) on all outstanding hedged transactions comprising of Securities and Equity Derivatives positions is determined on a Portfolio basis with net unrealized losses being recognized in the Profit and Loss Account. Unrealized gains (on overall portfolio basis) are not recognized in the Profit and Loss Account on grounds of prudence as enunciated in Accounting Standard - 1, Disclosure of Accounting Policies. In respect of other transactions, the unrealized losses on equity derivatives determined on script basis are recognized in Profit and Loss account and unrealized gains are ignored; and in case of securities (shares, etc.) the net unrealized losses are recognized in Profit & Loss account and net unrealized gains are ignored.
- vii) Account opening charges are recognized on accrual basis.
- viii) Dividend Income is accounted for as income when the right to receive the dividend is established
- ix) Other income is recognised on accrual basis.
- x) Interest income on loans given to various parties is recognized on accrual basis, however, Income on Non-Performing Assets are recognised only when it is actually realised.
- xi) The company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreement entered with the counter parties.

### k. Foreign currency transactions

Foreign Exchange transactions are recorded at the closing rate prevailing on dates of the transactions. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit & Loss.

Monetary assets & liabilities denominated in foreign currencies are converted at the closing rates as on Balance sheet date. The resultant exchange difference is recognized in the Statement of Profit and Loss.

Non-Monetary assets & liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of transaction.

### l. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund & ESIC is a defined contribution scheme. The contributions to the Provident Fund & ESIC are charged to the statement of profit and loss for the year when the contributions are due.

The company operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation.

### m. Taxation

Tax expenses are the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

#### Current tax

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

#### Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

### n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o. Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

### p. Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

## ANNUAL REPORT 2014-2015

3. SHARE CAPITAL	31-March-2015 (₹)	31-March-2014 (₹)	4. RESERVE AND SURPLUS	31-March-2015 ₹	31-March-2014 ₹
<b>Authorized Shares:</b> 1,50,00,000 (P.Y.:1,50,00,000) equity Shares of ₹10/-each	<b>150,000,000</b>	150,000,000	<b>Securities premium account</b>		
<b>Total</b>	<b>150,000,000</b>	150,000,000	Opening Balance	<b>230,648,293</b>	230,648,293
<b>Issued :</b> 1,12,74,417 (P.Y.:1,12,74,417) equity Shares of ₹10/- each	<b>112,744,170</b>	112,744,170	<b>Closing Balance</b>	<b>230,648,293</b>	230,648,293
<b>Total</b>	<b>112,744,170</b>	112,744,170	<b>Statutory reserve*</b>		
<b>Subscribed and fully paid-up shares:</b> 70,18,339 (P.Y.:70,18,339) equity Shares of ₹10/-each. *	<b>55,666,370</b>	55,666,370	Opening Balance	<b>998,761</b>	300,210
<b>Total</b>	<b>55,666,370</b>	55,666,370	Add: Transfer during the year	<b>584,521</b>	698,551
			Closing Balance	<b>1,583,282</b>	998,761
*Keynote Trust has been consolidated. Consequently, shares held by Keynote Trust in Keynote Corporate Services Ltd (CY-14,51,702 PY-14,51,702 shares) have been eliminated while preparation of the Consolidated Financial Statements.			* Created by Keynote Fincorp Ltd. (subsidiary) as required under Section 45IC of the Reserve Bank of India Act, 1934		
<b>a. Terms/rights attached to equity shares</b>			<b>General reserve</b>		
The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. All Shares rank pari passu with regard to dividend & repayment of capital. During the year ended 31 <sup>st</sup> March 2015, the amount of per share dividend recognized as distributions to equity shareholders is Re.1/- (P.Y.: ₹1/- per share).			Opening Balance	<b>13,391,679</b>	11,328,928
In the event of liquidation of company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.			Add: Transferred during the year	-	2,062,751
<b>b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>			<b>Closing Balance</b>	<b>13,391,679</b>	<b>13,391,679</b>
<b>Equity Shares</b>			<b>Surplus in the statement of profit and loss</b>		
	31-March-2015	31-March-2014	Opening Balance	<b>314,487,589</b>	293,826,868
	No. of shares	No. of shares	Profit for the Year	<b>16,916,655</b>	30,181,427
At the beginning of the year	5,566,637	5,566,637	Less: Appropriations:		
Issued during the year	-	-	Transfer to Statutory reserve	<b>584,521</b>	698,551
<b>Outstanding at the end of the year</b>	<b>5,566,637</b>	<b>5,566,637</b>	Proposed final equity dividend (amt per share Re.1 (P.Y.: ₹1))	<b>7,018,339</b>	7,018,339
			Tax on proposed equity dividend	<b>1,192,767</b>	1,192,767
			Add: Dividend adjustment on account of consolidation of trust	<b>(1,451,702)</b>	(1,451,702)
			Transfer to general reserve	-	2,062,751
			<b>Net surplus in the statement of profit and loss</b>	<b>324,060,320</b>	314,487,589
			<b>Total</b>	<b>569,683,574</b>	559,526,322
<b>c. Details of shareholders holding more than 5% shares in the company</b>			<b>5. LONG-TERM BORROWINGS</b>	31-March- 2015	31-March- 2014
	31-March-2015	31-March-2014		₹	₹
	No. of Shares	No. of Shares	<b>Secured</b>		
	% holding	% holding	Term Loan from other Parties	<b>2,270,056</b>	3,784,887
<b>Equity shares of ₹10 each fully paid</b>			<b>Total</b>	<b>2,270,056</b>	3,784,887
i) NNS Digital Media Ltd	2,932,256	2,932,256			
ii) India Max Investment Fund Limited	561,348	561,348	Vehicle loan from Financial Institution taken during F.Y.2011-12 was carrying interest @ 8.82% p.a. & 11.36% p.a payable in 59 monthly installments of ₹ 90,085/- & 36,660/- respectively. During F.Y.2013-2014 company has obtained vehicle loan from Financial Institution carrying interest@ 10.72% p.a. payable in 59 monthly installments of ₹ 63,100/- each. During F.Y.2014-2015 company has obtained additional vehicle loan from Financial Institution carrying interest@ 10.75% p.a. payable in 36 monthly installments of ₹ 29,939/- each. All the above loans are secured by hypothecation of motor vehicle of the company.		
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.			<b>6. DEFERRED TAX LIABILITY (NET)</b>	31-March- 2015	31-March- 2014
				₹	₹
			<b>Deferred tax liability</b>		
			- Difference in WDV of Assets	<b>11,447,258</b>	9,165,718
			<b>Deferred tax Asset</b>		
			Provision for Leave Benefits	<b>112,209</b>	129,875
			Provision for Gratuity	<b>838,859</b>	1,048,030
			Provision for Bonus	<b>590,078</b>	692,682
			<b>Total</b>	<b>9,906,111</b>	7,295,131
			<b>7. OTHER LONG TERM LIABILITIES</b>	31-March 2015	31-March- 2014
				₹	₹
			<b>Other Non current liabilities</b>		
			Interest free Security deposits	<b>300,000</b>	-
			<b>Total</b>	<b>300,000</b>	-





