

KEYNOTE

DIRECTORS' REPORT

The Members of Keynote Capitals Limited.

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

1. **Financial Summary of the Company:**

(₹ In lacs)

| | 2014-15 | 2013-14 |
|--------------------------------------------|---------------|---------------|
| Total Income | 618.41 | 919.22 |
| Profit before depreciation | 162.31 | 178.77 |
| Less : Depreciation | 47.60 | 60.42 |
| Profit before Tax | 114.71 | 118.35 |
| Provision for Taxation: | | |
| - Current Tax | 24.05 | 24.70 |
| - Deferred Tax Liability / (Asset) | 11.50 | 12.03 |
| Profit after tax | 79.16 | 81.62 |
| Add: Excess/(Short) Provision | 11.04 | Nil |
| Profit brought forward from Previous Years | 1330.06 | 1248.44 |
| Surplus carried forward | 1420.26 | 1330.06 |

2. **Review of Operations/Performance:**

During the financial year, the Company has earned total income of ₹ 618.41 lacs as compared to ₹ 919.22 lacs for the previous year. Profit after Tax stood at ₹ 79.16 lacs as compared to ₹ 81.62 lacs for the previous year.

The trend in the Stock Market has remained bearish and lower participation of retails Clients; still the company has sustained the profitability.

Capital market activities in which most of our activities depend on is also influenced by global events and hence, there is an amount of uncertainty in the near term outlook of the market.

For providing management and support services to the Subsidiaries, the Company had created a Talent Pool comprising of Professionals with rich and varied experience in different functional areas. The Company provided expertise and support services to its Subsidiaries in all support functional areas Promotion & Brand Building exercise and spends considerable amount on advertisement which help the Subsidiaries derive significant benefits.

3. **Dividend:**

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

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

KEYNOTE

4. Details of Holding/Subsidiary/Joint Ventures/Associate Companies:

Details of the Holding, Subsidiary, Joint Venture & Associate Companies are as follows:

| Sr. No. | Name of the Company | Holding/ Subsidiary | Joint Venture/ Associate | No. of shares held in% |
|---------|--------------------------------------------------------------------|-------------------------|--------------------------|------------------------|
| 1. | Keynote Corporate Services Limited (CIN: L67120MH1993PLC072407) | Holding | ---- | 100 |
| 2. | Keynote Commodities Limited (CIN: U72900MH2000PLC127047) | Wholly Owned Subsidiary | --- | 100 |
| 3. | Keynote Fincorp Limited (CIN: U67120MH1995PLC084814) | ---- | Associate | 42.86 |

5. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

Presently your company has the following Companies as its Subsidiary and Associate Company:

- Keynote Commodities Limited (Wholly Owned Subsidiary Company).
- Keynote Fincorp Limited, (Associate, Non-Banking Financial Company) (NBFC).

1. Keynote Commodities Limited (Wholly Owned Subsidiary Company).

(i) Financial Summary of the Company for the year ended 31st March, 2015:

(₹ In lacs)

| Particulars | Current Year (31-03-2015) | Previous Year (31-03-2014) |
|-------------------------------------------------------|------------------------------|-------------------------------|
| Total Receipts | 73.50 | 73.90 |
| Profit/(Loss) before Depreciation | 14.64 | 1.38 |
| Depreciation | Nil | 0.22 |
| Profit/(loss) before Tax | 14.64 | 1.16 |
| a. Provision for Income Tax | 4.59 | 0.47 |
| b. Deferred Tax (Assets)/Liabilities | (0.06) | (0.19) |
| Profit / (Loss) after tax | 10.11 | 0.88 |
| Profit/ (Loss) brought forward from previous year (s) | 164.24 | 163.36 |
| Earlier year's adjustments | (0.22) | - |
| Balance carried to the Balance Sheet | 174.13 | 164.24 |

(ii) Operations/Performance:

During the financial year, the Company has earned total income of ₹ 73.50 lacs as compared to ₹ 73.90 lacs for the previous year. Profit after Tax stood at ₹ 10.11 lacs as compared to ₹ 0.88 lacs for the previous year.

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2. Keynote Fincorp Limited, an Associate, Non-Banking Financial Company (NBFC).

(i) Financial Summary of the Company for the year ended 31st March, 2015:

(₹ In lacs)

| Particulars | Current Year (31-03-2015) | Previous Year (31-03-2014) |
|-------------------------------------------------------|------------------------------|-------------------------------|
| Total Receipts | 354.72 | 207.18 |
| Profit/(Loss) before Depreciation | 46.94 | 53.93 |
| Depreciation | Nil | Nil |
| Profit/(loss) before Tax | 46.94 | 53.93 |
| a. Provision for Income Tax | 14.00 | 19.00 |
| b. Earlier year's provision for income tax | 3.72 | Nil |
| Profit / (Loss) after tax | 29.23 | 34.93 |
| Profit/ (Loss) brought forward from previous year (s) | 38.93 | 10.99 |
| Balance carried to the Balance Sheet | 29.23 | 34.93 |

(ii) Operations/Performance:

During the financial year, the Company has earned total income of ₹354.72 lacs as compared to ₹207.18 lacs for the previous year. Profit after Tax stood at ₹29.23 lacs as compared to ₹34.93 lacs for the previous year.

6. 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 31st March, 2015.

