

# KEYNOTE

## DIRECTORS' REPORT

To,  
The Members Keynote Capitals Limited

Dear Shareholders,

**1. INTRODUCTION:**

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2018.

**2. FINANCIAL SUMMARY OF THE COMPANY:**

(Rs. In lakhs)		
Particulars	2017-18	2016-17
Total Income	739.45	1484.05
Total Expenses	606.12	1119.86
Profit before depreciation	166.06	759.54
Less: Depreciation	32.72	395.36
<b>Profit before Tax</b>	<b>133.34</b>	<b>364.18</b>
Provision for Taxation:		
- Current Tax	26.84	72.03
- Deferred Tax Liability / (Asset)	4.40	12.63
<b>Profit after tax</b>	<b>102.09</b>	<b>279.52</b>
Add: Excess/ (Short) Provision	31.92	
Profit brought forward from Previous Years	1774.17	1494.65
Surplus carried forward	1908.19	1774.17

**3. REVIEW OF OPERATIONS/PERFORMANCE:**

During the financial year, the Company has earned total income of Rs.739.45/-lakhs as compared to Rs.1484.05/-lakhs for the previous year. Profit after Tax stood at Rs.102.09/-lakhs as compared to Rs.279.52/-lakhs for the previous year.

**4. DIVIDEND:**

The Directors of the Company have decided to conserve the resources and no dividend is being recommended.

**5. CHANGE IN NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business of the Company during the year.

**6. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

**Keynote Capitals Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: kcl@keynoteindia.net • Website: www.keynoteindia.net  
CIN - U67120MH1995PLC088172

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## 7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and material orders issued against the Company by any regulating authority or court or tribunal affecting the going concern status and Company's operation in future.

## 8. HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

- Your Company is a wholly owned subsidiary of "Keynote Corporate Services Limited.
- Your Company has the following as its Subsidiary and Associate Companies at the year end. Statement containing salient features of the financial statement of the following Subsidiary and Associate Companies are made in Form AOC-1 as (Part "A": Subsidiaries) and attached to this report as **Annexure -II**.

Sr. No.	Name of the Company	Holding/ Subsidiary	Joint Venture/ Associate	No. of shares held in%
1.	Keynote Commodities Limited (CIN: U72900MH2000PLC127047)	Wholly Owned Subsidiary	---	100
2.	Keynote Fincorp Limited (CIN: U67120MH1995PLC084814)	----	Associate	42.86

- Your Company has does not have any Joint Venture Company at the year end.

## 9. 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 thereunder during the year ended 31<sup>st</sup> March 2018.

## 10. STATUTORY AUDITORS:

The reappointment of M/s. R.K. Khandelwal & Co., Chartered Accountants, having (Firm Registration Number: 105054W) as the Statutory Auditors of the Company for the financial year 2018-19 is being ratified in the ensuing Annual General Meeting and to hold office until the conclusion of its 27<sup>th</sup> Annual General Meeting, subject to ratification of appointment at every Annual General Meeting (AGM) by the shareholders of the company under the applicable provisions of the Companies Act, 2013.

The Company has received a consent letter from them to the effect that their re-appointment, if made, would be in conformity with the limits prescribed under Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 139 of the said Act. The Board recommends their re-appointment.

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## 11. QUALIFICATIONS/ RESERVATIONS/ ADVERSE REMARKS/COMMENT ON AUDITORS REPORT:

There were no qualifications, reservations, adverse remarks or comment made by the Auditors in their report. The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.

## 12. SHARE CAPITAL:

### a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

### b. Issue Of Sweat Equity Shares:

The Company has not issued any sweat equity share during the financial year under review.

### c. Issue Of Equity Shares With/Without Differential Rights:

The Company has not issued any Equity Shares with/without differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

### d. Issue of Employee Stock Option:

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

### e. Issue Of Equity Shares Without Differential Rights:

The Company has not issued any Equity Shares without Differential Rights during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

## 13. EXTRACT OF THE ANNUAL RETURN:

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT - 9 is enclosed herewith in Annexure-I.

## 14. 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 - Nil (previous year Nil).
- b) The foreign exchange expenditure -Rs.17.56/- (previous year Rs.26.12/-lakhs)

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## 15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

## 16. DIRECTOR & KEY MANAGERIAL PERSONNEL (KMP):

### (a) Non-Executive & Non-Independent Director:

During the year, your Company at their meeting held on 1<sup>st</sup> June 2017 had appointed Mr. Uday Shankarrao Patil (DIN:00003978) as an additional Director and Designated Director of the Company (for the stock exchange purposes), who had hold office as such up to the date of previous Annual General Meeting and was eligible for appointment as Directors under Section 160 of the Companies Act, 2013, your company has duly ratified the said appointment by the members/shareholders of the company at the previous Annual General Meeting held on 4<sup>th</sup> July 2017 and duly reappointed Mr. Uday Shankarrao Patil (DIN:00003978) as Director of the Company liable to retire by rotation.

After taking into account the aforesaid changes in Board, the composition of the Non-Executive & Non-Independent Director is as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Vineet Suchanti	00004031	Non-Executive Director
2.	Uday S. Patil	00003978	Non-Executive Director

### (b) Key Managerial Personnel (KMP):

There was no change during the year in the composition of KMP. The composition of the Key Managerial Personnel is as follows:

Sr. No.	Name of the Key Managerial Personnel	DIN	Designation
1.	Rakesh Choudhari	00009093	Managing Director
2.	Devin Joshi	--	CFO

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## (c) Non-Executive Independent Director:

The composition of the Non-Executive Independent Director is as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Hitesh Shah	00061296	Independent Director
2.	Kamlesh Kharade	03589665	Independent Director

An independent director shall hold office for a term up to two consecutive years or five years on the Board of a Company but shall be eligible for reappointment for one consecutive term of five years for next year, subject to shareholders approval.

All the Independent Directors have confirmed and declared that they have met the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

## 17. DIRECTOR LIABLE TO RETIRE BY ROTATION:

In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kamlesh Kharade, Director (DIN: 03589665) 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.

## 18. AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND MANAGEMENT COMMITTEE:

### (a) Audit Committee:

As per the provisions of Section 177 of the Companies Act, 2013, the Board has constituted a well-qualified Audit Committee with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

There were four (04) Audit Committee meetings held during the financial year under review, i.e. on 23<sup>rd</sup> May, 2017, 20<sup>th</sup> July, 2017, 6<sup>th</sup> October, 2017 and 5<sup>th</sup> March 2018 respectively.

The Composition of the Audit Committee comprises the following:

Sr. No.	Name of the Director	Designation in the Committee
1.	Rakesh Choudhari	Chairman
2.	Vineet Suchanti	Member
3.	Hitesh Shah	Member
4.	Kamlesh Kharade	Member

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## **(b) Nomination and Remuneration Committee:**

As per the provisions of Section 178 of the Companies Act, 2013, the Board has constituted a well-qualified Nomination and Remuneration Committee with majority of them is Independent Directors including Chairman. There is no Nomination and Remuneration Committee meeting held during the year 2017-18.

The Composition of Nomination and Remuneration Committee comprises the following:

Sr. No.	Name of the Director	Designation in the Committee
1.	Rakesh Choudhari	Chairman
2.	Vineet Suchanti	Member
3.	Kamlesh Kharade	Member

**Terms of Reference of the Nomination & Remuneration Committee. The Committee is empowered -**

(i) Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.

(ii) Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.

(iii) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.

(iv) Conduct Annual performance review of MD and CEO/CFO and Senior Management Employees;

(v) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.

## **(c) Management Committee:**

As per the provisions of Section 179 of the Companies Act, 2013, the Management Committee is formed to authorize the committee to approve intercorporate loans, investments or guarantee or security made by the company and borrowing facilities availed by the company from time to time by the Banks, Financial Institution and other entities and execution of documents for these facilities.

There were four (04) Management Committee meetings held during the financial year under review, i.e. on 11<sup>th</sup> May, 2017, 1<sup>st</sup> July, 2017, 2<sup>nd</sup> August, 2017 and 6<sup>th</sup> October, 2017 respectively.

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The Composition of Management Committee comprises the following:

Sr. No.	Name of the Director	Designation in the Committee
1.	Rakesh Choudhari	Chairman
2.	Vineet Suchanti	Member
3.	Devin Joshi	Member

## **19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR:**

Your Board of Directors has duly met eight (08) times during the financial year under review, i.e. on 5<sup>th</sup> April, 2017, 23<sup>rd</sup> May, 2017, 1<sup>st</sup> June, 2017, 20<sup>th</sup> July, 2017, 6<sup>th</sup> October, 2017, 1<sup>st</sup> December, 2017, 5<sup>th</sup> March, 2018 and 15<sup>th</sup> March, 2018 respectively 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.

## **20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Particulars of Loans, Investment, Guarantees or Security made by the company under Section 186 of Companies Act, 2013 during the year have been disclosed in the notes to accounts to the financial statements & enclosed herewith in Form MBP-2 with **Annexure-III**.

## **21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

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. The detail regarding particulars of contracts or arrangements referred to in sub-section (1) of Sections 188 have been disclosed in note no. 31(b) in notes to accounts of financial statements under Accounting Standard -18.