ANNUAL REPORT 2014-2015

13. FIXED ASSETS											(₹)
Sr. No.	Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2013	Additions During the Year	Deductions	As at 31.03.2014	Upto 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Premises	177,691,939	—	250,000	177,441,939	2,793,220	2,888,374	—	5,681,595	171,760,345	174,898,719
2	Motor Cars	19,191,286	3,770,970	1,745,347	21,216,909	7,122,942	1,897,027	1,127,390	7,892,579	13,324,330	12,068,345
3	Furniture & Fixtures	20,623,368	193,600	5,579,876	15,237,092	2,755,608	1,294,078	486,368	3,563,318	11,673,774	17,867,761
4	Air conditioners	2,028,570	—	—	2,028,570	334,844	96,357	—	431,201	1,597,369	1,693,726
5	Office Equipments	5,051,526	318,484	2,549,158	2,820,852	621,459	202,273	187,959	635,773	2,185,079	4,430,067
6	Computers	26,816,591	161,435	9,924,512	17,053,514	24,005,978	2,330,848	10,838,873	15,497,953	1,555,561	2,810,612
7	Electrical Fittings	1,337,699	—	—	1,337,699	61,277	63,541	—	124,818	1,212,881	1,276,422
	<b>Total -A</b>	<b>252,740,979</b>	<b>4,444,489</b>	<b>20,048,893</b>	<b>237,136,575</b>	<b>37,695,328</b>	<b>8,772,498</b>	<b>12,640,590</b>	<b>33,827,237</b>	<b>203,309,339</b>	<b>215,045,651</b>
	<b>Intangible Assets:</b>										
1	Computer Software	3,491,250	—	—	3,491,250	2,094,750	698,250	—	2,793,000	698,250	1,396,500
2	Stock Exchange Membership Card	35,957,108	—	—	35,957,108	—	—	—	—	35,957,108	35,957,108
3	OTCEI Membership	2,200,000	—	—	2,200,000	—	—	—	—	2,200,000	2,200,000
	<b>Total -B</b>	<b>41,648,358</b>	<b>—</b>	<b>—</b>	<b>41,648,358</b>	<b>2,094,750</b>	<b>698,250</b>	<b>—</b>	<b>2,793,000</b>	<b>38,855,358</b>	<b>39,553,608</b>
	<b>TOTAL (A+B)</b>	<b>294,389,337</b>	<b>4,444,489</b>	<b>20,048,893</b>	<b>278,784,933</b>	<b>39,790,078</b>	<b>9,470,748</b>	<b>12,640,590</b>	<b>36,620,237</b>	<b>242,164,697</b>	<b>254,599,260</b>

14. NON-CURRENT INVESTMENT									
Sr. No.	Particulars	Subsidiary/ Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Face Value	Amount in Rupees	
			31- March- 2015	31- March- 2014				31- March- 2015	31- March- 2014
	<b>Non-Trade Investments</b>								
(a)	<b>Investment in Property (Gross)</b>							700,000	700,000
	Less: Accumulated Depreciation on Property Closing WDV							268,213	261,492
	<b>Total (a)</b>							<b>431,787</b>	<b>438,508</b>
(b)	<b>Investment in Debentures</b>								
1	12% ECL Finance-NCD	Others	10000	—	Unquoted	Fully paid	1000	10,000,000	—
2	9.50% SBI 2025	Others	37	37	Unquoted	Fully paid	10000	370,000	370000
	<b>Total (b)</b>							<b>10,370,000</b>	<b>370,000</b>
(c)	<b>Investment in Mutual Fund</b>								
1	HDFC Mutual Fund	Others	100000	—	Unquoted	Fully paid	10	1,124,670	1032630
2	ICICI Mutual Fund	Others	10979.79	—	Unquoted	Fully paid	10	519,091	—
	<b>Total (c)</b>							<b>1,643,761</b>	<b>1,032,630</b>
(d)	<b>Investment in Equity Shares</b>								
1	Indo Count India Limited	Others	9,900	9,900	Unquoted	Fully paid	10	212,355	212,355
2	Coromandal Engineering Co Ltd	Others	20,100	20,100	Quoted	Fully paid	10	402,000	402,000
3	Olympia Industries Ltd	Others	88,300	88,300	Quoted	Fully paid	10	794,700	794,700
4	Bombay Stock Exchange Ltd	Others	171,054	171,054	Unquoted	Fully paid	1	13,158	13,158
5	Aptech Ltd	Others	3,320	3,320	Quoted	Fully paid	10	257,300	257,300
6	Siddha Real Estate Developer	Others	490,000	—	Unquoted	Fully paid	1	490,000	—
7	Scanpoint Geomatics Ltd	Others	400	400	Quoted	Fully paid	10	1,156	1,156
8	Mitcon Consultancy & Eng Services Ltd	Others	40,000	40,000	Quoted	Fully paid	10	2,440,000	2,440,000
9	Dugar Finance Ltd	Others	700	700	Unquoted	Fully paid	10	2,870	2,870
10	Dugar Housing Ltd	Others	800	800	Unquoted	Fully paid	10	9,520	9,520
11	Stella Exports Ltd	Others	10,000	10,000	Unquoted	Fully paid	10	30,000	30,000
12	Eagleeye Research & Media Pvt Ltd	Others	9,600	9,600	Unquoted	Fully paid	10	3,240,000	3,240,000
	<b>Total (d)</b>							<b>7,893,059</b>	<b>7,403,059</b>
	<b>Total (a+b+c+d)</b>							<b>20,338,607</b>	<b>9,244,197</b>

Particulars	C.Y.	P.Y.
Aggregate amount of quoted investments	3,895,156	3,895,156
Market Value of quoted investments	5,677,030	4,122,559
Aggregate amount of unquoted investments	16,011,664	4,910,533
Aggregate provision for diminution in value of investment	—	—