7. Statutory Auditors:

M/s. K.K. Bhageria & Co. Chartered Accountants, (having Firm Registration Number: 101106W), Mumbai, the Statutory Auditors of the Company hold the office up to the conclusion of the ensuing Annual General Meeting and being eligible and offers themselves for re-appointment for the financial year 2015-2016. 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.

8. Auditors' Report:

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

9. Extract of the Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014, the Extract of Annual Return (Form No. MGT-9) as on the financial year ended on 31st March, 2015 is enclosed as Annexure - I to the Directors' Report.

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10. 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 - 26.97 Lacs (previous year 6.47 lacs).

11. Corporate Social Responsibility (CSR)

The provisions for making contributions in Corporate Social Responsibility (CSR) are not applicable to the Company:

12. Directors:

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

- (a) At the Board meeting held on 10th March 2015, your Company has appointed Mr. Devin Joshi as 'Chief Financial Officer (CFO)' and 'Key Management Personnel (KMP)' of the Company.
- (b) In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rakesh Choudhari, Managing Director (DIN: 00009093) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Board recommends his re-appointment.

(ii) Appointment of Independent Director:

- (a) At the Annual General Meeting of the members of the Company held on 05th September, 2014, your Company has appointed the following persons as the Independent Directors of the Company:

| Sr. No. | Name of the Director | DIN | Designation | Date of Appointment as Independent Director |
|---------|----------------------|----------|----------------------|---------------------------------------------|
| 1. | Hitesh Shah | 00061296 | Independent Director | 05 th September, 2014 |
| 2. | Kamlesh Kharade | 03589665 | Independent Director | 05 th September, 2014 |

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years.

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

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13. Number of meetings of the Board of Directors:

Your Board of Directors has duly met nine (09) times during the financial year. i.e. on 19th May, 2014, 26th May, 2014, 14th July, 2014, 11th August, 2014, 08th September, 2014, 12th November, 2014 09th December, 2014, 26th February, 2015 and 10th March, 2015 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.

14. (1) Audit Committee:

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. Mr. Vineet Suchanti, Director acts as Chairman to the Audit committee.

(a) The Composition of Audit Committee comprises the following:

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

(2) Nomination and Remuneration Committee:

(b) The Composition of Nomination and Remuneration Committee comprises the following:

| Sr. No. | Name of the Director | Designation in the Committee |
|---------|----------------------|------------------------------|
| 1. | Vineet Suchanti | Chairman |
| 2. | Rakesh Choudhari | Member |
| 3. | Hitesh Shah | Member |
| 4. | 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 Personnels.
- (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.

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(3) Management Committee:

(a) The Composition of Management Committee comprises the following:

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

The Management Committee is formed to authorize the committee to approve intercorporate loans, investments or guarantee or security and borrowing facilities as and when granted by the Banks, Financial Institution and other entities and execution of documents for these facilities. There were four committee meetings held during the year 2014-15.

15. Vigil Mechanism/Whistle Blower Policy:

The purpose of the "Whistleblower Policy" is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy.

16. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:

The details and particulars of the loans or investments made and/or guarantee or security provided by company under the provisions of Section 186 of the Companies Act, 2013 is enclosed as Annexure-II to the Director report:

17. Particulars of contracts or arrangements with related parties:

During the financial Year 2014-2015, the Company has not entered into any related party transactions referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

18. Managerial Remuneration:

Details of the Managerial Remuneration are as below:

| Sr. No. | NAME OF THE PERSON | DESIGNATION | SALARY | BONUS | PERQUISITES | AMT. (IN RS.) |
|---------|----------------------|-------------------|-------------|-----------|-------------|---------------|
| 1 | MR. RAKESH CHOUDHARI | MANAGING DIRECTOR | 32,40,000/- | 270,000/- | 24,000/- | 35,34,000/- |

19. Directors Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that—

(a) in the preparation of the annual accounts for the year ended 31st March 2015, 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 the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

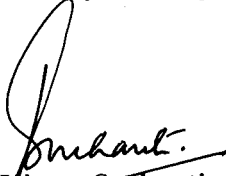
(d) the directors had prepared the annual accounts on a going concern basis; and


(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

20. 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. KK Bhageria & Co. Statutory Auditors, our Clients, Bankers and other Government Agencies for their continued support.

By Order of the Board
For Keynote Capitals Limited


Vineet Suchanti
Director
(DIN: 00004031)


Rakesh Choudhary
Managing Director
(DIN: 00009093)



Devin Joshi
Chief Financial Officer

Place: Mumbai
Date: 25.05.2015

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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 31st March, 2015

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

I. REGISTRAION AND OTHER DETAILS:

| | | | |
|----|---------------------------------------------------------------------------|---|------------------------------------------------------------------------------------|
| 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 th 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 (Stock Broking) | 67 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sr. No. | Name and Address of the Company | CIN/GIN | Holding/ Subsidiary of the Company | % of Shares held | Applicable Section |
|---------|-------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------|------------------|--------------------|
| 1. | Keynote Corporate Services Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 | (CIN: L67120MH1993PLC072407) | Holding | 100 | 2(46) |
| 2. | Keynote Commodities Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 | (CIN: U72900MH2000PLC127047) | Wholly Owned Subsidiary | 100 | 2(87) |
| 3. | Keynote Fincorp Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 | (CIN: U67120MH1995PLC084814) | Associate | 42.86 | 2(6) |

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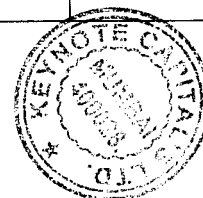
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SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total