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 is enclosed herewith in Form AOC-2 with **Annexure-IV**.

## **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The purpose of the "Vigil Mechanism/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.

## **23. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,

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- 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 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 24. SAFETY OF WOMEN AT WORK PLACE:

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace. During the year under review, no complaints were reported to the Board. This Policy was considered, approved and adopted by the Board under investors/policies/prevention of Sexual Harassment at workplace.

## 25. 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), M/s. R.K. Khandelwal & Co. Statutory Auditors, our Clients, Bankers and other Government Agencies for their continued support.

By order of the Board  
For Keynote Capitals Limited



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Managing Director  
(DIN: 00009093)



Devin Joshi  
Chief Financial Officer

Place: Mumbai  
Date: 23.05.2018

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**ANNEXURE - I TO THE DIRECTORS' REPORT**

**Form No. MGT-9**

**Extract of Annual Return**

**As on the financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

1.	Corporate Identity Number (CIN)	:	U67120MH1995PLC088172
2.	Registration Date	:	08-05-1995
3.	Name of the Company	:	KEYNOTE CAPITALS LIMITED
4.	Category/Sub-Category of the Company	:	Indian Non-Government Company
5.	Address of the Registered Office and contact details	:	The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028
6.	Whether listed Company (Yes/No)	:	Unlisted
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.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 the total turnover of the Company
1.	Financial Intermediation (Financial Market, Stock Broking and related activities, securities brokerage etc.)	6612	60.96

**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 Corporate Services Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: L67120MH1993PLC072407)	Holding Company	100	2(46)
2.	Keynote Commodities Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: U72900MH2000PLC127047)	Wholly Owned Subsidiary Company	100	2(87)(i)(ii)
3.	Keynote Fincorp Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: U67120MH1995PLC084814)	Associate Company	42.86	2(6)

## I. CATEGORY-WISE SHARE HOLDING

Category of	No. of Shares held at the beginning
-------------	-------------------------------------

[illegible]

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.. Non-Institutions</b>									
a).. Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i).. Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b).. Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i). Individual shareholders holding nominal share capital upto Rs.1 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii). Individual shareholders holding nominal share capital in excess of Rs.1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c).. Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	Nil	112,666,67	112,666,67	100	Nil	112,666,67	112,666,67	100	Nil

II). SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledge d/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1.	Keynote Corporate Services Limited	112,666,67	100	Nil	112,666,67	100	Nil	Nil

III) CHANGE IN PROMOTERS' SHAREHOLDING: (There is no change during the year).

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.	-	-	-	-
		-	-	-	-
	At the end of the year	-	-	-	-

IV). SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):  
(NOT APPLICABLE)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.	-	-	-	-
		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

V.) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.	-	-	-	-
	At the End of the year	-	-	-	-

VI). DETAILS OF INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:  
(Figures in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2017				
i). Principal Amount	16,45,136			16,45,136
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,45,136			16,45,136
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	7,74,458	-		7,74,458
Net Change	7,74,458			7,74,458
Indebtedness at the end of the financial year - 31-03-2018				
i). Principal Amount	8,70,678	-		8,70,678
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,70,678			8,70,678

VII). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

(a) Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. In lakhs)
1.	Rakesh Choudhari	Managing Director	
1.	Gross Salary		
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36,03,285	36.03
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961		
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- As % of Profit	Nil	Nil
	- Others specify	Nil	Nil
5.	Others, please specify (Bonus)	5,67,000	5.67
	Ceiling as per the Act	As per Section 197(1)(i) 5% of the net profit computed as per Section 198 & Schedule V of the Companies Act, 2013	
	<b>Total</b>	<b>41,70,285</b>	<b>41.70</b>

B. Remuneration of other Directors:

I. Independent Directors: NIL

Particulars of Remuneration	Name of Directors		Amount (Rs. In lakhs)
Fees for attending board committee meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total (1)</b>	Nil	Nil	Nil

II. Other Non-Executive Directors: NIL

Other Non-Executive Directors	Amount (Rs. In lakhs)
Fees for attending board committee meetings	Nil
Commission	Nil
Others	Nil
<b>Total (2)</b>	Nil
<b>Total B = (1+2)</b>	Nil
Ceiling as per the Act	Nil

C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
	1. Gross Salary	CEO	Company Secretary	CFO (Devin Joshi)	Total Amount (Rs. In lakhs)
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NA	NA	11,22,469	11.22
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961	NA	NA	Nil	Nil
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	Nil	Nil
2.	Stock Option	NA	NA	Nil	Nil
3.	Sweat Equity	NA	NA	Nil	Nil
4.	Commission - As % of Profit - Others specify	NA	NA	Nil	Nil
5.	Others, please specify (Bonus)	NA	NA	1,78,500	1.78
	<b>Total</b>	NA	NA	<b>13,00,969</b>	<b>13.01</b>

VIII). PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For Keynote Capitals Limited



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Managing Director  
(DIN: 00009093)



Devin Joshi  
Chief Financial Officer

Place: Mumbai  
Date: 23.05.2018

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Name of the Subsidiary	Keynote Commodities Limited (CIN: U72900MH2000PLC127047)
The date since when subsidiary was acquired	18 <sup>th</sup> August, 2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2017 to 31/03/2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign	Not Applicable
Subsidiaries.	
Share Capital	35,00,000
Reserves & surplus	25,729,082
Total assets	11,16,86,537
Total Liabilities	11,16,86,537
Investments	3,55,63,435
Turnover	36,75,678
Profit before taxation	45,16,275
Provision for taxation	10,48,168
Profit after Taxation	34,71,970
Proposed Dividend	---
% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

For Keynote Capitals Limited



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Managing Director  
(DIN: 00009093)



Devin Joshi  
Chief Financial Officer

Place: Mumbai

Date: 23.05.2018

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates / Joint Venture	Keynote Fincorp Limited (Associate Concern) (CIN: U67120MH1995PLC084814)
Latest Audited Balance Sheet Date	31 <sup>st</sup> . March 2018
Shares of Associate / Joint Ventures held by the Company on the year end	15,00,000 Equity shares of Rs.10/- each.
Amount of Investment in Associates / Joint Venture	Rs.3,00,00,000/-
Extent of Holding in %	42.85%
Description of how there is significant influence	Common Directors & Shareholders
Reason why the associate / Joint venture is not consolidated	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.9,39,29,074/-
6. Profit / Loss for the year	
i. Considered in Consolidation	NA
i. Not Considered in Consolidation	Rs.92,15,136/-
Names of associates or joint ventures which are yet to commence operations.	NA
Names of associates or joint ventures which have been liquidated or sold during the year.	NA

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**For Keynote Capitals Limited**



**Uday Patil**  
Director  
(DIN: 00003978)



**Rakesh Choudhari**  
Managing Director  
(DIN: 00009093)



**Devin Joshi**  
Chief Financial Officer

**Place: Mumbai**

**Date: 23.05.2018**

## ANNEXURE - IV TO THE DIRECTORS' 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 arms length transactions under third proviso thereto:

## 1. Details of contracts or arrangements or transactions not at arm's length basis: (Not Applicable)

Name of the Related Party & Nature of Relationship	---	---	---	---	---	---
Nature of Relationship	---	---	---	---	---	---
Nature of contracts/arrangements/transactions	---	---	---	---	---	---
Duration of the contracts / arrangements/transactions	---	---	---	---	---	---
Salient terms of the contracts or arrangements or transactions including the value, if any	---	---	---	---	---	---
Justification for entering into such contracts or arrangements or transactions	---	---	---	---	---	---
Date(s) of approval by the Board	---	---	---	---	---	---
Amount paid as advances, if any	---	---	---	---	---	---
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 arrangement or transactions at arm's length basis:

Name of the Related Party	Keynote Commodities Limited	Keynote Fincorp Limited	Rakesh Choudhari (HUF)	Vineet Suchanti	B Madhuprasad	Rakesh Choudhari
Nature of Relationship	Wholly owned subsidiary	Associate Company	Other related Party	Director	Director of holding company	Managing Director
Nature of contracts/arrangements/ transactions	(i) Rendering of Services (ii) Leasing of immoveable property (office premises)	(i) Rendering of Services (ii) Leasing of immoveable property (office premises)	Rendering of Services	Rendering of Services	Rendering of Services	Rendering of Services
Duration of the contracts / arrangements/ transactions	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board
Salient terms of the contracts or arrangements or transactions including the value, if any	Common sharing expenses (Rs. 916,692)	Brokerage (Rs.2000)	Brokerage (Rs.28000)	Brokerage (Rs.24000)	Brokerage (Rs.25000)	Brokerage (Rs.3000)
Date(s) of approval by the Board, if any,	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For Keynote Capitals Limited



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Managing Director  
(DIN: 00009093)



Devin Joshi  
Chief Financial Officer

Place: Mumbai

Date: 23.05.2018



## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**KEYNOTE CAPITALS LIMITED**

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

We have audited the accompanying financial statements of **KEYNOTE CAPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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



## Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to 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. There are no pending litigations except as mentioned in Para 24 of Notes to Accounts.



- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.