## KEYNOTE CORPORATE SERVICES LIMITED

15. LONG TERM LOAN & ADVANCES				16. OTHER NON-CURRENT ASSETS				
		31- March- 2015	31- March- 2014			31- March- 2015	31- March- 2014	
		₹	₹			₹	₹	
<b>Unsecured, considered good</b>				<b>Others</b>				
Security deposit	346,200		13,607,883	Security Deposit with exchanges		6,082,883	—	
Deposit for Office Premises	10,150,000		244,400	<b>Total</b>		6,082,883	—	
Deposit with Corporates	15,147,731		112,262,945					
Deposit with Co-op Societies	25,000		25,000					
<b>Other Loans &amp; Advances</b>								
Advance Income tax- (Net of Provision for taxation ₹ 11,47,18,212/- and (P.Y. ₹ 11,05,68,238)	6,326,016		3,828,152					
Capital Advances	11,369,780		11,350,080					
Prepaid expenses	11,586		—					
Loans to employees	73,356		49,356					
<b>Total</b>	<b>43,449,669</b>		<b>141,367,816</b>					
<b>17. CURRENT INVESTMENTS</b>								
Sr. No.	Particulars	Subsidiary/ Associate / JV/ Controlled Entity	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount in Rupees	
			31- March- 2015	31- March- 2014			31- March- 2015	31- March- 2014
<b>(a) Investment in Equity Instruments (At Cost)</b>								
	Ajantha Pharma Ltd	Others	115	—	Quoted	Fully Paidup	2	75,666
	Bharti Infratel Ltd	Others	776	—	Quoted	Fully Paidup	10	224,609
	Capital First Ltd	Others	522	—	Quoted	Fully Paidup	10	137,246
	Cox & Kings Ltd	Others	778	—	Quoted	Fully Paidup	5	235,144
	Gati Ltd	Others	2,222	—	Quoted	Fully Paidup	2	354,141
	HDFC Bank Ltd	Others	65	—	Quoted	Fully Paidup	2	52,881
	Indusind Bank Ltd	Others	80	—	Quoted	Fully Paidup	10	43,538
	Jenbukt Pharmaceuticals Ltd	Others	638	—	Quoted	Fully Paidup	10	125,415
	Mold-Tek Packaging Ltd	Others	1,876	—	Quoted	Fully Paidup	10	338,766
	Motherson Sumi Systems Ltd	Others	413	—	Quoted	Fully Paidup	1	157,516
	Orbit Exports Ltd	Others	194	—	Quoted	Fully Paidup	10	54,376
	Mastek Ltd	Others	401	—	Quoted	Fully Paidup	5	155,392
	Lyka Labs Ltd	Others	596	—	Quoted	Fully Paidup	10	22,697
	EICHER Motors Ltd	Others	13	—	Quoted	Fully Paidup	10	200,168
	PTC India Financial Services Ltd	Others	12,217	—	Quoted	Fully Paidup	10	518,273
	Ratnamani Metals & Tubes Ltd	Others	110	—	Quoted	Fully Paidup	2	46,434
	Sarla Performance Fibres Ltd	Others	452	—	Quoted	Fully Paidup	10	143,455
	Sun Pharmaceuticals Industries Ltd	Others	215	—	Quoted	Fully Paidup	1	171,210
	Tata Motors Ltd	Others	504	—	Quoted	Fully Paidup	2	202,399
	Transport Corporation of India Ltd	Others	652	—	Quoted	Fully Paidup	2	145,379
	V-Mart Retail Ltd	Others	132	—	Quoted	Fully Paidup	10	51,314
	Wim Plast Ltd	Others	343	—	Quoted	Fully Paidup	10	378,975
<b>Investment in Equity Instruments (At Market Value)</b>								
	JBF Industries Ltd (Cost)	Others	1,476	—	Quoted	Fully Paidup	10	357,977
	Less: provision for diminution in value of investment							(45,951)
								312,026
	Infrastructure Development Finance Company Ltd (Cost)	Others	1,288	—	Quoted	Fully Paidup	10	223,091
	Less: provision for diminution in value of investment							(8,188)
								214,903
	Fiem Industries Ltd (Cost)	Others	533	—	Quoted	Fully Paidup	10	401,614
	Less: provision for diminution in value of investment							(64,891)
								336,723
	Control Print Ltd (Cost)	Others	793	—	Quoted	Fully Paidup	10	167,715
	Less: provision for diminution in value of investment							(9,591)
								158,124
	<b>Total (a)</b>							<b>4,856,770</b>
<b>(b) Investment in Mutual Funds</b>								
	HDFC Liquid Fund Post IPO Collection A/c	Others	804,844	—	Unquoted	Fully Paidup	10	20,787,407
	HDFC Gilt Fund Long Term-Growth	Others	181,948	—	Unquoted	Fully Paidup	10	5,000,000
	HDFC Liquid-DD	Others	12,067	—	Unquoted	Fully Paidup	10	123,000
	ICICI Prudential Saving Fund-Regular Plan-Growth	Others	34,665	—	Unquoted	Fully Paidup	10	7,000,000
	Reliance Liquid Fund-Treasury plan Growth option	Others	825	—	Unquoted	Fully Paidup	10	2,706,364
								35,616,771
	<b>Total (a+b)</b>							<b>40,473,541</b>
<b>Particulars</b>			<b>C.Y.</b>	<b>P.Y.</b>				
Aggregate amount of quoted investments			4,856,770	—				
Market Value of quoted investments			6,150,657	—				
Aggregate amount of unquoted investments			35,616,771	—				
Aggregate provision for diminution in value of investment			128,621	—				

ANNUAL REPORT 2014-2015

18. INVENTORIES

	As at 31st March, 2015		As at 31st March, 2014	
	Quantity	Amount	Quantity	Amount
<b>Equity Shares(Quoted)</b>				
Mitcon Engineering & Consultancy Ltd.	68,000	3,434,000	62,000	3,394,600
Pioneer Embroideries Ltd.	—	—	87	731
Sanco Industries Ltd.	120,000	2,136,000	120,000	1,963,200
Shiping Corporation of India Ltd	—	—	300	10,065
Tata Consultancy Services Ltd	—	—	18	26,326
Swelect Energy Systems Ltd.	2	632	2	632
<b>Equity Shares(Unquoted)</b>				
Zenith Global Consultants Ltd.	—	—	—	—
J M Financial Ltd.	98	4,709	—	—
Amar Remedies Ltd.	—	—	5000	72,450
ELPRO International Ltd.	—	—	18,750	5,906,250
Cholamandalam Finance Ltd.	4,000	740,200	4,410	816,071
Navin Flourine Ltd.	10	2,135	10	2,135
MAN Industries Ltd.	—	—	9,392	546,896
<b>Mutual Fund (Quoted)</b>				
Goldman Sachs Liquid Exchange Traded Scheme	1	850	1	1,037
		15,100		20,898,544
<b>Total</b>		<b>6,333,625</b>		<b>33,638,937</b>

19. TRADE RECEIVABLES

	31- March- 2015	31- March- 2014
	₹	₹
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	13,827,726	40,215,797
Others	36,576,761	38,454,327
<b>Total</b>	<b>50,404,487</b>	<b>78,670,124</b>

20. CASH AND BANK BALANCES

	31- March- 2015	31- March- 2014
	₹	₹
<b>Cash and cash equivalents</b>		
Cash on hand	1,840,240	1,835,258
<b>Bank Balance :</b>		
- In current accounts	12,413,798	114,823,258
- In Fixed Deposits (with maturity of less than three-month)	2,614,388	410,672
	16,868,426	117,069,188
<b>Other bank balances:</b>		
Fixed Deposits with original maturity for more than 3 months but less than 12 months	223,518,876	181,449,652
On Unpaid dividend account	1,159,446	1,021,645
Fixed Deposits with original maturity for more than 12 months	—	29,095,384
	224,678,322	211,566,681
<b>Total</b>	<b>241,546,748</b>	<b>328,635,869</b>

21. SHORT-TERM LOANS & ADVANCES

	31- March- 2015	31- March- 2014
	₹	₹
<b>Unsecured, considered good</b>		
Security deposit	—	1,005,050
<b>Short term loans to</b>		
To related parties	70,065,000	50,000,000
To others	253,634,837	318,164,492
Advances recoverable in cash or in kind	4,487,977	3,904,377
Other receivable	390,433	—
Prepaid expenses	1,072,015	1,148,350
Loans to employees	620,770	1,038,601
Service tax Credit	533,200	1,583,454
<b>Total</b>	<b>330,804,231</b>	<b>376,844,324</b>