Equity)

I. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | 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 | |
| A. Promoters | | | | | | | | | |
| (1). Indian | | | | | | | | | |
| a). Individual/HUF | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b). Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c). State Govt.(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d). Bodies Corporate | Nil | 112,666,67 | 112,666,67 | 100 | Nil | 112,666,67 | 112,666,67 | 100 | Nil |
| e) Banks/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any Other.. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-Total (A) (1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (2) Foreign | | | | | | | | | |
| a). NRIs-Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Other-Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Banks/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Any Other.. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A)(2) :- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Shareholding of Promote (A) = (A) (1)+(A)(2) | Nil | 112,666,67 | 112,666,67 | 100 | Nil | 112,666,67 | 112,666,67 | 100 | Nil |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a). Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b). Bank/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c). Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d). State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) FIIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |



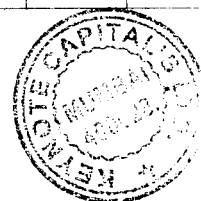
| | | | | | | | | | |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Capital Funds | | | | | | | | | |
| i).. Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-Total (B)(1):- | | | | | | | | | |

| 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 | |
| 2.. Non-Institutions | | | | | | | | | |
| 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 |
| Sub-Total (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | Nil | 112,666,67 | 112,666,67 | 100 | Nil | 112,666,67 | 112,666,67 | 100 | Nil |

Note: There is no change in the number of shares held by the Promoter Company.

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 Pledged/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 (Please specify, if there is no change)**

There is no change in the shareholding of the Promoter Group.

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 |
| | For Each of the Directors and KMP | | | | |
| | 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 | | | | |



v. **INDEBTEDNESS: NIL**

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-----------------------------------------------------------------------|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year 01-04-2014 | | | | |
| i). Principal Amount | 8,70,893/- | Nil | Nil | 8,70,893/- |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 8,70,893/- | Nil | Nil | 8,70,893/- |
| Change in Indebtedness during the financial year | | Nil | Nil | |
| • Addition | 896061/- | Nil | Nil | 896061/- |
| • Reduction | 495820/- | Nil | Nil | 495820/- |
| Net Change | 400241/- | Nil | Nil | 400241/- |
| Indebtedness at the end of the financial year - 31-03-2015 | | | | |
| i). Principal Amount | 12,71,134/- | Nil | Nil | 12,71,134/- |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 12,71,134/- | Nil | Nil | 12,71,134/- |

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

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

| Sr. No. | Particulars of Remuneration | Name of MD/WTM/Manager | Total Amount (₹. In lacs) |
|---------|--------------------------------------------------------------------------------------|--------------------------|---------------------------|
| 1. | Rakesh Choudhari | Managing Director | |
| 1. | Gross Salary | | |
| | (a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 32,40,000/- | 32.4 |
| | (b). Value of perquisites u/s17(2) Income-tax Act, 1961 | 24,000/- | 0.24 |
| | (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 | --- | --- |
| | - Others specify | --- | --- |
| 5. | Others, please specify (Bonus) | 270,000/- | 2.7 |
| | Ceiling as per the Act | 3,00,000/- | 3.00 |
| | Total | 35,34,000/- | 35.34 |

B. Remuneration of other Directors:

I. Independent Directors: Nil

| Particulars of Remuneration | Name of Directors | | Total Amount (₹. In lacs) |
|---------------------------------------------|-------------------|-----|---------------------------|
| | | | |
| Fees for attending board committee meetings | Nil | Nil | Nil |
| Commission | Nil | Nil | Nil |
| Others | Nil | Nil | Nil |
| Total (1) | Nil | Nil | Nil |

II. Other Non-Executive Directors: Nil (₹. In lacs)

| Other Non-Executive Directors | |
|---------------------------------------------|-----|
| Fees for attending board committee meetings | Nil |
| Commission | Nil |
| Others | Nil |
| Total (2) | Nil |
| Total B = (1+2) | Nil |
| Ceiling as per the Act | Nil |

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


| Sr. No. | Particulars of Remuneration | KEY MANAGERIAL PERSONNEL | | | |
|---------|--------------------------------------------------------------------------------------|--------------------------|-------------------|-------------------|------------------|
| | | CEO | Company Secretary | CFO (Devin Joshi) | Total |
| 1. | Gross Salary | | | | |
| | (a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | Nil | Nil | 930,360/- | 930,360/- |
| | (b). Value of perquisites u/s17(2) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| | (c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil |
| 4. | Commission - As % of Profit - Others specify | Nil | Nil | Nil | Nil |
| 5. | Others, please specify (Bonus) | Nil | Nil | 75,600/- | 75,600/- |
| | Total | Nil | Nil | 1005960/- | 1005960/- |




VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCL T/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


Vineet Suchanti
 Director
 (DIN: 00004031)


Rakesh Choudhari
 Managing Director
 (DIN: 00009093)



Place: Mumbai
 Date: 25.05.2015

ANNEXURE II TO THE DIRECTORS REPORT
PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 ((FINANCIAL YEAR 2014-15)
KEYNOTE CAPITALS LIMITED

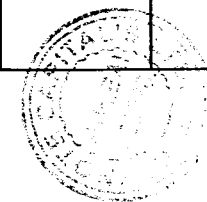
Form MBP 2

Register of loans, guarantee, security and acquisition made by the Company

[Pursuant to Section 186(9) & rule 12(1)]