For R. K. Khandelwal & Co.  
*Chartered Accountants,*  
*Firm Registration No. 105054W*

(R. K. Khandelwal)

*Partner*

*Membership No. 030054*

Place: Mumbai

Date: 23 MAY 2018

## **“Annexure A” to the Independent Auditors’ Report**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2018, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.  
  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company is having stock of shares and securities which have been physically verified by the management at reasonable intervals during the year and there was no material discrepancies noticed on such verifications
- iii. The company has granted unsecured loan to bodies corporate of Rs. 10,57,617/- and covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iii. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans and investments made.



- iv. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013 and the rules made thereunder.
- v. As informed to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- vi. a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. However, a sum of Rs. 2,72,104/- (GST Rs. 2,49,707/- and interest of Rs. 22,397/-) for Goods and Service Tax (GST) remained to be paid by the company and provision for the same has been made along with interest liability.  
  
b) According to the information and explanations given to us and based on the records of the Company examined by us there are no material dues of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess which have not been deposited with the appropriate authority on account of any dispute.
- vii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or Government.
- viii. According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- ix. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- x. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xi. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



Place: Mumbai  
Date: 23 MAY 2018

For R. K. Khandelwal & Co.  
*Chartered Accountants,*  
*Firm Registration No. 105054W*

(R. K. Khandelwal)  
*Partner*  
*Membership No. 030054*

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF KEYNOTE CAPITALS LIMITED.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of KEYNOTE CAPITALS LIMITED ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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



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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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

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

### **Opinion**

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



**Place: Mumbai**

**Date: 23 MAY 2018**

**For R. K. Khandelwal & Co.  
Chartered Accountants,  
Firm Registration No. 105054W**

**(R. K. Khandelwal)**

**Partner**

**Membership No. 030054**

**KEYNOTE CAPITALS LIMITED**  
**Balance Sheet as at 31st. March, 2018**

( Amount in Rs.)

	Note	As at 31st. March 2018	As at 31st March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	112,666,670	112,666,670
(b) Reserves and Surplus	2	253,652,966	240,250,545
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	687,964	870,678
(b) Deferred Tax Liabilities (Net)	4	8,012,323	7,572,642
<b>Current Liabilities</b>			
(a) Short Term Borrowings	5	87,867,691	61,242,752
(b) Trade Payables	6	10,256,757	468,346,229
(c) Other Current Liabilities	7	15,112,936	15,673,306
(d) Short-Term Provisions	8	3,878,790	2,745,744
<b>TOTAL</b>		<b>492,136,095</b>	<b>909,368,566</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		89,153,074	92,213,811
(b) Non-Current Investments	10	104,493,299	86,858,363
(c) Long-Term Loans and Advances	11	62,473,000	65,660,600
<b>Current Assets</b>			
(a) Current Investments	12	134,113	1,212,496
(b) Inventories	13	16,756,284	-
(c) Trade Receivables	14	52,488,771	467,330,557
(d) Cash and Bank Balances	15	164,434,085	185,688,576
(e) Short-Term Loans and Advances	16	2,203,468	10,404,163
<b>TOTAL.</b>		<b>492,136,095</b>	<b>909,368,566</b>

Notes on Financial Statements 1-33

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **R.K.KHANDELWAL & CO.**

Chartered Accountants

Firm Registration No. 105054W



**(R.K.KHANDELWAL)**

Partner

Membership No. 030054

For **KEYNOTE CAPITALS LIMITED**



**RAKESH CHOUDHARY**

Managing Director



**UDAY PATIL**

Director



**DEVIN JOSHI**

Chief Financial Officer

Place : Mumbai

Date : 23 MAY 2018



**KEYNOTE CAPITALS LIMITED**  
**Statement of Profit and Loss for the period ended 31 March. 2018**  
**( Amount in Rs.)**

	Note	Year ended 31st. March 2018	Year ended 31st March 2017
<b>INCOME</b>			
Revenue from Operations	17	45,074,219	47,385,856
Other Income	18	28,871,424	101,019,420
<b>Total Revenue</b>		<b>73,945,643</b>	<b>148,405,276</b>
<b>EXPENSES</b>			
Employee Benefits Expense	19	20,994,858	19,025,940
Finance Costs	20	14,562,811	20,434,589
Depreciation and Amortization Expense	21	3,272,126	39,536,355
Other Expenses	22	21,782,338	32,989,760
<b>Total Expenses</b>		<b>60,612,133</b>	<b>111,986,644</b>
<b>Profit Before Tax</b>		<b>13,333,510</b>	<b>36,418,633</b>
Tax expense:			
Current tax		2,683,900	7,203,315
Short / (Excess) provision of Taxation for Earlier		(3,192,492)	-
Deferred tax		439,680	1,263,234
<b>Profit for the year</b>		<b>13,402,421</b>	<b>27,952,084</b>
Earnings per Equity Share of Face value of Rs.10 each			
Basic and Diluted		1.19	2.48

Notes on Financial Statements 1-33  
AS PER OUR REPORT OF EVEN DATE ATTACHED

For **R.K.KHANDELWAL & CO.**  
Chartered Accountants,  
Firm Registration No. 105054W

For **KEYNOTE CAPITALS LIMITED**

  
**(R.K.KHANDELWAL)**  
Partner  
Membership No. 030054

  
**RAKESH CHOUDHARI**  
Managing Director

  
**UDAY PATIL**  
Director

  
**DEVIN JOSHI**  
Chief Financial Officer

Place : Mumbai  
Date : 23 MAY 2018



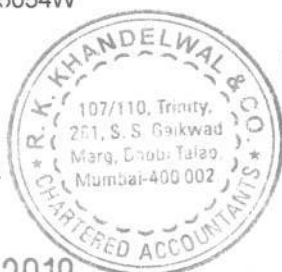
**KEYNOTE CAPITALS LIMITED**  
**Cash Flow Statement For The Year Ended 31st March, 2018**

	(Amount in Rs.)	
	Year ended 31st. March, 2018	Year ended 31st. March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax as per Statement of Profit & Loss	13,333,510	36,418,632
<b>Adjustments For :</b>		
Depreciation / Amortization	3,272,126	39,536,355
(Profit) / Loss on Sale of Investments	(6,141,606)	(82,626,572)
Finance Cost	14,562,811	20,434,589
Dividend Income	(1,065,413)	(1,604,900)
Interest Income	(21,124,140)	(16,309,816)
<b>Operating profit before working capital changes</b>	<b>2,837,289</b>	<b>(4,151,712)</b>
<b>Adjustment For :</b>		
(Increase) / Decrease in Trade Receivables	414,841,786	(419,835,256)
(Increase) / Decrease in Inventories	(16,756,284)	18,862,858
Increase / (Decrease) in Short Term Borrowing	26,624,939	(63,966,937)
(Increase) / Decrease in Long Term Loans & advances	3,187,600	(44,602,269)
(Increase) / Decrease in Short Term Loans & advances	8,200,695	7,809,521
Increase / (Decrease) in Short Term Provisions	1,641,637	(8,587,290)
Increase / (Decrease) in Other Current Liabilities	(560,371)	(750,707)
Increase / (Decrease) in Trade Payables.	(458,089,473)	419,421,486
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(18,072,181)</b>	<b>(95,800,306)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(211,389)	(562,527)
Sale / (Purchase) of Investments	(17,634,936)	(46,758,557)
Investments	1,078,383	(1,212,496)
Profit on Sale of Investment	6,141,605	82,626,572
Interest Income	21,124,140	16,309,816
Dividend Income	1,065,413	1,604,900
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>11,563,215</b>	<b>52,007,708</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(14,562,811)	(20,434,589)
Increase / (Decrease) in Long -Term Borrowing	(182,714)	(774,459)
Increase / (Decrease) in Short -Term Borrowing	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(14,745,525)</b>	<b>(21,209,048)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(21,254,491)</b>	<b>(65,001,646)</b>
Cash and Cash Equivalents at the beginning of the year (Refer Note 15 )	185,688,577	250,690,223
Cash and Cash Equivalents at the end of the year (Refer Note 15)	164,434,086	185,688,577

"As per our report of even date attached"

For **R.K.KHANDELWAL & CO.**  
Chartered Accountants,  
Firm Registration No. 105054W

  
**(R.K.KHANDELWAL)**  
Partner  
Membership No. 030054



Place : Mumbai  
Date: 23 MAY 2018

For **KEYNOTE CAPITALS LIMITED**

  
**RAKESH CHOUDHARI**  
Managing Director

  
**UDAY PATIL**  
Director

  
**DEVAN JOSHI**  
Chief Financial Officer

**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 1. SHARE CAPITAL**

	As at 31st. March 2018	As at 31st. March 2017
<b>Authorized Share Capital</b>		
1,50,00,000 (31st March 2017: 1,50,00,000) Equity Shares of Rs.10/- each	150,000,000	150,000,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
1,12,66,667 (31st March 2017: 1,12,66,667) Equity Shares of Rs.10/- each	112,666,670	112,666,670
<b>Total</b>	<b>112,666,670</b>	<b>112,666,670</b>