22. OTHER CURRENT ASSETS

	31- March- 2015	31- March- 2014
	₹	₹
Interest accrued on fixed deposits/loans	10,690,145	4,835,055
<b>Total</b>	<b>10,690,145</b>	<b>4,835,055</b>

23. REVENUE FROM OPERATIONS

	31- March- 2015	31- March- 2014
	₹	₹
<b>(a) Revenue from operations</b>		
<b>Sale of services</b>		
Income from Advisory Services	43,188,415	79,995,948
Income from Brokerage and related activity	39,011,116	60,320,241
Interest from Loans	33,379,644	24,623,794
Depository Income	563,640	933,735
Profit from Trading in Securities	8,581,019	34,153
Account Opening Charges	9,046	142,224
<b>Other operating revenue</b>		
Reimbursement of Expenses	144,710	1,176,461
<b>Total</b>	<b>124,877,590</b>	<b>167,226,557</b>

24. OTHER INCOME

	31- March- 2015	31- March- 2014
	₹	₹
<b>Interest income on</b>		
Bank deposits	18,893,897	19,964,244
Intercompany Deposit/Loan	11,019,880	5,615,287
<b>Reversal of Provision for contingencies on Standard Assets</b>	<b>173,617</b>	<b>98,588</b>
<b>Dividend income on</b>		
Current investments	1,057,513	2,825,881
<b>Profit on Sale of Assets</b>	<b>—</b>	<b>11,503,561</b>
<b>Profit on Sale of Investment</b>		
Current investments (net of loss ₹34520/-P.Y.Nil)	2,931,512	6,638,035
Non current investments	—	70,545
<b>Other non-operating income</b>		
Rent	1,461,060	1,449,992
Mis. Income	1,486,689	424,554
<b>Total</b>	<b>37,024,168</b>	<b>48,590,686</b>

25. EMPLOYEE BENEFIT EXPENSES

	31- March- 2015	31- March- 2014
	₹	₹
Salaries, wages and bonus	36,521,944	57,461,566
Contribution to provident and other fund	3,125,769	4,153,805
Leave Encashment	375,379	—
Gratuity expenses	462,279	2,298,048
Staff Welfare expenses	1,933,941	1,955,801
<b>Total</b>	<b>42,419,312</b>	<b>65,869,220</b>

## KEYNOTE CORPORATE SERVICES LIMITED

26. FINANCE COST	31- March- 2015	31- March- 2014
	₹	₹
<b>Interest Cost:</b>		
Interest on borrowing	29,780,610	18,909,758
Other Interest	—	1,005,963
<b>Other Borrowing cost</b>		
Other Interest	4,363,332	2,715,078
<b>Total</b>	<b>34,143,942</b>	<b>22,630,799</b>
<b>27. OTHER EXPENSES</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>
	₹	₹
Power and fuel	613,361	1,293,065
Donation	60,000	—
Business Promotion Expenses	558,935	3,031,784
Motor Car Expenses	1,868,539	2,192,387
Foreign exchange loss (net of gain ₹6.14/- PY ₹ 7,498/-)	6,029	20,349
Rent	162,300	2,804,962
Rates and taxes	103,525	124,111
Insurance	491,796	714,872
Investment Written Off	—	2,231,250
Repairs and maintenance - Others	4,085,032	4,855,213
Advertising and Sales promotion	86,905	2,617,889
Travelling and conveyance	5,329,369	5,757,740
Communication costs/Telephone	1,208,864	2,352,792
Printing & stationery	344,898	466,408
Legal and professional fees	20,036,209	15,893,396
Director's sitting fees	40,000	—
Postage, Courier & Telegraphs	104,594	256,634
Loss from dealing in securities	—	6,977,855
Auditor's Remuneration	1,370,000	1,345,000
Diminution in value of current investment	128,621	—
Subscription & Registration fees	3,576,621	3,079,674
OTC Membership Fees w/off	2,200,000	—
Bad debts & Balances written off	973,702	4,124,071
Office Establishment Expenses	2,722,965	3,587,247
Securities Transaction Tax	164,474	2,586,051
Stock Exchange Related expenses	1,243,793	804,168
Stamp Duty & Stamp Expenses	2,737	1,121,631
Provision for Diminution in Valuation of Closing Stock	531,613	821,892
Loss on Sale of Assets	219,677	246,863
Miscellaneous expenses	2,092,798	4,880,586
Bank Charges	1,032,944	—
<b>Total</b>	<b>51,360,301</b>	<b>74,187,891</b>

28. CONTINGENT LIABILITIES NOT PROVIDED FOR:											
Pending matters of subsidiary, Keynote Capitals Ltd. with various appellate authorities:											
a) The company had filed an appeal for Assessment Year 2009-2010 before Income Tax Appellate Tribunal, Mumbai against the total disputed liability of ₹17,05,840.											
b) The company had filed an appeal for Assessment Year 2010-2011 before the Income Tax Appellate Tribunal, Mumbai against the total disputed liability of ₹59,76,740.											
c) The Company had filed an appeal for Assessment Year 2011-2012 before the Commissioner of Income Tax (Appeals), against the total disputed liability of ₹ 7,42,946.											
d) The company had filed an appeal for Assessment Year 2012-2013 before the Commissioner of Income Tax (Appeals) against the total disputed liability of ₹ 2,21,950.											
(e) The Company has filed an Appeal (Arbitration Petition) in the High Court, Mumbai against arbitrary order of Appellate bench of National Stock Exchange of India Ltd amounting to ₹2,35,16,348 in the matter of Eco Recycling Ltd v/s Keynote Capitals Ltd and as on date the arbitration petition is duly admitted in the Hon'ble High Court, Mumbai.											
The Company has not made any provisions in respect of above matters which are pending before various appellate authorities											
Pending matters of subsidiary, Keynote Fincorp Ltd. with various appellate authorities:											
a) Contingent liability not provided for in respect of disputed income tax demand of ₹5,38,36,990 for Assessment Year 2012-13 as the company has contested the entire demand before first Appellated authority.											
The Management of respective subsidiary believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.											
29. SEGMENT INFORMATION											
The Company has identified four reportable segments viz Merchant Banking, Broking & related activities, Trading in securities and Financing Activities. Segment have been identified and reported taking into account nature of services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.											
a) Revenue Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".											
b) Segment Assets and Segment Liabilities represents Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".											