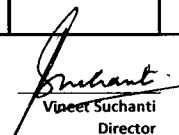
DEBITS

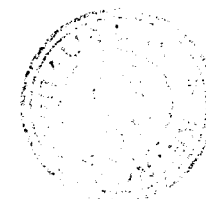
| Nature of Transaction (Whether Loan / Guarantee/Security/Acquisition) | Date of Making Loan/Acquisition/giving Guarantee/providing security) | Name & address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted) | Amount of Loan/ Security/acquisition/Guarantee | Time Period for which it is made / given | Purpose of Loan /Acquisition/loan/ Guarantee | % of Loan /Acquisition/ exposure on Guarantee/Security provided to the paid up capital, Free Reserves and Securities premium account and % of Free Reserves and Securities Premium | Date of Passing Board Resolution | Date of Passing Special Resolution, if Required. | Rate of Interest/ Date of Maturity | Number & Kind of Security | Nominal Value & Paid up Value | Cost of acquisition (In case how the purchase price was arrived at) | Date of Selling the Investment | Selling Price (How the price was arrived at) | Signatures & Remarks |
|-----------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------|---------------------------|-------------------------------|---------------------------------------------------------------------|--------------------------------|----------------------------------------------|----------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Acquisition | 26-Dec-14 | HDFC MUTUAL FUND | 40,000,000 | As per Management | Investments | 12.97 (Of Equity & Reserves) 20.42 (Of Free Reserves) | 24/12/2014 (Management Committee) | NA | NA | Mutual Fund Units | NA | 40,000,000 | 1-Jan-15 | 40,028,904 (AS PER NAV) | Disposed off |
| Acquisition | 16-Jan-15 | HDFC MUTUAL FUND | 15,000,000 | As per Management | Investments | 4.86 (Of Equity & Reserves) 7.66 (Of Free Reserves) | 15/01/2015 (Management Committee) | NA | NA | Mutual Fund Units | NA | 15,000,000 | 29-Jan-15 | 15,000,000 | Disposed off |
| Acquisition | 16-Dec-14 | ICICI MUTUAL FUND | 500,000 | As per Management | Investments | 0.16 (Of Equity & Reserves) 0.26 (Of Free Reserves) | 16/12/2014 (Management Committee) | NA | NA | Mutual Fund Units | NA | 500,000 | | | |



| Nature of Transaction (Whether Loan / Guarantee/Security/Acquisition) | Date of Making Loan/Acquisition/giving Guarantee/providing security) | Name & address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted) | Amount of Loan/ Security/acquisition/Guarantee | Time Period for which it is made / given | Purpose of Loan /Acquisition/Loan/ Guarantee | % of Loan /Acquisition/exposure on Guarantee/Security provided to the paid up capital, Free Reserves and Securities premium account and % of Free Reserves and Securities Premium | Date of Passing Board Resolution | Date of Passing Special Resolution, if Required. | Rate of Interest/ Date of Maturity | Number & Kind of Security | Nominal Value & Paid up Value | Cost of acquisition (In case how the purchase price was arrived at) | Date of Selling the Investment | Selling Price (How the price was arrived at) | Signatures & Remarks |
|--------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------|------------------------------------|---------------------------|-------------------------------|---------------------------------------------------------------------|--------------------------------|----------------------------------------------|----------------------|
| Acquisition | 20-Mar-15 | SIDDHA VENTURES LIMITED | 490,000 | As per Management | Investments | 0.16 (Of Equity & Reserves) 0.25 (Of Free Reserves) | 10/03/2015 (Management Committee) | NA | NA | Equity Shares | Re.1/- | 490,000 | | | |

Place: Mumbai
Date: 25-05-2015


Vipreet Suchanti
Director
(DIN: 00004031)





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, 2015, 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 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; design, implementation and maintenance of adequate internal financial controls, that are 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 and the rules made there under including the accounting standards and matters which are required to be included in the audit report. We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2015 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 applicable Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 23 of Notes to Accounts of the Financial Statements.
 - 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, 2015.

Place: Mumbai
Date: 25/05/2015

For K. K. BHAGERIA & CO.
Firm Registration No. 101106W
Chartered Accountants,



K. K. BHAGERIA
Partner
Membership No. 33505

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31 March 2015, 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;
- ii. In respect of company's inventories:
 - a) As explained to us the stock of shares and securities have been physically verified by the management at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. The company has granted interest free unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
 - a) No terms and conditions for repayment of the loan are stipulated.
 - b) Since there is no stipulation as regard repayment schedule, clause 3(iii)(b) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed



assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.

- v. 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 there under.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- vii. (a) According to the information and explanations given to us 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, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;

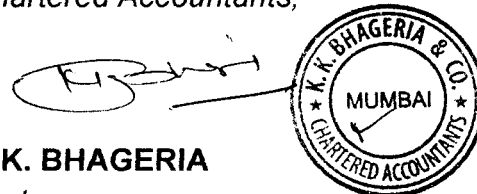
(b) According to the information and explanations given to us and based on the records of the company examined by us, the following dues of Income Tax have not been deposited by the Company on account of disputes:
 - i) The company had filed an appeal for Assessment Year 2009-2010 before the Income Tax Appellate Tribunal, Mumbai against the total disputed liability of Rs. 17,05,840/-.
 - ii) The company had filed an appeal for Assessment Year 2010-2011 before the Income Tax Appellate Tribunal, Mumbai against the total disputed liability of Rs. 59,76,740/-.
 - iii) 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/-.
 - iv) 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/-.
(c) According to information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.