**1.1) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

	As at 31st. March 2018		As at 31st. March 2017	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	11,266,667	112,666,670	11,266,667	112,666,670
Shares outstanding at the end of the year	<b>11,266,667</b>	<b>112,666,670</b>	<b>11,266,667</b>	<b>112,666,670</b>

**1.2) Details of shareholders holding more than 5% shares in the company**

	As at 31st. March 2018		As at 31st. March 2017	
	No of Shares	% Holding	No of Shares	% Holding
Keynote Corporate Services Ltd.	11,266,667	100	11,266,667	100

**NOTE 2. RESERVES AND SURPLUS**

	As at 31st. March 2018	As at 31st. March 2017
<b>Securities Premium Account</b>		
As per last Balance Sheet	62,833,340	62,833,340
Add : Issue of Shares	-	-
	<b>62,833,340</b>	<b>62,833,340</b>
<b>Profit and Loss Account</b>		
As per last Balance Sheet	177,417,205	149,465,120
Add: Profit for the year	13,402,421	27,952,080
	<b>190,819,626</b>	<b>177,417,200</b>
<b>Total</b>	<b>253,652,966</b>	<b>240,250,540</b>

**NOTE 3. LONG TERM BORROWINGS**

	As at 31st. March 2018		As at 31st. March 2017	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
Car Loan from Daimler Financial Services Pvt. Ltd. (Secured By Hypothecation of Mercedes Benz)	687,964	-	870,678	-
<b>Total</b>	<b>687,964</b>	<b>-</b>	<b>870,678</b>	<b>-</b>



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 4. DEFERRED TAX LIABILITY (Net)**

	As at 31st. March 2018	As at 31st. March 2017
Deferred tax Liability as on 1st April, 2017	7,572,642	6,309,400
Difference between book and Tax Depreciation	1,017,878	1,495,611
<b>Total deferred Tax liability</b>	<b>8,590,520</b>	<b>7,805,021</b>
Expenses Disallowed as per section 43B of Income Tax Act. 1961	578,197	232,380
<b>Total deferred Tax Assets</b>	<b>578,197</b>	<b>232,380</b>
<b>Net Deferred Tax Liability</b>	<b>8,012,323</b>	<b>7,572,641</b>

**NOTE 5. SHORT TERM BORROWINGS**

	As at 31st. March 2018	As at 31st. March 2017
<b>Secured</b>		
Axis Bank O/D Against FD Account	53,140,751	15,059,990
L K P Finance Limited	22,782,254	42,595,700
Car Loan from Volkswagen Finance Pvt. Ltd. (Secured By Hypothecation of Car - Vento TDI)		143,300
Car Loan from Daimler Financial Services Pvt. Ltd. (Secured By Hypothecation of Mercedes Benz)	182,714	631,150
<b>Loan From Related Parties</b>		
Subsidiary Company	11,761,971	2,812,590
	<b>87,867,691</b>	<b>61,242,750</b>

**NOTE 6. TRADE PAYABLES**

	As at 31st. March 2018	As at 31st. March 2017
Trade Payables	10,256,757	468,346,230
<b>Total</b>	<b>10,256,757</b>	<b>468,346,230</b>

**NOTE 7. OTHER CURRENT LIABILITIES**

	As at 31st. March 2018	As at 31st. March 2017
Deposit / Advance From Clients/ Parties*	6,154,418	3,275,220
Income Received in Advance	793,973	1,100,000
Interest Payable	22,420	-
Employee Benefits Payable	107,429	101,420
Statutory Dues Payable	2,199,561	2,475,270
Other Payables	5,332,584	3,667,440
Outstanding Expenses Payable	502,550	5,053,930
<b>Total</b>	<b>15,112,936</b>	<b>15,673,300</b>

\*All the above Deposits/Advances are payable as and when demanded by the party.

**NOTE 8. SHORT TERM PROVISIONS**

	As at 31st. March 2018	As at 31st. March 2017
<b>Provision for employee benefits</b>		
Provision for Bonus	800,000	750,000
Provision for Gratuity	2,790,126	1,796,720
Income Tax (Net of Provision )	142,053	-
Provision for Leave Encashment	146,611	199,010
<b>Total</b>	<b>3,878,790</b>	<b>2,745,740</b>



(Amount in Rs.)

**NOTE 9. FIXED ASSETS**

	Description	Gross Block			Depreciation/Amortisation			Net Block			
		As at 1st April, 2017	Additions	Deductions/A adjustments	As at 31st March 2018	As at 1st April, 2017	For the year	Deductions/A adjustments	Upto 31st March 2018	As at 31st March 2018	As at 31st March, 2017
a)	TANGIBLE ASSETS	7,820,015	-	-	7,820,015	3,325,531	742,795	-	4,068,326	3,751,690	4,494,484
	Furniture and Fixtures	12,971,523	-	-	12,971,523	7,605,107	933,461	-	8,538,568	4,432,955	5,366,416
	Motor Car	1,895,397	10,000	-	1,905,397	1,800,627	10,000	-	1,810,627	94,770	94,770
	Office equipment	88,307,368	-	-	88,307,368	6,941,201	1,398,200	-	8,339,401	79,967,967	81,366,167
	Office Premises	13,937,923	201,388	-	14,139,311	13,045,950	187,670	-	13,233,620	905,691	891,973
	Computers Hardware	124,932,226	211,388.0	-	125,143,614	32,718,416	3,272,126	-	35,990,542	89,153,073	92,213,811
	Total										
	Previous Year	160,326,806	562,528	-	160,889,334	29,139,169	39,536,355	-	68,675,524	92,213,810	



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 10. NON CURRENT INVESTMENTS (LONG TERM INVESTMENT)**

	As at 31st. March 2018	As at 31st. March 2017
<b>Trade (Quoted) (Refer note 10.1)</b>		
Investments in Equity Shares & Mutual Fund	70,993,299	53,358,36
<b>Others (Unquoted) (Refer note 10.2)</b>		
Investments in Equity Shares of Subsidiaries	33,500,000	33,500,00
& Others	104,493,299	86,858,36
<b>Total</b>		
	As at 31st. March 2018	As at 31st. March 2017
<b>10.1 Trade (Quoted) (at cost)</b>		
Investments in Mutual Fund	519,091	519,09
4 (NIL) Equity Shares of 5 Paisa Cap. Ltd.	40	
444 (437) Equity Shares of ABB LTD.of Rs.2/- each Fully Paid	534,640	525,08
1777 (2432) Equity Shares of Aegis Logistics Ltd.of Rs.1/-each Fully Paid	289,169	396,13
NIL (11) Equity Shares of Ajanta Pharma Ltd.of Rs.2/-each Fully Paid	-	22,89
178 (178) Equity Shares of Alkem Laboratory Ltd. of Rs.2/-each Fully Paid	274,048	274,04
450 (450) Equity Shares of AP'L Apollo Tubes Ltd. of Rs.10/-each Fully Paid	414,547	414,54
3320 (NIL) Equity Shares of Aptech Ltd. of Rs.10/-each Fully Paid	257,300	257,30
1670 (NIL) Equity Shares of Arvind Ltd. of Rs.10/-each Fully Paid	667,471	
331 (NIL) Equity Shares of AU Small Finance Bank Ltd.of Rs.2/-each Fully Paid	198,661	
364 (428) Equity Shares of Bajaj Finance Ltd. of Rs.2/-each Fully Paid (Bonus Shares)	-	
NIL (7298) Equity Shares of Balarampur Chini Ltd. of Rs.1/-each Fully Paid	-	881,93
45 (NIL) Equity Shares of Bayer Crop Science Ltd. of Rs.10/-each Fully Paid	210,151	
478 (239) Equity Shares of Bharat Forge Ltd.of Rs.2/-each Fully Paid	201,658	201,73
291 (414) Equity Shares of Birla Corporation Ltd.of Rs.10/- each Fully Paid	211,003	300,22
180 (NIL) Equity Shares of Blue Star Ltd.of Rs.2/-each Fully Paid	117,383	
20 (20) Equity Shares of Bosch Ltd.of Rs.10/-each Fully Paid	354,087	354,08
350 (360) Equity Shares of Canfin Homes Ltd.of Rs.2/-each Fully Paid	115,766	119,07
627 (NIL) Equity Shares of CESC LTD.of Rs.10/-each Fully Paid	513,063	513,06
2305 (2096) Equity Shares of City Union Bank Ltd.of Rs.1/- each Fully Paid	186,684	186,68
170 (123) Equity Shares of Colgate Palmolive Ltd.of Rs.1/- each Fully Paid	144,769	144,76
177 (84) Equity Shares of Container Corpn. Ltd.of Rs.10/- each Fully Paid	183,925	98,11
2075 (NIL) Equity Shares of Coromandel International Ltd.of Rs.1/-each Fully Paid	574,194	574,19
285 (285) Equity Shares of Cummins India Ltdof Rs.2/-each Fully Paid	250,616	250,61
NIL (1844) Equity Shares of Dalmia Bharat Sugars Ltd.of Rs.2/-each Fully Paid	-	222,29
1560 (2256) Equity Shares of DCB Bank Ltd.of Rs.10/-each Fully Paid	197,673	284,91