### 29. c) SEGMENT REPORTING (Amount in Rupees)

	Merchant Banking		Broking & Related Activities		Trading in Securities		Financing Activities		Unallocated		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External Revenue	40,867,038	81,172,409	42,987,696	62,552,233	13,934,636	(6,977,855)	33,379,644	24,623,794	1,989,272	25,090,122	1,451,702	2,177,555	131,706,584	184,283,148
Inter Segment Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue</b>	<b>40,867,038</b>	<b>81,172,409</b>	<b>42,987,696</b>	<b>62,552,233</b>	<b>13,934,636</b>	<b>(6,977,855)</b>	<b>33,379,644</b>	<b>24,623,794</b>	<b>1,989,272</b>	<b>25,090,122</b>	<b>1,451,702</b>	<b>2,177,555</b>	<b>131,706,584</b>	<b>184,283,148</b>
<b>RESULT</b>														
Segment Result	(6,663,342)	12,251,204	(5,859,091)	1,404,126	12,720,387	(12,134,523)	2,730,980	9,778,651	(2,662,766)	17,680,324	—	—	266,168	28,979,782
Un-allocated expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating profit	—	—	—	—	—	—	—	—	—	—	—	—	266,168	28,979,784
Interest Expenses	—	—	—	—	—	—	—	—	—	—	—	—	4,897,429	10,900,731
Interest Income	—	—	—	—	—	—	—	—	—	—	—	—	30,021,557	25,579,531
Profit Before Tax	—	—	—	—	—	—	—	—	—	—	—	—	8,473,639	13,477,157
Tax Expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Net Profit</b>													<b>16,916,657</b>	<b>30,181,427</b>
<b>Other Information</b>														
Segment Assets	126,772,241	213,429,403	212,167,264	338,887,222	61,078,330	31,168,109	266,573,427	834,740,221	317,059,525	297,176,069	1,041,611	—	983,650,787	1,216,442,635
Segment Liabilities	10,996,014	17,770,522	118,761,373	546,135,432	3,129,924	850,602	140,148,615	14,975,984	85,264,917	21,517,405	—	—	358,300,843	601,249,945
Capital Expenditure	77,800	3,951,254	1,325,755	493,235	—	—	—	—	—	—	—	—	1,403,555	4,444,489
Depreciation	5,150,568	3,406,342	4,760,191	6,042,317	—	22,090	—	—	—	—	—	—	9,910,759	9,470,749
Non-cash expenses other than depreciation	660,764	—	3,050,579	—	128,621	—	—	—	—	—	—	—	3,839,964	—

ANNUAL REPORT 2014-2015

<b>30. PAYMENT TO AUDITOR</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>		
	₹	₹		
<b>As auditor:</b>				
Audit fees	1,095,000	1,095,000		
Tax audit fees	125,000	100,000		
<b>In other capacity</b>				
Other services	150,000	150,000		
Reimbursement of expenses	8,385	17,444		
	<b>1,378,385</b>	<b>1,362,444</b>		
Add: Service tax	170,368	168,398		
<b>Total</b>	<b>1,548,753</b>	<b>1,530,842</b>		
<b>31. EARNINGS PER SHARE (EPS)</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>		
	₹	₹		
Profit after Tax (₹)	16,916,655	30,181,427		
Weighted average number of equity shares (Nos.)	5,566,637	5,566,637		
Basic/Diluted EPS (Face Value of ₹ 10 each) (In ₹)	3.04	5.42		
<b>Note:</b>				
Keynote Trust has been consolidated. Consequently, shares held by Keynote Trust in Keynote Corporate Services Ltd (14,51,702 shares) have been eliminated while computing the EPS.				
<b>32. PROVISION MADE FOR THE YEAR ENDED 31ST MARCH, 2015 COMPRISES OF</b>				
	Opening Balance as on 01-Apr-2014	Provided for the Year F.Y. 14-15	Provision reversed/Paid for the year F.Y. 14-15	Closing Balance as on 31-Mar-15
Bonus	2,179,943	2,171,510	2,714,598	1,636,855
Provision for Gratuity	5,257,034	557,428	793,508	5,020,954
Leave Encashment	472,910	347,046	516,519	303,437
	Opening Balance as on 01-Apr-2013	Provided for the Year F.Y. 13-14	Provision reversed/Paid for the year F.Y. 13-14	Closing Balance as on 31-Mar-14
Bonus	4,760,568	2,803,150	5,383,775	2,179,943
Provision for Gratuity	3,818,292	2,310,169	871,427	5,257,034
Leave Encashment	583,219	710,407	820,716	472,910
<b>33. LEASES</b>				
<b>Asset given on Operating lease</b>				
The Future Minimum Lease Receivable under non cancellable operating leases are as under:				
<b>Particulars</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>		
	₹	₹		
1) Not later than one year	1,485,410	—		
2) Later than one year and not later than five year	2,812,530	—		
3) Later than five year	—	—		
<b>Total</b>	<b>4,297,940</b>	<b>—</b>		
a. Lease Rental is Charged on the basis of agreed terms				
b. The lease Agreement has escalation clause of 5%				
c. Asset is given on lease for the period for 3 years				
d. The lease agreements can be renewed on mutually agreed terms with the lessee.				
<b>34. EMPLOYEE BENEFIT DISCLOSURE</b>				
<b>a) Defined Contribution Plan</b>				(Amount in ₹)
Company's Contribution Paid / Payable during the year to Provident fund and ESIC:				
<b>Particulars</b>	<b>31- March- 2015</b>	<b>31- March- 2014</b>		
	₹	₹		
1) Contribution to Employees Provident Fund	3,066,364	3,958,951		
2) Employees State Insurance Scheme	59,405	194,854		
<b>(b) Defined Benefit Plan</b>				
<b>(i) Gratuity</b>	<b>31/03/2015</b>	<b>31/03/2014</b>		
<b>I. ASSUMPTION</b>				
Discount Rate	7.90%	9.14%		
Rate of Return on plan assets	7.90%	8.70%		
Salary Escalation	8.00%	10.00%		
Attrition rate	20.67%	13.00%		
<b>II. CHANGE IN THE PRESENT VALUE OBLIGATION:</b>				
Present value of benefit obligation as at the beginning of the year	9,724,901	13,380,109		
Interest Cost	888,856	1,070,408		
Current Service Cost	701,771	1,813,731		
(Benefit paid)	(403,641)	(6,209,113)		
Actuarial (gains)/losses on obligations	(907,224)	(330,234)		
Present value of benefit obligation as at the end of the year	10,004,663	9,724,901		
<b>III. TABLE OF FAIR VALUE OF PLAN ASSETS:</b>				
Fair value of plan assets at the beginning of the year	4,467,867	9,561,157		
Expected return on plan assets	388,704	831,820		
Contributions	698,359	686,749		
Transfer from other company (Transfer to other company)(Benefit paid)	(403,641)	(6,209,113)		
Actuarial (gains)/losses on plan assets	(167,580)	(402,746)		
Fair value of plan assets at the end of the year	4,983,709	4,467,867		
<b>IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS/LOSSES:</b>				
Actuarial (gains)/losses on obligation for the period	(907,224)	(330,234)		
Actuarial (gains)/losses on asset for the period	167,580	402,746		
Subtotal	(739,644)	3,559,602		
Actuarial (gains)/losses recognized in income & expenses statement	(739,644)	72,512		
<b>V. ACTUAL RETURN ON PLAN ASSETS:</b>				
Expected return on plan assets	388,704	831,820		
Actuarial (gains)/losses on plan asset	(167,580)	(402,746)		
Actual return on plan assets	221,124	429,074		
<b>VI. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>				
Fair value of plan assets at the end of the year	4,983,709	4,467,867		
(Present value of benefit obligation as at the end of the year)	(10,004,663)	(9,724,901)		
Funded status	(5,020,954)	(5,257,034)		
Unrecognized past service cost at the end of the year	—	—		
Unrecognized transitional liability at the end of the year	—	—		
Net(liability)/ assets recognized in the balance sheet	(5,020,954)	(5,257,034)		
<b>VII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:</b>				
Current Service Cost	701,771	987,917		
Interest Cost	500,152	1,070,408		
(Expected return on plan assets)	—	(831,820)		
Actuarial (gains)/losses	(739,644)	72,512		
Past service cost (non vested benefit) Recognized during the year	—	—		
Past service cost (vested benefit) Recognized during the year	—	—		
Transitional liability recognized during the year	—	—		
Expenses recognized in P&L	462,279	2,124,831		
<b>VIII. BALANCESHEET</b>				
Opening net liability	5,257,034	3,818,952		
Expenses as above	462,279	2,124,831		
Net transfer in (Net transfer Out)	—	—		
(Employer's contribution)	(698,359)	(686,749)		
Net liability/(assets) recognized in the balance sheet	5,020,954	5,257,034		