- viii. The company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- ix. 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 or banks.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year
- xi. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor we have been informed of any such instance by the Management.

Place: Mumbai
Date: 25/05/2015

For **K. K. BHAGERIA & CO.,**
Firm Registration No. 101106W
Chartered Accountants,



K.K. BHAGERIA

Partner

Membership No. 33505

KEYNOTE CAPITALS LIMITED

Balance Sheet as at 31st March, 2015

| | | (Amount in Rs.) | |
|------------------------------------|------|---------------------------|---------------------------|
| | Note | As at 31st March, 2015 | As at 31st March, 2014 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 1 | 112,666,670 | 112,666,670 |
| (b) Reserves and Surplus | 2 | 204,502,483 | 195,840,079 |
| Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 575,881 | 510,380 |
| (b) Deferred Tax Liabilities (Net) | 4 | 4,920,660 | 3,412,658 |
| Current Liabilities | | | |
| (a) Short term Borrowing | 5 | 62,589,046 | 78,458,230 |
| (b) Trade Payables | 6 | 79,325,448 | 64,310,286 |
| (c) Other Current Liabilities | 7 | 7,792,182 | 69,342,102 |
| (d) Short-Term Provisions | 8 | 3,129,924 | 3,054,503 |
| TOTAL | | 475,502,294 | 527,594,908 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | 9 | | |
| (i) Tangible Assets | | 95,573,403 | 97,505,311 |
| (ii) Intangible Assets | | 35,957,108 | 38,855,358 |
| (b) Non-Current Investments | 10 | 37,068,919 | 35,967,788 |
| (c) Long-Term Loans and Advances | 11 | 25,333,331 | 28,704,047 |
| Current assets | | | |
| (a) Inventories | 12 | 5,576,191 | 5,557,000 |
| (b) Trade Receivables | 13 | 26,075,445 | 65,498,651 |
| (c) Cash and Bank Balances | 14 | 218,134,274 | 216,792,379 |
| (d) Short-Term Loans and Advances | 15 | 31,783,623 | 38,714,374 |
| TOTAL | | 475,502,294 | 527,594,908 |

Significant Accounting Policies

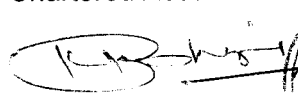
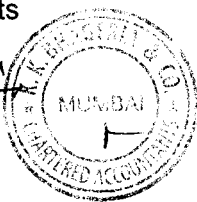
Notes on Financial Statements 1-32

AS PER OUR REPORT OF EVEN DATE ATTACHED

For K. K. BHAGERIA & CO.

Firm Registration No. 101106W

Chartered Accountants

(K. K. BHAGERIA)
Partner
Membership No. 33505

For KEYNOTE CAPITALS LIMITED



RAKESH CHOUDHARI
Managing Director



VINEET SUCHANTI
Director



DEVIN JOSHI
Chief Financial Officer

Place : Mumbai

Date : 25/05/2015

KEYNOTE CAPITALS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

(Amount in Rs.)

| | Note | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|-------------------------------------------------------|------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from Operations | 16 | 43,652,407 | 57,208,283 |
| Other Income | 17 | 18,188,635 | 34,713,939 |
| Total Revenue | | 61,841,042 | 91,922,222 |
| EXPENSES | | | |
| Employee Benefits Expense | 18 | 16,429,283 | 34,715,709 |
| Finance Costs | 19 | 5,414,116 | 10,476,303 |
| Depreciation and Amortization Expense | 20 | 4,760,191 | 6,042,317 |
| Other Expenses | 21 | 23,766,222 | 28,852,759 |
| Total Expenses | | 50,369,811 | 80,087,088 |
| Profit Before Tax | | 11,471,231 | 11,835,135 |
| Tax expense: | | | |
| Current tax | | 2,404,781 | 2,470,355 |
| Short / (Excess) provision of Taxation for Earlier | | - | - |
| Deferred tax | | 1,149,824 | 1,202,677 |
| Profit for the year | | 7,916,626 | 8,162,103 |
| Earnings per Equity Share of Face value of Rs.10 each | | | |
| Basic and Diluted | | 0.70 | 0.72 |

Significant Accounting Policies

Notes on Financial Statements 1-32

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **K. K. BHAGERIA & CO.**

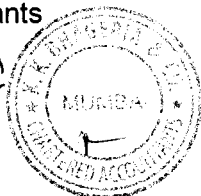
Firm Registration No. 101106W

Chartered Accountants

(K. K. BHAGERIA)