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31 March, 2018**

117 (124) Equity Shares of Dhanuka Agri Tech Ltd.of Rs.2/- each Fully Paid	79,383	84,11
367 (298) Equity Shares of Dishman Pharmaceuticals Ltd.of Rs.2/-each Fully Paid	111,141	88,31
112 (NIL) Equity Shares of Dr. Lal Path Laboratories Ltd.of Rs.10/-each Fully Paid	123,570	123,57
19 (19) Equity Shares of Eicher Motors Ltd.of Rs.10/-each Fully Paid	361,843	361,84
257 (257) Equity Shares of Emami Ltd.of Rs.1/-each Fully Paid	262,145	262,14
710 (710) Equity Shares of Engineers India Ltd.of Rs.5/-each Fully Paid	53,807	53,80
965 (965) Equity Shares of Entertainment Network India Ltd.of Rs.10/-each Fully Paid	703,297	703,29
975 (NIL) Equity Shares of Escorts Inida Ltd.of Rs.10/-each Fully Paid	617,197	
2225 (NIL) Equity Shares of Federal Bank Ltd.of Rs.2/-each Fully Paid	265,332	
1150 (1343) Equity Shares of Gabriel Inida Ltd.of Rs.1/-each Fully Paid	137,333	160,38
33 (28) Equity Shares of Glaxosmithkline Ltd.of Rs.10/-each Fully Paid	189,924	176,71
601 (286) Equity Shares of Godrej Industries Ltd.of Rs.1/-each Fully Paid	305,011	136,98
2335 (1989) Equity Shares of Graphite India Ltd.of Rs.2/-each Fully Paid	433,232	221,19
600 (NIL) Equity Shares of Gujarat Fluorochemicals Ltd.of Rs.10/-each Fully Paid	430,208	
880 (2307) Equity Shares of Hindustan Petroleum Ltd.of Rs.10/-each Fully Paid	-	522,37
119 (NIL) Equity Shares of IIFL Holdings Ltd.of Rs.10/-each Fully Paid	52,788	
386 (NIL) Equity Shares of Indian Energy Exchange Ltd.of Rs.10/-each Fully Paid	623,781	
10 (NIL) Equity Shares of IDFC Ltd.of Rs.10/-each Fully Paid	576	57
10 (NIL) Equity Shares of IDFC Bank Ltd. of Rs.10/-each Fully Paid	683	68
NIL (2000) Equity Shares of Indian Oil Corporation Ltd.of Rs.10/-each Fully Paid	-	789,08
NIL (18000) Equity Shares of Innovative Tech Pack Ltd.of Rs.1/-each Fully Paid	-	1,011,71
292 (268) Equity Shares of Ipca Laboratories Ltd.of Rs.2/-each Fully Paid	184,844	184,84
600 (NIL) Equity Shares of ITD Cementation Ltd.of Rs.1/-each Fully Paid	87,180	87,18
1210 (1210) Equity Shares of J & K Bank Ltd.of Rs.1/-each Fully Paid	81,312	81,31
2813 (2598) Equity Shares of Jagran Prakashan Ltd.of Rs.2/-each Fully Paid	495,734	452,79
240 (NIL) Equity Shares of Kajaria Ceramics Ltd.of Rs.1/-each Fully Paid	167,033	167,03
1429 (1077) Equity Shares of Kaveri Seeds Ltd.of Rs.2/-each Fully Paid	683,457	512,59
799 (630) Equity Shares of Kotak Mahindra Bank Ltd.of Rs.5/-each Fully Paid	597,625	430,38
243(NIL)Equity Shares ofL & T Technologies Ltd.of Rs.10/-each Fully Paid	206,351	206,35
1063 (797) Equity Shares of Lakshmi Vilas Bank Ltd.of Rs.2/-each Fully Paid	159,263	126,81
531 (NIL) Equity Shares of Lir.de India Ltd.of Rs.10/-each Fully Paid	202,566	202,56
159 (163) Equity Shares of Mahanagar Gas Ltd.of Rs.10/-each Fully Paid	104,838	107,47
768 (849) Equity Shares of Max Financial Services Ltd.of Rs.2/-each Fully Paid	267,924	267,92



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31 March, 2018**

481 (NIL) Equity Shares of Mphasis Ltd.of Rs.10/-each Fully Paid	353,041	
102000 (NIL) Equity Shares of Mitcon Consultancy Ltd.of Rs.10/-each Fully Paid	7,031,600	7,031,600
NIL (963) Equity Shares of Music Broadcast Ltd.of Rs.10/-each Fully Paid	-	320,670
NIL (9600) Equity Shares of Nitiraj Industries Ltd.of Rs.10/-each Fully Paid	-	960,000
71189 (NIL) Equity Shares of O K Play Ltd.of Rs.10/-each Fully Paid	9,999,919	9,999,919
32 (34) Equity Shares of Page Industries Ltd.of Rs.10/-each Fully Paid	347,258	368,510
180000 (342000) Equity Shares of Perfect Infraengineers Ltd.of Rs.10/-each Fully Paid	4,883,700	5,491,800
NIL (519) Equity Shares of Phoenix Lamps Ltd.of Rs.10/-each Fully Paid	-	87,880
1000 (615) Equity Shares of Powermech Projects Ltd.of Rs.10/-each Fully Paid	588,590	317,760
250 (253) Equity Shares of Quess Corp. Ltd.of Rs.10/-each Fully Paid	139,340	141,010
235200 (NIL) Equity Shares of Sarveshwar Foods Ltd. of Rs.10/-each Fully Paid	19,972,800	
1099 (NIL) Equity Shares of Shakti Pumps Ltd. of Rs.10/-each Fully Paid	528,667	
263 (NIL) Equity Shares of Shankara Building Products Ltd. of Rs.10/-each Fully Paid	158,381	
713 (NIL) Equity Shares of Sun TV Network Ltd. of Rs.10/-each Fully Paid	544,114	
224 (NIL) Equity Shares of Suprajit Engineers Ltd. of Rs.10/-each Fully Paid	47,452	
NIL (1120) Equity Shares of R Shares Nifty Beeseach Fully Paid	-	1,025,040
4650 (NIL) Equity Shares of Shree Pushkar Chemicals Ltd.of Rs.10/-each Fully Paid	614,213	614,213
490000 (NIL) Equity Shares of Siddha Real Estates Ltd.of Rs.1/-each Fully Paid	490,000	490,000
158000 (200000) Equity Shares of Steel City Securities Ltd.of Rs.10/-each Fully Paid	9,419,700	11,000,000
24 (29) Equity Shares of TTK Prestige Ltd.of Rs.10/-each Fully Paid	118,817	143,570
234 (231) Equity Shares of United Spirits Ltd.of Rs.10/-each Fully Paid	529,488	523,790
1372 (1223) Equity Shares of Voltas Ltd.of Rs.1/-each Fully Paid	346,084	346,080
360 (NIL) Equity Shares of Zensar Technologies Ltd.of Rs.10/-each Fully Paid	338,300	338,300
496 (393) Equity Shares of Zuari Agro Chemicals Ltd.of Rs.10/-each Fully Paid	136,518	93,230
	<b>70,993,299</b>	<b>53,358,363</b>

**10.2 Others (Unquoted) Investment in Equity Shares of Subsidiaries & Others (at cost)**

15,00,000 (15,00,000) Equity Shares of Keynote Fincorp Ltd. of Rs.10/- each.	30,000,000	30,000,000
350,000 (350,000) Equity Shares of Keynote Commodities Ltd.of Rs.10/- each.	3,500,000	3,500,000
	<b>33,500,000</b>	<b>33,500,000</b>

Particulars	31st. Mar. 2018	31st. Mar. 2017
Aggregate amount of Quoted Investments	70,993,299	53,358,363
Market Value of Quoted Investments	88,297,198	59,636,650
Aggregate amount of Unquoted Investments	33,500,000	33,500,000
Aggregate provision for Diminution in Value of Investment	-	-



**KEYNOTE CAPITALS LIMITED**

**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 11. LONG TERM LOANS AND ADVANCES**

	As at 31st. March 2018	As at 31st. March 2017
Unsecured Considered good		
Deposit for Premises	10,160,600	10,160,600
Deposit with Corporates & Other Bodies	52,312,400	55,500,000
<b>Total</b>	<b>62,473,000</b>	<b>65,660,600</b>

**NOTE 12. CURRENT INVESTMENTS**

Investments in Liquid Fund	134,113	1,212,490
	<b>134,113</b>	<b>1,212,490</b>

**NOTE 13. INVENTORIES**

	As at 31st. March 2018		As at 31st. March 2017	
Equity Shares( Quoted)	Quantity	Amount	Quantity	Amount
Cochin Shipyard Ltd.	12,489	5,395,248	-	-
HUDCO	103,334	6,200,040	-	-
MAS Financial Services Ltd.	11,244	5,160,996	-	-
		<b>16,756,284</b>	-	-

**NOTE 14. TRADE RECEIVABLES**

	As at 31st. March 2018	As at 31st. March 2017
Over Six Months	35,276,920	4,581,290
Others	17,211,851	462,749,250
<b>Total</b>	<b>52,488,771</b>	<b>467,330,550</b>

**NOTE 15. CASH AND CASH EQUIVALENTS**

	As at 31st. March 2018	As at 31st. March 2017
<b>Balances with Banks</b>		
In Current Accounts	38,292,075	10,221,520
In Fixed Deposits*	125,906,813	175,180,470
Cash on Hand	235,197	286,570
<b>Total</b>	<b>164,434,085</b>	<b>185,688,570</b>

\* Fixed Deposits with bank include maturity of more than 12 months.