## KEYNOTE CORPORATE SERVICES LIMITED

	31/03/2015	31/03/2014					
<b>IX. OTHER DETAILS:</b>			<b>Note:</b>				
No. of members	46	56	<b>1. Disclosures of plan assets</b>				
Salary pm	1,947,402	2,345,946	The company has group plan with LIC of India and has not been provided with the details of the planned assets. As a result, no disclosure for the same has been made.				
Prescribed contribution for next year (12 months)	1,947,402	2,345,946	<b>(ii) Compensated Absences:</b>				
<b>X. CATEGORY OF ASSETS:</b>			As per the Company's Policy, a sum of ₹ 5,16,519/- (P.Y. ₹ 8,20,716/-) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year Company has provided to the extent of ₹ 3,03,437/- (P.Y. ₹ 4,72,910/-) as per actuarial valuation done by independent actuary.				
Government of India assets			<b>Note :</b> Detailed disclosures of compensated absence is not given in terms of para 132 of AS-15 "Employee Benefits".				
Corporate bonds							
Special Deposit scheme							
Equity shares of listed companies property							
Insurer managed funds	4,983,709	4,467,867					
Other							
<b>XI. SCHEDULE III OF COMPANIES ACT 2013.</b>							
Current Liability	1,947,402	2,345,946					
Non- Current Liability	3,073,552	2,911,088					
<b>Total</b>	<b>4,983,709</b>	<b>4,467,867</b>					
<b>XII. Particulars</b>	<b>31- March 2015</b>	<b>31- March 2014</b>	<b>31- March 2013</b>	<b>31- March 2012</b>	<b>31- March 2011</b>		
Present value of benefit obligation	10,004,663	9,724,901	13,380,109	11,689,588	8,785,136		
Fair value of plan assets	4,983,709	4,467,867	9,561,157	8,032,078	6,140,933		
Surplus / (Deficit)	(5,020,954)	(5,257,034)	(3,818,952)	(3,657,510)	(2,644,203)		
Experience adjustment on plan liability (gains)/losses	(710,994)	290,586	(1,302,109)	(729,151)	(217,650)		
Experience adjustment on plan assets (losses)/gains	(167,580)	(402,746)	64,737	322,777	756,117		
<b>* Note : Experience adjustments have not been disclosed as details were not received from the Actuary.</b>							
<b>b) Description of the nature of transactions with the Related Parties as on 31<sup>st</sup> March, 2015:</b>							
(Amount in ₹)							
Particulars	Name of the related Party	Key Management Personnel/Relatives		Enterprise over which Key Management Personnel exercise significant influence		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Providing of Services	Mitcon Consultancy & Engineering Co Ltd	—	—	1,685,400	—	1,685,400	—
<b>Total</b>		<b>—</b>	<b>—</b>	<b>1,685,400</b>	<b>—</b>	<b>1,685,400</b>	<b>—</b>
Receiving of Services	Concept Communication Ltd	—	—	86,905	93,248	86,905	93,248
<b>Total</b>		<b>—</b>	<b>—</b>	<b>86,905</b>	<b>93,248</b>	<b>86,905</b>	<b>93,248</b>
Managerial Remuneration	B.Madhuprasad	—	576,000	—	—	—	576,000
Managerial Remuneration	Vineet Suchanti	4,691,023	4,029,790	—	—	4,691,023	4,029,790
Managerial Remuneration	Uday Patil	4,060,300	4,029,100	—	—	4,060,300	4,029,100
Managerial Remuneration	Rakesh Choudhari	3,510,000	3,510,000	—	—	3,510,000	3,510,000
<b>Total</b>		<b>12,261,323</b>	<b>12,144,890</b>	<b>—</b>	<b>—</b>	<b>12,261,323</b>	<b>12,144,890</b>
Recovery of Excesss Managerial Remuneration	B.Madhuprasad	—	971,597	—	—	—	971,597
<b>Total</b>		<b>—</b>	<b>971,597</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>971,597</b>
Dividend Paid	Pushpa Suchanti	132,308	198,462	—	—	132,308	198,462
Dividend Paid	Rinku Suchanti	3,802	5,703	—	—	3,802	5,703
Dividend Paid	B.Madhuprasad	48,550	72,825	—	—	48,550	72,825
Dividend Paid	Vineet Suchanti	11,977	17,966	—	—	11,977	17,966
Dividend Paid	Nirmal Suchanti	117,647	176,471	—	—	117,647	176,471
Dividend Paid	Concept Production Ltd	—	—	241,600	362,400	241,600	362,400
Dividend Paid	NSS Digital Media Ltd	—	—	2,932,256	4,398,384	2,932,256	4,398,384
Dividend Paid	Nirmal Suchanti-HUF	—	—	282,499	423,749	282,499	423,749
<b>Total</b>		<b>314,284</b>	<b>471,427</b>	<b>3,456,355</b>	<b>5,184,533</b>	<b>3,770,639</b>	<b>5,655,960</b>
Security Deposit paid	B.Madhuprasad	300,000	1,000,000	—	—	300,000	1,000,000
<b>Total</b>		<b>300,000</b>	<b>1,000,000</b>	<b>—</b>	<b>—</b>	<b>300,000</b>	<b>1,000,000</b>
Interest Received	Eagle Eye Research & Media Pvt Ltd	—	—	470	125,445	470	125,445
Interest Received	Concept Communication Ltd	—	—	7,946,301	3,231,123	7,946,301	3,231,123
<b>Total</b>		<b>—</b>	<b>—</b>	<b>7,946,771</b>	<b>3,356,568</b>	<b>7,946,771</b>	<b>3,356,568</b>
Loans & advances Given	Eagle Eye Research & Media Pvt Ltd	—	—	65,000	—	65,000	—
Loans Given	Concept Communication Ltd	—	—	20,000,000	100,500,000	20,000,000	100,500,000
<b>Total</b>		<b>—</b>	<b>—</b>	<b>20,065,000</b>	<b>100,500,000</b>	<b>20,065,000</b>	<b>100,500,000</b>
Loans Repaid	Concept Communication Ltd	—	—	—	68,000,000	—	68,000,000
<b>Total</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>68,000,000</b>	<b>—</b>	<b>68,000,000</b>
Reimbursement of exp to Director	Vineet Suchanti	137,402	417,482	—	—	137,402	417,482
<b>Total</b>		<b>137,402</b>	<b>417,482</b>	<b>—</b>	<b>—</b>	<b>137,402</b>	<b>417,482</b>
<b>Outstanding balance</b>							
Loans Given	Concept Communication Ltd	—	—	70,000,000	50,000,000	70,000,000	50,000,000
Loan Given	Eagle Eye Research & Media Pvt Ltd	—	—	65,000	—	65,000	—
<b>Total</b>		<b>—</b>	<b>—</b>	<b>70,065,000</b>	<b>50,000,000</b>	<b>70,065,000</b>	<b>50,000,000</b>