Partner

Membership No. 33505



For **KEYNOTE CAPITALS LIMITED**

RAKESH CHOUDHARI

Managing Director

VINEET SUCHANTI

Director

DEVIN JOSHI

Chief Financial Officer

Place : Mumbai

Date : 25/05/2015

KEYNOTE CAPITALS LIMITED

Cash Flow Statement For The Year Ended 31st March, 2015

| | (Amount in Rs.) | |
|-------------------------------------------------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit Before Tax as per Statement of Profit & Loss | 11,471,231 | 11,835,134 |
| Adjustments For : | | |
| Depreciation / Amortization | 4,760,191 | 6,042,317 |
| Loss on Diminution of Investments | - | - |
| Profit on Sale of Assets | 219,677 | (11,489,655) |
| (Profit) / Loss on Sale of Investments | - | - |
| Finance Cost | 5,414,116 | 10,476,303 |
| Dividend Income | (889,813) | (889,680) |
| Interest Income | (16,318,169) | (19,261,760) |
| Operating profit before working capital changes | 4,657,233 | (3,287,341) |
| Adjustment For : | | |
| (Increase) / Decrease in Trade Receivables | 39,423,206 | 16,265,532 |
| (Increase) / Decrease in Inventories | (19,191) | (5,042,610) |
| | (15,869,184) | 78,458,230 |
| Increase / (Decrease) in Short Term Borrowing | 3,370,716 | (3,291,151) |
| (Increase) / Decrease in Long Term Loans & advances | 6,930,751 | 104,800,337 |
| (Increase) / Decrease in Short Term Loans & advances | (2,329,360) | (7,460,817) |
| Increase / (Decrease) in Short Term Provisions | (61,549,920) | 1,097,097 |
| Increase / (Decrease) in Other Current Liabilities | 15,015,162 | (224,740,042) |
| Increase / (Decrease) in Trade Payables. | (10,370,587) | (43,200,765) |
| NET CASH FROM OPERATING ACTIVITIES | (10,370,587) | (43,200,765) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (1,325,755) | (243,235) |
| Sale of Fixed Assets | 80,000 | 18,030,000 |
| Intangible Asset Written Off | 2,200,000 | - |
| Capital Advances | - | - |
| Purchase of Investments | (1,101,131) | (31,036,405) |
| Sale of Investments | - | - |
| Interest Income | 16,318,169 | 19,261,760 |
| Dividend Income | 889,813 | 889,680 |
| NET CASH FROM INVESTING ACTIVITIES | 17,061,097 | 6,901,800 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Issue of Share Capital | - | - |
| Interest paid | (5,414,116) | (10,476,303) |
| | 65,501 | (360,512) |
| Increase / (Decrease) in Long -Term Borrowing | - | - |
| Increase / (Decrease) in Short -Term Borrowing | (5,348,615) | (10,836,815) |
| NET CASH FROM FINANCING ACTIVITIES | (5,348,615) | (10,836,815) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 1,341,895 | (47,135,780) |
| Cash and Cash Equivalents at the beginning of the year (Refer Note 14) | 216,792,379 | 263,928,159 |
| Cash and Cash Equivalents at the end of the year (Refer Note 14) | 218,134,274 | 216,792,379 |

"As per our report of even date attached"

For K.K. BHAGERIA & CO.

Firm Registration No : 101106W

Chartered Accountants

(K. K. BHAGERIA)

Partner

Membership No : 33505

Place : Mumbai

Date : 25/05/2015

For KEYNOTE CAPITALS LIMITED

RAKESH CHOUDHARI
Managing Director

VINEET SUCHANTI
Director

DEVIN JOSHI
Chief Financial Officer

KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2015

NOTE 1. SHARE CAPITAL

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------------------------------------------|---------------------------|---------------------------|
| Authorized Share Capital | | |
| 1,50,00,000 (31st March 2014: 1,50,00,000) Equity Shares of Rs.10/-each | 150,000,000 | 150,000,000 |
| Total | 150,000,000 | 150,000,000 |
| Issued, Subscribed and Fully Paid Up Shares | | |
| 1,12,66,667 (31st March 2014: 1,12,66,667) Equity Shares of Rs.10 each | 112,666,670 | 112,666,670 |
| Total | 112,666,670 | 112,666,670 |

1.1) Reconciliation of the number of shares outstanding is set out below:

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|-------------------------------------------------|------------------------|--------------------|------------------------|--------------------|
| | 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 |
| Add: Shares Issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 11,266,667 | 112,666,670 | 11,266,667 | 112,666,670 |

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

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---------------------------------|------------------------|--------------------|------------------------|--------------------|
| | No of Shares | Amount | No of Shares | Amount |
| Keynote Corporate Services Ltd. | 11,266,667 | 112,666,670 | 11,266,667 | 112,666,670 |
| | 11,266,667 | 112,666,670 | 11,266,667 | 112,666,670 |

NOTE 2. RESERVES AND SURPLUS

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Securities Premium Account | | |
| As per last Balance Sheet | 62,833,340 | 62,833,340 |
| Add : Issue of Shares | - | - |
| | 62,833,340 | 62,833,340 |
| Profit and Loss Account | | |
| As per last Balance Sheet | 133,006,740 | 124,844,637 |
| Add/(Less): Additional Depreciation (net of tax Rs.3.58 lacs) pursuant to enactment of Schedule II of the Companies Act, 2013 | 745,777 | - |
| Add: Profit for the year | 7,916,626 | 8,162,103 |
| | 141,669,143 | 133,006,740 |
| Total | 204,502,483 | 195,840,080 |

NOTE 3. LONG TERM BORROWINGS

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--------------------------------------------------------------------------------------------------|------------------------|----------------|------------------------|----------------|
| | Non Current | Current | Non Current | Current |
| Secured | | | | |
| Car Loan from Volkswagen Finance Pvt. Ltd. (Secured By Hypothecation of Car - Vento TDI) | 467,952 | 291,700 | - | - |
| Car Loan from Kotak Mahindra Prime Limited (Secured By Hypothecation of Car -Honda Accord) | 107,929 | 403,553 | 510,380 | 360,514 |
| Total | 575,881 | 695,253 | 510,380 | 360,514 |



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2015

NOTE 4. DEFERRED TAX LIABILITY (Net)