**NOTE 16. SHORT TERM LOANS AND ADVANCES**

	As at 31st. March 2018	As at 31st. March 2017
<b>Advances</b>		
Advances Recoverable in Cash or Kind	600,549	2,567,000
Income Tax (Net of Provision )	-	921,190
<b>Loans to Related Parties</b>		
Associate Concern	1,057,617	3,660,160
Prepaid Expenses	378,672	710,000
Advances to Staff	166,630	274,510
Service Tax Credit	-	2,271,290
<b>Total</b>	<b>2,203,468</b>	<b>10,404,160</b>



**KEYNOTE CAPITALS LIMITED**

**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 17. REVENUE FROM OPERATIONS**

	<b>As at 31st. March 2018</b>	<b>As at 31st. March 2017</b>
Advisory Income	12,025,987	13,688,746
Brokerage Income	29,362,173	27,470,138
Depository Income	1,197,776	383,095
Profit from Trading in Securities	2,137,122	-
Speculation & Currency Trading	351,160	5,843,877
<b>Total</b>	<b>45,074,219</b>	<b>47,385,856</b>

**NOTE 18. OTHER INCOME**

	<b>As at 31st. March 2018</b>	<b>As at 31st. March 2017</b>
Dividend Income	1,065,413	1,604,900
Interest Income	2,149,967	2,992,443
Interest on Fixed Deposits	18,507,757	13,317,373
Interest on Income Tax Refund	466,416	-
Miscellaneous Income	540,266	231,956
Profit on Sale of Investments	6,141,606	82,626,572
Provision Written Back	-	246,176
<b>Total</b>	<b>28,871,424</b>	<b>101,019,420</b>

**NOTE 19. EMPLOYEE BENEFITS EXPENSES**

	<b>As at 31st. March 2018</b>	<b>As at 31st. March 2017</b>
Bonus	2,559,504	1,923,615
Company's Contributions to P F & ESIC	1,351,830	1,366,668
Gratuity	1,298,815	-
Leave Encashment	424,600	415,313
Salaries and incentives	14,944,844	14,948,520
Staff welfare expenses	415,265	371,824
<b>Total</b>	<b>20,994,858</b>	<b>19,025,940</b>



**KEYNOTE CAPITALS LIMITED**

**Notes on Financial Statements for the Year ended 31 March, 2018**

**NOTE 20. FINANCE COST**

	<b>As at</b>	<b>As at</b>
	<b>31st. March 2018</b>	<b>31st. March 2017</b>
Bank Charges	12,250	482,946
Interest expense	14,439,888	19,755,272
Other borrowing costs (Interest on Car Loan)	110,672	196,371
<b>Total</b>	<b>14,562,811</b>	<b>20,434,589</b>

**NOTE 21 . DEPRECIATION AND AMORTIZATION EXPENSES**

	<b>As at</b>	<b>As at</b>
	<b>31st. March 2018</b>	<b>31st. March 2017</b>
Amortization of Intangible assets	-	35,957,108
Depreciation of tangible assets	3,272,126	3,579,247
<b>Total</b>	<b>3,272,126</b>	<b>39,536,355</b>

**NOTE 22. OTHER EXPENSES**

	<b>As at</b>	<b>As at</b>
	<b>31st. March 2018</b>	<b>31st. March 2017</b>
Advertisement & Publicity	-	25,000
Annual Maintenance Charges	88,400	96,974
Auditor Remuneration	425,000	425,000
Books & Periodicals	12,582	11,789
Business Promotion Expenses	913,091	1,294,773
Commission and Brokerage Expenses	-	2,500,000
Computer Expenses	202,574	286,191
Conveyance Expenses	369,324	369,151
Donation	636,400	210,000
Electricity Charges	208,440	197,276
General Expenses	112,563	506,294
Insurance Charges	258,965	277,978
Legal & Professional Charges	8,514,835	13,570,402
Membership & Subscription	653,869	376,222
Miscellaneous Expenses	296,082	962,855
Motor Car Expenses	378,815	676,186
Portfolio Management Fees	195,307	-
Postage & Telegraph	72,674	44,359
Printing & Stationery	86,651	94,053
Professional Tax	4,000	4,000
Rent, Rates & taxes & License Fees	1,545,118	2,496,217
Repairs & Renewal	581,999	3,371,625
Security Transaction Tax	765,146	280,257
Stamp Duty & Stamp Expenses	19,281	46,860
Stock Exchange Related Expenses	2,165,164	389,721
Sundry Balances Written off.	20,448	13,658
Telephone & Communication Expenses	655,229	566,549
Travelling Expenses	2,600,381	3,896,369
<b>Total</b>	<b>21,782,338</b>	<b>32,989,760</b>



**NOTE 23. SIGNIFICANT ACCOUNTING POLICIES:**

**(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act (to the extent notified) and guidelines issued by the Securities & Exchange Board of India (SEBI). The financial statements have been prepared on a going concern basis. GAAP comprises of mandatory accounting standards as prescribed under the Act. Accounting policies have been consistently applied.

**(b) USE OF ESTIMATES:**

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions to be made that affect the reported balances of assets and liabilities and disclosure related to contingent liabilities as at the date of financial statements and the reported amount of revenues and expenses during the reporting period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**(c) REVENUE RECOGNITION:**

- i. Brokerage income is recognised on trade date basis and is exclusive of service tax and Securities Transaction Tax (STT) wherever applicable.
- ii. Advisory and transactional processing fees income is accounted for on accrual basis in accordance with the terms of contracts entered into between the company and the counter party.
- iii. 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.
- iv. Profit/loss on sale of securities is determined based on first in first out basis.



v. 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 statement of Profit and Loss. 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 statement of Profit and Loss. 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 statement of Profit and Loss. Unrealized gains (on overall portfolio basis) are not recognized in the statement of Profit and Loss 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 statement of Profit and Loss and unrealized gains are ignored; and in case of securities (shares, etc.) the net unrealized losses are recognized in statement of Profit and Loss and net unrealized gains are ignored.

vi. In respect of other heads of income, income from depository operations etc., the Company accounts the same on accrual basis.

vii. Dividend Income is recognized when the right to receive the payment is established.

viii. Interest Income is recognized on accrual basis.

ix. Account opening charges are recognized on accrual basis.



**(d) STOCK-IN-TRADE**

The securities held as stock- in- trade are valued at lower of weighted average cost or market value.

**(e) FIXED ASSETS AND DEPRECIATION**

- i. Fixed assets are stated at cost or at revalued amount, less accumulated depreciation if any. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the assets to its working condition for intended use.
- ii. Depreciation on tangible fixed assets are provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013. In accordance with the provisions of Schedule II of the Act.
- iii. Assets costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

**(f) FOREIGN CURRENCY TRANSACTION:**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss.

**(g) INVESTMENTS :**

Investments are classified into long term investments and current investments based on management's intention. Investments that are intended to be held for one year or more are classified as long term investments and investments that are intended to be held for less than one year are classified as current investments. Current investments are carried at lower of cost and fair value of each investment individually. Long term investments are valued at cost less provisions recorded to recognise any decline other than temporary, in the carrying value of each investment.

**(h) EMPLOYEE BENEFITS:**

- i. Provident Fund is a defined contribution scheme and the contributions as required by the Statute are charged to the statement of Profit and Loss as incurred.
- ii. Gratuity Liability is a defined benefit plan. The amount of Gratuity payable as per the actuarial valuation is deposited with the Group Gratuity Assurance Scheme of Life Insurance Corporation of India. The liability of gratuity is provided in the accounts on the basis of actuarial valuation as at the year end.
- iii. The employees of the company are entitled to compensated absences and leave encashment as per the policy of the Company. The liability of compensated absences and leave encashment is provided in the accounts on the basis of actuarial valuation as at the year end.



**(i) BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(j) TAXATION:**

**Tax Expenses comprise current tax and deferred tax**

**Current Tax**

Current Tax is calculated as per the provisions of the Income tax Act, 1961.

**Deferred tax**

Deferred tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to the taxes on income levied by some governing taxation laws. Deferred tax assets, subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that the sufficient future taxable income will be available against such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on balance sheet date.

**(k) IMPAIRMENT OF 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.

**(l) PROVISIONS AND CONTINGENCIES :**

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. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



**NOTE 24. CONTINGENT LIABILITIES (to the extent not provided for) :**

i) The company had filed an appeal for Assessment Year 2011-2012 before the Commissioner of Income Tax (Appeals) against the total disputed liability of Rs. 7,42,946/-.

ii) The company had filed an appeal for Assessment Year 2012-2013 before the Commissioner of Income Tax (Appeals) against the total disputed liability of Rs. 2,21,950/-. The company expects no liability in the appeal.