## ANNUAL REPORT 2014-2015

### 36. DETAILS OF SCHEME OF AMALGAMATION APPROVED BY THE HIGH COURT

As per the scheme of amalgamation approved by the Allahabad, Bombay, and Gawahati High court vide order dated 21<sup>st</sup> December 2006, 9<sup>th</sup> March, 2007 and 19<sup>th</sup> March, 2007 respectively, 14,51,702 equity shares of ₹ 10 each fully paid up is held by Keynote trust as a beneficiary of the Company. Consequently the corresponding amount is also reflected in schedule "E" Investment, as " Investment in equity shares held by Keynote Trust". Due to such cross holding the dividend of ₹ 21,77,553 (Previous year ₹ 21,77,553) has been paid & received back from the trust. With respect to the Proposed Dividend of ₹ 1.00 per share for March 31, 2014, the Company has adjusted its liability of proposed dividend towards shares held by the Trust.

### 37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT,2006

The Company has not received any information from suppliers or service providers regarding their status under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Accordingly, disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said act are not ascertainable.

### 38. INCOME AND EXPENDITURE IN FOREIGN CURRENCY TRANSACTION

Particular	31- March- 2015	31- March- 2014
Professional charges	—	778,058
Travelling Expenses	2,918,026	1,511,019
<b>Income in Foreign Currency Transaction</b>		
Particular	31- March- 2015	31- March- 2014
Esop services	2,117,414	2,757,499
Corporate Finance services	2,400,000	5,894,750

39. The management of the Company has reviewed and determined remaining useful lives of the tangible fixed asset in accordance with the provisions of schedule II, to the Companies act 2013 and depreciation has been charged accordingly as against earlier practice of charging depreciation as per schedule XIV to the Companies act 1956. Due to this change depreciation for the current year is higher by ₹ 11,68,214

In respect of assets where the remaining useful life is "Nil", as per Schedule II to the companies act 2013, carrying amount of ₹ 2,43,496 (after retaining the residual value as on 1st April 2014), has been charged to profit and loss. Both the above mentioned amounts is disclosed as Exceptional Item

40. The Parent Company has paid remuneration of ₹ 16,50,000 in F.Y. 13-14 to one of its Director who has rendered services in his professional capacity. Subsequent to such payments, it has applied to Central Government to seek

its approval in accordance with the provisions of Section 309 of Companies Act, 1956. However, the said application got rejected by Central Government on 28th July 2014. Post such rejection, the Parent Company has further applied to Central Government on 26th September, 2014 for waiver of recovery of such remuneration from the said Director. Pending such approval, the Parent Company has not initiated the steps to recover such amounts. In case, if it does not get the approval of waiver, then it will recover the specified amount from the said Director.

### 41. ADDITIONAL DISCLOSURE PERTAINING TO SUBSIDIARIES AS PER SCHEDULE III OF COMPANIES ACT

Sr. No.	Name of Entity	Net Assets (i.e. Total Assets- Total liabilities)		Share in Profit & (Loss)	
		As% of consolidated Net Assets	Amount (In ₹)	As% of consolidated Profit/ (Loss)	Amount (In ₹)
<b>Parent</b>					
1.	Keynote Corporate Services Limited	75.32%	470,982,459	30.80%	5,209,514
<b>Subsidiaries (Indian)</b>					
2.	Keynote Capitals Ltd	32.70%	204,502,483	46.80%	7,916,626
3.	Keynote Commodities Limited	2.78%	17,413,105	5.98%	1,011,151
4.	Keynote Fincorp Limited	6.05%	37,814,641	17.28%	2,922,603
5.	Keynote Trust	42.11%	263,336,884	(0.20%)	(33,648)
	<b>Total</b>	<b>158.96%</b>	<b>994,049,572</b>	<b>100.65%</b>	<b>17,026,246</b>
	Elimination Adjusted	(58.96%)	(368,699,628)	(0.65%)	(109,591)
	<b>Net Total</b>	<b>100.00%</b>	<b>625,349,944</b>	<b>100.00%</b>	<b>16,916,655</b>
	Minority Interest in all subsidiaries	—	—	—	—
	<b>Grand Total</b>	<b>100.00%</b>	<b>625,349,944</b>	<b>100.00%</b>	<b>16,916,655</b>

42. Previous year figures have been regrouped and / or rearranged wherever considered necessary.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

Sd/-  
Amit Hundia  
Partner  
Membership No :120761

Place : Mumbai  
Date : 28th May 2015

For and on behalf of the Board of  
Keynote Corporate Services Ltd.