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Deferred tax Liability as on 1st April, 2014 | 3,412,658 | 2,209,981 |
| Difference between book and tax Depreciation | 1,880,936 | 1,512,534 |
| Total deferred Tax liability | 5,293,594 | 3,722,516 |
| Expenses Disallowed as per section 43B of Income Tax Act. 1961 | 372,934 | 309,858 |
| Provision for Mark to Market Loss for F & O. | - | - |
| Total deferred Tax Assets | 372,934 | 309,858 |
| Net Deferred Tax Liability | 4,920,660 | 3,412,658 |

NOTE 5. SHORT TERM BORROWING

| | | |
|---------------------------------------------------------|-------------------|-------------------|
| Axis Bank O/D Account (O/D against FDR of Rs. 8.00 Cr.) | 62,589,046 | 78,458,230 |
| Total | 62,589,046 | 78,458,230 |

NOTE 6. TRADE PAYABLES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------|-----------------------------------|-----------------------------------|
| Trade Payables | 79,325,448 | 64,310,286 |
| Total | 79,325,448 | 64,310,286 |

NOTE 7. OTHER CURRENT LIABILITIES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------------------------|-----------------------------------|-----------------------------------|
| Current Maturities of Long Term Debts | 695,253 | 360,514 |
| Deposit / Advance From Clients/ Parties* | 2,697,124 | 63,738,146 |
| Employee Benefits Payable | 95,571 | 111,579 |
| Statutory Dues Payable | 1,049,433 | 545,140 |
| Other Payables | 300,443 | 309,770 |
| Outstanding Expenses Payable | 2,422,745 | 3,426,351 |
| Other Provisions (Loss on Closing Stock) | 531,613 | 850,602 |
| Total | 7,792,182 | 69,342,102 |

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

NOTE 8. SHORT TERM PROVISIONS

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------------------|-----------------------------------|-----------------------------------|
| Provision for employee benefits | | |
| Provision for Bonus | 675,000 | 857,911 |
| Provision for Gratuity | 2,306,200 | 2,026,859 |
| Provision for Leave Encashment | 148,724 | 169,733 |
| Total | 3,129,924 | 3,054,503 |

NOTE 10. NON CURRENT INVESTMENTS (Long term Investment)

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------------------------|-----------------------------------|-----------------------------------|
| Trade (Quoted) (Refer note 10.1) | | |
| Investments in Equity Shares | 3,185,761 | 2,084,630 |
| Investments in Bonds | 370,000 | 370,000 |
| Trade (Unquoted) (Refer note 10.2) | | |
| Investments in Equity Shares | 13,158 | 13,158 |
| Others (Unquoted) (Refer note 10.3) | | |
| Investments in Equity Shares of Subsidiaries & Others | 33,500,000 | 33,500,000 |
| Total | 37,068,919 | 35,967,788 |



NOTE 9. FIXED ASSETS

| | Description | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | |
|----|---------------------------|-----------------------|--------------------|--------------------------|-----------------------|---------------------------|------------------|--------------------------|----------------------|-----------------------|------------------------|
| | | As at 1st April, 2014 | Additions | Deductions/A adjustments | As at 31st March 2015 | As at 1st April, 2014 | For the year | Deductions/A adjustments | Upto 31st March 2015 | As at 31st March 2015 | As at 31st March, 2014 |
| a) | TANGIBLE ASSETS | | | | | | | | | | |
| | Furniture and Fixtures | 6,749,977 | - | - | 6,749,977 | 2,280,374 | 641,248 | (956,447) | 1,965,175 | 4,784,803 | 4,469,603 |
| | Motor Car | 10,601,482 | 1,193,675.0 | 1,142,536 | 10,652,621 | 4,839,796 | 1,216,813 | (766,456) | 5,290,153 | 5,362,468 | 5,761,686 |
| | Office equipment | 1,884,897 | 10,500.0 | - | 1,895,397 | 545,353 | 557,385 | 697,889 | 1,800,627 | 94,770 | 1,339,544 |
| | Office Premises | 88,307,368 | - | - | 88,307,368 | 2,827,553 | 1,398,200 | (80,952) | 4,144,801 | 84,162,567 | 85,479,815 |
| | Computers Hardware | 13,718,042 | 121,580.0 | - | 13,839,622 | 13,263,380 | 248,295 | (840,848) | 12,670,827 | 1,168,795 | 454,662 |
| | Total (A) | 121,261,766 | 1,325,755.0 | 1,142,536 | 121,444,985 | 23,756,456 | 4,061,941 | (1,946,814) | 25,871,583 | 95,573,403 | 97,505,311 |
| b) | INTANGIBLE ASSETS | | | | | | | | | | |
| | Computer software | 3,491,250 | - | - | 3,491,250 | 2,793,000 | 698,250 | - | 3,491,250 | - | 698,250 |
| | Stock Exchange Membership | 35,957,108 | - | - | 35,957,108 | - | - | - | - | 35,957,108 | 35,957,108 |
| | OTC Membership | 2,200,000 | - | 2,200,000 | - | - | - | - | - | - | 2,200,000 |
| | Total (B) | 41,648,358 | - | 2,200,000 | 39,448,358 | 2,793,000 | 698,250 | - | 3,491,250 | 35,957,108 | 38,855,358 |
| | Total (A+B) | 162,910,124 | 1,325,755 | 3,342,536 | 160,893,343 | 26,549,456 | 4,760,191 | (1,946,814) | 29,362,833 | 131,530,511 | 136,360,669 |
| | Previous Year | 180,720,435 | 493,235 | 18,303,545 | 162,910,125 | 32,020,339 | 6,042,317 | 11,513,200 | 26,549,456 | 136,360,669 | |
| | Grand Total | 162,910,124 | 1,325,755 | 3,342,536 | 160,893,343 | 26,549,456 | 4,760,191 | (1,946,814) | 29,362,833 | 131,530,511 | 136,360,669 |