As per the Certificate received from our Tax Consultants M/s. V K Beswal & Co., outstanding amount is NIL. However we have not received the order copy from CIT (A)

iii) The Company has filed an Arbitration Petition in the High Court, Mumbai against arbitrary order of Appellate bench of National Stock Exchange of India Ltd amounting to Rs.2,35,16,348/- with interest @ 10% per annum from 4.03.2013 till date of payment 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 management 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.

**NOTE 25.**

Sundry Debtors, Creditors and Loans and Advances are subject to confirmation by the parties. No dues payable to micro, small and Medium Enterprises. The Status about these enterprises is based on the available information with the management.

**NOTE 26.**

In the opinion of the Company, the Current Assets, Loans and Advances are not less than the value stated, if realised in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and not in excess of amount considered necessary.

**NOTE 27. FOREIGN CURRENCY TRANSACTION:**

Particulars	(Rs. in Lakhs)	
	2017-2018	2016-2017
Service Income in Foreign Currency	NIL	NIL
Expenditure in Foreign Currency	17.56	26.12



**NOTE 28. AUDITORS REMUNERATION (Excluding GST):**

		(Rs. in Lakhs)	
		Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
(i)	Statutory Audit Fees	3.75	3.75
(ii)	Tax Audit Fees	0.50	0.50
(iii)	Income Tax Matters	-	0.75
(iv)	As Advisor or in any other capacity in respect of:		
	-Certification Work	-	0.20
	<b>Total</b>	<b>4.25</b>	<b>5.20</b>

**NOTE 29. COMPUTATION OF BASIC & DILUTED EARNINGS/(LOSS) PER SHARE:**

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Net Profit attributable to equity shareholders (A)	1,34,02,421	2,79,52,084
Weighted Average Number of equity shares issued (B) (face value of Rs. 10 each)	1,12,66,667	1,12,66,667
<b>Basic Earnings per share (A/B)</b>	<b>1.19</b>	<b>2.48</b>
Weighted Number of equity shares outstanding for Diluted EPS (C)	1,12,66,667	1,12,66,667
<b>Diluted Earnings per share (A/C)</b>	<b>1.19</b>	<b>2.48</b>



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

**NOTE 30. SEGMENT INFORMATION**

**A. BUSINESS SEGMENT – PRIMARY**

**(Rs. In Lacs)**

Particulars	Advisory Services		Broking Related Activities		Trading Profit		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
<b>Segment Revenue</b>								
External Revenue	120.26	136.89	305.60	278.53	24.88	58.44	450.74	473.86
Inter Segment Revenue								
<b>Total Revenue</b>	120.26	136.89	305.60	278.53	24.88	58.44	450.74	473.86
<b>Segment Result before Interest and tax</b>	72.70	(31.93)	30.55	(100.11)	21.12	(82.13)	124.37	(214.17)
Add/(Less): Unallocated Income/ (Expenses) (NET)							154.46	777.88
Interest and Finance Charges							(145.50)	(199.52)
Deferred Tax Assets/(Liabilities)							(4.40)	(12.63)
Provision for Income Tax							(26.84)	(72.03)
Excess Provision of Tax for Earlier Years							31.92	-
<b>Net Profit</b>							<b>134.01</b>	<b>279.52</b>
<b>Other Information</b>								
<b>Segment Assets</b>			2984.69	7368.96	168.90	12.12	3153.59	7381.08
Unallocated Corporate assets							1767.77	1712.60
<b>Total Assets</b>			2984.69	7368.83	168.90	12.12	4921.36	9093.68
<b>Segment Liabilities</b>			102.57	4683.46			102.57	4683.46
Unallocated Corporate liabilities							1155.60	881.05
<b>Total Liabilities</b>			102.57	4683.46			1258.17	5564.51
<b>Depreciation</b>								
Segment depreciation	8.73	87.97	22.18	166.82	1.81	140.57	32.72	395.37
Unallocated depreciation								
<b>Total Depreciation</b>	8.73	87.97	22.18	166.82	2.14	140.57	32.72	395.37



**B. OTHER DISCLOSURES**

1. Segments have been identified in line with the Accounting Standard (AS) 17 on Segment Reporting taking into Account the Organisation Structure as well as the differential risks and returns of these Segments.

2. The Company has disclosed Business Segment as the Primary Segment.

3. Types of Products and Services in each Business Segment:

Business Segment  
Primary Segment

Types of Products and Services

1. Advisory Services
2. Broking Related Activities
3. Trading in Securities

4. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segment and amounts allocated on a reasonable basis.

5. Secondary Segment information – Geographical Segment: The Operations of the Company are, at present, only in India within a single Geographical Segment.

**NOTE 31. RELATED PARTY DISCLOSURE:**

Related Party Disclosure as per “Accounting Standard -18” issued by Institute of Chartered Accountants of India.

a) Disclosure of Related Parties and relationship between the parties:

i) **Holding Company:**

Keynote Corporate Services Ltd.

ii) **Subsidiary Companies:**

Keynote Commodities Limited

iii) **Key Management Personnel:**

Mr. B.Madhuprasad

Mr. Uday S.Patil

Mr. Vineet Suchanti

Mr. Rakesh Choudhari

iv) **Relatives of Key Management Personnel:**

Pushpa Suchanti

Rita Suchanti

Rinku Suchanti

Madhulika Choudhari

Rajesh Choudhari

Jamuna Choudhari

v) **Other related parties:**

(Associates of the Company / Enterprises over which key management personnel and / or their relatives exercise significant influence)



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

Concept Communication Ltd.  
 Concept Production Ltd.  
 Rakesh Choudhari (HUF)  
 Pelican Finstock Ltd.  
 Vivek Suchanti & Co.  
 Keynote Fincorp Ltd.

b) Description of the nature of transactions with the Related Parties during the year 2017-2018:

(Rs. in Lacs)

Particulars	Holding Company	Subsidiary Company	Key Management Personnel	Related to Key Management Personnel	Other Related Parties
<b>Brokerage</b>					
Keynote Fincorp Ltd.	-	-	-	-	0.02
Keynote Commodities Ltd.	-	-	-	-	-
Rakesh Choudhari (HUF)					0.28
Vineet Suchanti			0.24		
B Madhuprasad			0.25		
Rakesh Choudhari	-	-	0.03	-	-
Director Remuneration (Rakesh Choudhari)	-	-	41.70	-	-
<b>Loan Given</b>					
Keynote Fincorp Ltd.					10.57
<b>Loan Taken</b>					
Keynote Commodities Ltd.		1030.71			
<b>Outstanding Balances (Loans &amp; Advances)</b>	-	-	-	-	-
Keynote Corporate Services Ltd.	-	-	-	-	-
Keynote Fincorp Ltd.	-	-	-	-	10.57
Keynote Commodities Ltd.	-	(117.61)	-	-	-

**NOTE 32. EMPLOYEE BENEFITS:**

Disclosure required under Accounting Standard - 15 for "Employee Benefits" are as under:

A. Defined Benefit Plans

**1. Gratuity**

Retirement Benefits in the form of Gratuity for the eligible employees are considered as Defined Benefit Plan. The Company has implemented Group Gratuity Assurance Scheme of Life Insurance Corporation of India dated 5<sup>th</sup>



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

July 2005 which is effective from 1<sup>st</sup> June 2005 and has paid Rs.2,82,436 as a total contribution during the year (Previous Year 2,72,368/-).

During the year the company has made a provision of gratuity based on actuarial valuation.

**(Current Year 2017-18)**

1.	Assumption	As On 31/03/2018
	Discount Rate (Previous Year)	7.84%
	Rate of Return on Plan Assest (Previous)	7.84%
	Salary Escalation (Previous)	8.00%
	Attrition Rate (Previous)	13.00%
	Discount Rate (Current)	6.81%
	Rate of Return on Plan Assets (Current)	6.81%
	Salary Escalation (Current)	8.00%
	Attrition Rate (Current)	13.00%
2.	<b>Table Showing changes in present value of Defined benefit obligation</b>	
	Present value of benefit obligations as at beginning of year	49,26,911
	Interest cost	3,35,523
	Current Service Cost	2,47,407
	Transitional Liability incurred during the period	-
	Past Service Cost (Non Vested Benefit) incurred during the period	-
	Past Service Cost (Vested Benefit) incurred during the period	3,96,291
	Liability Transferred in	-
	Liability Transferred out	-
	(Benefit Paid Directly by Employer)	-
	(Benefit Paid from the fund)	(22,978)
	Actuarial(Gains) / Losses on obligations	5,44,146
	<b>Present Value of Benefit Obligation as at the end of the current period</b>	<b>64,27,300</b>
3.		
	Fair value of plan assets at beginning of year	31,30,186
	Expected return on plan assets	2,13,166
	Contributions	2,82,436
	Transfer from Other Company	-
	Transfer to Other Company	-
	Benefits Paid from the fund	(22,978)
		-
	Actuarial gains/(losses) on Plan assets	34,365
	<b>Fair value of plan assets at the end of period</b>	<b>36,37,175</b>
4.		
	Actuarial (gains) /losses on obligation for the period	5,44,146
	Actuarial (gains) /losses on Asset for the period	(34,365)
	Sub Total	5,09,781
	<b>Actuarial(gains)/losses recognised in Income &amp; Expenses statement</b>	<b>5,09,781</b>