Sd/-  
Vineet Suchanti  
Managing Director

Sd/-  
Uday Patil  
Director & CFO

Place : Mumbai  
Date : 28th May 2015

KEYNOTE CORPORATE SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>Cash Flow From Operating Activities</b>		
<b>Net Profit Before Taxation</b>	<b>25,388,149</b>	<b>43,658,585</b>
Add		
1) Depreciation	8,590,054	9,470,748
2) Loss on Sale of Fixed Assets	219,677	246,863
3) Investment W/off	—	2,231,250
4) Provision Against closing stock	531,613	821,892
5) Finance Cost	4,884,597	10,912,653
6) Diminution in the value of current investment	128,621	—
	<u>14,354,563</u>	<u>23,683,406</u>
	<b>39,742,712</b>	<b>67,341,988</b>
Less		
1) Profit on Sale of Investment	2,931,512	6,708,580
2) Profit on Sale of Assets	—	11,503,561
3) Provision for contingent assets	173,617	98,588
4) Dividend Income	1,057,513	2,825,881
5) Interest Income	29,913,777	25,579,531
6) Rent Income	1,461,060	1,449,992
	<u>35,537,479</u>	<u>48,166,133</u>
<b>OPERATING PROFIT</b>	<b>4,205,233</b>	<b>19,175,855</b>
<b>Adjustment For :</b>		
1) (Increase)/Decrease In Trade and other receivables	28,265,636	20,577,974
2) (Increase)/Decrease In Short-term loans and advances	46,040,093	35,744,346
3) (Increase)/Decrease In Other current assets	(5,855,089)	12,760,437
4) (Increase)/Decrease In Long-term loans and advances	100,416,011	(89,101,499)
5) (Increase)/Decrease In Inventories	26,773,699	17,698,896
6) (Increase)/Decrease In Other non-current assets	(6,082,883)	408,495
7) Increase/(Decrease) In Long term provisions	26,532	(8,497)
8) Increase/(Decrease) In Short Term provisions	(1,486,963)	(1,805,813)
9) Increase/(Decrease) In Short Term Borrowings	125,098,610	(239,278,113)
10) (Increase)/Decrease In Other Bank Balances	(13,111,641)	(1,021,645)
11) Increase/(Decrease) In Trade Payables	(67,203,620)	(137,733,458)
12) Increase/(Decrease) In Other Long term liabilities	300,000	—
13) Increase/(Decrease) In Other Current liabilities	(285,166,873)	187,272,542
	<u>(51,986,487)</u>	<u>(194,486,335)</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(47,781,255)</b>	<b>(175,310,480)</b>
Taxes paid	<b>(8,184,759)</b>	<b>(20,775,959)</b>
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES (A)</b>	<b>(55,966,014)</b>	<b>(196,086,439)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1,403,555)	(4,194,489)
Sale of Fixed Assets	80,000	18,415,000
Membership Fees W/off	2,200,000	—
Purchase of Investments	(51,703,291)	(530,123,648)
Sale of Investment	2,931,512	533,020,328
Proceeds from maturity of Fixed Deposits	—	30,046,067
Rent Received	1,461,060	1,449,992
Interest Received	29,913,777	25,579,531
Dividend Received	1,057,515	2,825,881
	<u>(15,462,982)</u>	<u>77,018,662</u>
<b>NET CASH GENERATED USED IN INVESTING ACTIVITIES (B)</b>	<b>(15,462,982)</b>	<b>77,018,662</b>
<b>Cash Flow From Financing Activities</b>		
Dividend Paid	(5,566,637)	(8,349,956)
Dividend Distribution Tax Paid	(1,192,767)	(1,789,150)
Interest Paid	(4,884,597)	(10,912,653)
Loan Taken	759,652	—
Repayment of Borrowing	(17,887,418)	1,077,456
	<u>(28,771,767)</u>	<u>(19,974,303)</u>
<b>NET CASH (USED) IN FINANCING ACTIVITIES (C)</b>	<b>(28,771,767)</b>	<b>(19,974,303)</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(100,200,762)</b>	<b>(139,042,080)</b>
<b>Cash &amp; Cash Equivalents as at beginning of year</b>		
Cash On Hand	1,835,258	1,840,980
Balance With Bank	114,823,258	253,888,090
Fixed Deposit (Less than 3 months maturity)	410,672	382,196
<b>Total Cash &amp; Cash Equivalents as at beginning of year</b>	<b>117,069,188</b>	<b>256,111,266</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>		
Cash On Hand	1,840,240	1,835,258
Balance With Bank	12,413,798	114,823,258
Fixed Deposit (Less than 3 months maturity)	2,614,388	410,672
<b>Total Cash &amp; Cash Equivalents as at end of year</b>	<b>16,868,426</b>	<b>117,069,188</b>

As Per Our Attached Report Of Even Date

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W

Sd/-  
Amit Hundia  
Partner  
Membership No :120761  
Place : Mumbai  
Date : 28th May 2015

For and on behalf of the Board of  
Keynote Corporate Services Ltd.

Sd/-  
Vineet Suchanti  
Managing Director  
Place : Mumbai  
Date : 28th May 2015

Sd/-  
Uday Patil  
Director & CFO



ANNUAL REPORT 2014-2015

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Details of Subsidiary Companies

(₹)

Particulars	Name of Subsidiaries		
	Keynote Capitals Limited	Keynote Commodities Limited	Keynote Fincorp Limited
Share Capital	112,666,670	3,500,000	35,000,000
Reserves & Surplus	204,502,483	17,413,105	37,814,641
Total Assets	475,502,294	79,723,103	263,336,884
Total Liabilities	475,502,294	79,723,103	263,336,884
Investment	37,068,919	—	—
Turnover	61,841,042	7,350,004	35,472,905
Profit/(Loss) before Taxation	11,471,231	1,464,279	4,694,175
Add Excess Provision	—	—	—
Less Short Provision	—	—	—
Provision for Taxation	2,404,781	459,248	1,400,000
Deferred Tax (Asset) / Liability	1,149,824	(6,120)	371,572
Profit/(Loss) after Taxation	7,916,626	1,011,151	2,922,603
Proposed Dividend	—	—	—
Percentage (%) of Shareholding	100.00	100.00	100.00

For on behalf of the Board of  
KEYNOTE CORPORATE SERVICES LTD

Sd/-  
**Vineet Suchanti**  
Managing Director

Sd/-  
**Uday Patil**  
Director & CFO

Place : Mumbai  
Date : 28<sup>th</sup> May, 2015

**KEYNOTE CORPORATE SERVICES LIMITED**

CIN: L67120MH1993PLC072407

Registered Office: The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028

Tel : (022) 3026 6000 Fax : (022) 3026 6088

Website: www.keynoteindia.net E-mail investors@keynoteindia.net

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE**

1. Name(s) of Shareholder(s)  
(including joint holders, if any) : \_\_\_\_\_
  
2. Registered Address of the sole/  
First name shareholder : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
3. Registered folio No./DP ID No./Client ID No. : \_\_\_\_\_  
[\*Applicable to investor holding share in  
Dematerialized form]
  
4. No. of Shares held : \_\_\_\_\_
  
5. I/We hereby exercise my/our option to receive the documents such as Notice of Annual General Meeting, Audited Financial Statement, Balance Sheet, Profit & Loss Account, Director's Report, Auditor's Report; Explanatory Statement etc. in electronic mode pursuant to the "**Green Initiative**" by the Ministry of Corporate Affairs vide circular dated 29th April, 2011.
  
6. My email ID is : \_\_\_\_\_

Place:

Date:

\_\_\_\_\_  
(Name and Signature of the Member)

**KEYNOTE CORPORATE SERVICES LIMITED**

CIN: L67120MH1993PLC072407

Registered Office: The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028

**PROXY FORM – MGT - 11**

**[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of Companies (Management and Administration) (Rules, 2014**

Name and Address of the Member(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
\_\_\_\_\_

I/We being the member(s) of \_\_\_\_\_ shares of Keynote Corporate Services Limited, hereby appoint:

1. Name : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature \_\_\_\_\_

or failing her/him

2. Name : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature \_\_\_\_\_

or failing her/him

3. Name : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty second Annual General Meeting of the Company, to be held on Tuesday, 29<sup>th</sup> September, 2015 at 10.00 a.m. at Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall Compound), Fort, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

\* I wish my above proxy to vote in the manner as indicated in the below table:

	<b>Resolution</b>	<b>For</b>	<b>Against</b>
1	Adoption of the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31 <sup>st</sup> March, 2015, the Reports of Directors' and Auditors' thereon.		
2	Declaration of Equity Dividend for the financial year ended 31 <sup>st</sup> March, 2015		
3	Re-appointment of Shri B. Madhuprasad, (DIN: 00004632) who retires by rotation.		
4	Appointment of M/s. NMAH & Co., Chartered Accountant, Mumbai as Statutory Auditors of the Company in place of M/s. Haribhakti & Co LLP Chartered Accountants and to fix their remuneration.		
5	Appointment of Smt. Rinku Suchanti, (DIN: 00012903), as a Director of the Company.		
6	Appointment of Shri Shishir Dalal (DIN: 00007008), as an Independent Director of the Company.		
7	Re-appointment of Shri Uday S. Patil, (DIN: 00003978), as Whole-Time Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of Shareholder \_\_\_\_\_

Signature of proxy holder(s) \_\_\_\_\_

Affix a  
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 than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \* (4) This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "FOR or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**KEYNOTE CORPORATE SERVICES LIMITED**

The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028