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

<b>5.</b>	<b>Actual return of Plan Assets</b>		
	Expected Return on Plan Assets		2,13,166
	Actuarial gain/ (loss) on plan assets		34,365
	<b>Actual Return on Plan Assets</b>		<b>2,47,531</b>
<b>6.</b>	<b>Amount Recognised in the Balance Sheet</b>		
	(Present Value of Benefit Obligation at the end of the period)		(64,27,300)
	Fair Value of Plan Assets at the end of the period		36,37,175
	Funded Status		(27,90,125)
	Unrecognised past service cost at the end of the period		-
	Unrecognised transitional liability at the end of the period		-
	<b>Net (Liability) / Asset recognized in the Balance Sheet</b>		<b>(27,90,125)</b>
<b>7.</b>	<b>Net Interest Cost for the Current Period</b>		
	Present Value of Benefit Obligation at the beginning of the period		49,26,911
	(Fair Value of Plan Assets at the beginning of the period)		(31,30,186)
	Net Liability / (Asset) at the beginning		17,96,725
	Interest Cost		3,35,523
	(Expected Return on Plan Assets)		(2,13,166)
	<b>Net Interest cost for Current Period</b>		<b>1,22,357</b>
<b>8.</b>	<b>Expenses recognized in the Income Statement</b>		
	Current Service Cost		2,47,407
	Interest Cost		1,22,357
	Actuarial (Gains) / losses		5,09,781
	Past Service Cost (Non Vested Benefit) recognized during the period		-
	Past Service Cost (Vested Benefit) recognized during the period		3,96,291
	Transitional Liability recognized during the period		-
	<b>Expense Recognised in P &amp; L</b>		<b>12,75,836</b>
<b>9.</b>	<b>Balance Sheet Reconciliation</b>		
	Opening Net Liability		17,96,725
	Expense recognized in statement of Profit or Loss		12,75,836
	Net Transfer in		-
	(Net Transfer Out)		-
	(Benefit Directly paid by Employer)		-
	(Employers Contribution)		(2,82,436)
	<b>Net Liability / (Asset) recognized in Balance Sheet</b>		<b>27,90,125</b>
<b>10.</b>	<b>Other Details</b>		
	No of Members		20
	Salary PM		8,76,394



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

	Projected Benefit Obligation (PBO)	64,27,300
	Prescribed Contribution for Next year (12 months)	8,76,394
<b>11.</b>	<b>Category of Assets</b>	
	Government of India Assets	-
	Corporate Bonds	-
	Special Deposit Scheme	-
	Equity Shares of Listed Companies	-
	Property	-
	Insurer Managed Funds	36,37,175
	Other	
	<b>Total</b>	<b>36,37,175</b>
<b>12</b>	Experience Adjustment	
	<b>On Plan Liability (gains) / Losses</b>	<b>7,92,719</b>
	<b>On Plan Assets (Losses) / Gains</b>	<b>34,365</b>

**(Previous Year 2016-17)**

<b>1.</b>	<b>Assumption</b>	<b>As On 31/03/2017</b>
	Discount Rate (Previous Year)	6.81%
	Rate of Return on Plan Asset (Previous)	6.81%
	Salary Escalation (Previous)	8.00%
	Attrition Rate (Previous)	13.00%
	Discount Rate (Current)	7.84%
	Rate of Return on Plan Assets (Current)	7.84%
	Salary Escalation (Current)	8.00%
	Attrition Rate (Current)	13.00%
<b>2.</b>	<b>Table Showing changes in present value of Defined benefit obligation</b>	
	Present value of benefit obligations as at beginning of year	49,41,125
	Interest cost	3,87,384
	Current Service Cost	3,00,743
	Transitional Liability incurred during the period	-
	Past Service Cost (Non Vested Benefit) incurred during the period	-
	Past Service Cost (Vested Benefit) incurred during the period	-
	Liability Transferred in	-
	Liability Transferred out	-
	(Benefit Paid Directly by Employer)	-
	(Benefit Paid from the fund)	-
	Actuarial(Gains) / Losses on obligations	(7,02,341)
	<b>Present Value of Benefit Obligation as at the end of the current period</b>	<b>49,26,911</b>
<b>3.</b>		
	Fair value of plan assets at beginning of year	26,25,856
	Expected return on plan assets	2,05,867



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

	Contributions		2,72,368
	Transfer from Other Company		-
	Transfer to Other Company		-
	Benefits Paid from the fund		-
			-
	Actuarial gains/(losses) on Plan assets		26,095
	<b>Fair value of plan assets at the end of period</b>		<b>31,30,186</b>
<b>4.</b>			
	Actuarial (gains) /losses on obligation for the period		(7,02,341)
	Actuarial (gains) /losses on Asset for the period		(26,095)
	Sub Total		(7,28,346)
	<b>Actuarial(gains)/losses recognised in Income &amp; Expenses statement</b>		<b>(7,28,346)</b>
<b>5.</b>	<b>Actual return of Plan Assets</b>		
	Expected Return on Plan Assets		2,05,867
	Actuarial gain/ (loss) on plan assets		26,095
	<b>Actual Return on Plan Assets</b>		<b>2,31,962</b>
<b>6.</b>	<b>Amount Recognised in the Balance Sheet</b>		
	Fair Value of Plan Assets at the end of the period		31,30,186
	(Present Value of Benefit Obligation at the end of the period		(49,26,911)
	Funded Status		(17,96,725)
	Unrecognised past service cost at the end of the period		-
	Unrecognised transitional liability at the end of the period		-
	<b>Net (Liability) / Asset recognized in the Balance Sheet</b>		<b>(17,96,725)</b>
<b>7.</b>	<b>Net Interest Cost for the Current Period</b>		
	Present Value of Benefit Obligation at the beginning of the period		49,41,125
	(Fair Value of Plan Assets at the beginning of the period)		(26,25,856)
	Net Liability / (Asset) at the beginning		23,15,269
	Interest Cost		3,87,384
	(Expected Return on Plan Assets)		(2,05,867)
	Net Interest cost for Current Period		1,81,517
<b>8.</b>	<b>Expenses recognized in the Income Statement</b>		
	Current Service Cost		3,00,743
	Interest Cost		1,81,517
	Actuarial (Gains) / losses		(7,28,436)
	Past Service Cost (Non Vested Benefit) recognized during the period		-
	Past Service Cost (Vested Benefit) recognized during the period		-
	Transitional Liability recognized during the period		-



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

	Expense Recognised in P & L		(2,46,176)
<b>9.</b>	<b>Balance Sheet Reconciliation</b>		
	Opening Net Liability		23,15,269
	Expense recognized in statement of Profit or Loss		(2,46,176)
	Net Transfer in		-
	(Net Transfer Out)		-
	(Benefit Directly paid by Employer)		-
	(Employers Contribution)		(2,72,368)
	<b>Net Liability / (Asset) recognized in Balance Sheet</b>		<b>17,96,725</b>
<b>10.</b>	<b>Other Details</b>		
	No of Members		22
	Salary PM		8,19,914
	Projected Benefit Obligation (PBO)		49,26,911
	Prescribed Contribution for Next year (12 months)		8,19,914
<b>11.</b>	<b>Category of Assets</b>		
	Government of India Assets		-
	Corporate Bonds		-
	Special Deposit Scheme		-
	Equity Shares of Listed Companies		-
	Property		-
	Insurer Managed Funds		31,30,186
	Other		
	<b>Total</b>		<b>31,30,186</b>
<b>12</b>	<b>Experience Adjustment</b>		
	<b>On Plan Liability (gains) / Losses</b>		<b>(9,24,960)</b>
	<b>On Plan Assets (Losses) / Gains</b>		<b>26,095</b>

**2. Compensated Absences:**

As per the Company's Policy, a sum of Rs.4,77,008 (Previous Year Rs. 4,01,384/-) has been paid towards compensated absences calculated on the basis of unutilised leave.



**KEYNOTE CAPITALS LIMITED**  
**Notes on Financial Statements for the Year ended 31st March, 2018**

**B. Defined Contribution Plans**

Company's Contribution Paid / Payable during the year to Provident fund and ESIC Contribution are recognized as an Expense and included in **Note 18** of the Statement of Profit and Loss are as under:

(Figures in Rs.)

Particulars	2017-2018	2016-2017
1) Contribution to Employees Provident Fund	12,91,298	13,24,419
2) Employees State Insurance Scheme	60,532	42,249
<b>Total</b>	<b>13,51,830</b>	<b>13,66,668</b>

**NOTE 33.**

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

For **R.K.KHANDELWAL & CO.**  
Firm Registration No. 105054W  
Chartered Accountants,

For **KEYNOTE CAPITALS LIMITED**

  
**(R.K.KHANDELWAL)**  
Partner  
Membership No. 030054

  
**RAKESH CHOUDHARI**  
Managing Director

  
**UDAY PATIL**  
Director

  
**DEVIN JOSHI**  
Chief Financial Officer

Place : Mumbai

Date : 23 MAY 2018