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2015

10.1 Trade (Quoted)

| | | |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|
| 3,320 (3,320) Equity Shares of Aptech Ltd. Of the Face Value | | |
| of Rs.10/ each fully paid up. | 257,300 | 257,300 |
| Investments in Mutual Fund | 1,643,761 | 1,032,630 |
| 88,300 (88,300) Equity Shares of Olympia Industries Ltd. Of Face Value of Rs.10/- each. Fully paid up. | 794,700 | 794,700 |
| 4,90,000 (NIL) Equity Shares of Siddha Ventures Ltd. of Face Value Re.1/- | 490,000 | - |
| SBI Bond (Maturing at 2025) | 370,000 | 370,000 |
| | 3,555,761 | 2,454,630 |

10.2 Trade (Unquoted)

| | | |
|--------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 1,71,054 (1,71,054) Equity Shares of Bombay Stock Exchange Ltd. Of Face Value of Rs.1/- each. Fully paid up. | 13,158 | 13,158 |
| | 13,158 | 13,158 |

10.3 Others (Unquoted) Investment in Equity Shares of Subsidiaries & Others

| | | |
|--------------------------------------------------------------------------------------------|-------------------|-------------------|
| 15,00,000 (15,00,000) Equity Shares of Keynote Fincorp Ltd. Of Face Value of Rs.10/- each. | 30,000,000 | 30,000,000 |
| 350,000 (350,000) Equity Shares of Keynote Commodities Ltd. Of Face Value of Rs.10/- each. | 3,500,000 | 3,500,000 |
| | 33,500,000 | 33,500,000 |

NOTE 11. LONG TERM LOANS AND ADVANCES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------------------|---------------------------|---------------------------|
| Unsecured Considered good | | |
| Deposit for Premises | 10,160,600 | 10,244,400 |
| Deposit with Corporates & Other Bodies | 15,147,731 | 18,434,647 |
| Deposit with Co-op. Society | 25,000 | 25,000 |
| Total | 25,333,331 | 28,704,047 |

NOTE 12. INVENTORIES

| | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---------------------------------------------|------------------------|------------------|------------------------|------------------|
| Equity Shares(Quoted) | Quantity | Amount | Quantity | Amount |
| Mitcon Engineering & Consultancy Ltd. | 68,000 | 3,434,000 | 62,000 | 3,394,600 |
| Pioneer Embroideries Ltd. | | | 87 | 731 |
| Sanco Industries Ltd. | 120,000 | 2,136,000 | 120,000 | 2,160,000 |
| Swelect Energy Systems Ltd. | 2 | 632 | 2 | 632 |
| Equity Shares(Unquoted) | | | | |
| J M Financial Ltd. | 98 | 4,709 | | |
| Mutual Fund (Quoted) | | | | |
| Goldman Sachs Liquid Exchange Traded Scheme | 1 | 850 | 1 | 1,037 |
| Total | | 5,576,191 | | 5,557,000 |

NOTE 13 TRADE RECEIVABLES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-----------------|---------------------------|---------------------------|
| Over Six Months | 14,117,909 | 39,389,977 |
| Others | 11,957,536 | 26,108,674 |
| Total | 26,075,445 | 65,498,651 |



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2015

NOTE 14. CASH AND CASH EQUIVALENTS

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------|---------------------------|---------------------------|
| Balances with Banks | | |
| In Current Accounts | 3,179,582 | 16,583,741 |
| In Fixed Deposits* | 213,776,114 | 199,048,541 |
| Cash on Hand | 1,178,579 | 1,160,097 |
| Total | 218,134,274 | 216,792,379 |

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

NOTE 15. SHORT TERM LOANS AND ADVANCES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| Advances | | |
| Advances Recoverable in Cash / Kind | 3,179,286 | 358,080 |
| Income Tax (Net of Provision) | 813,098 | 674,709 |
| Loans to Related Parties | 26,398,915 | 35,525,036 |
| Option Premium / Unrealised Profit | - | - |
| Prepaid Expenses | 831,806 | 897,617 |
| Advances to Staff | 265,566 | 661,401 |
| Service Tax Credit | 294,951 | 597,530 |
| Total | 31,783,622 | 38,714,374 |

NOTE 16. REVENUE FROM OPERATIONS

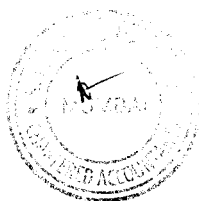
| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| Advisory Income | 2,466,087 | 3,329,945 |
| Brokerage Income | 35,581,471 | 43,200,201 |
| Depository Income | 563,640 | 933,735 |
| Income From Stock Exchange Activity | 1,622,240 | 9,719,355 |
| Profit from Trading in Securities | 3,041,946 | - |
| Primary Market Business | 377,024 | 25,046 |
| Total | 43,652,407 | 57,208,283 |

NOTE 17. OTHER INCOME

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------|---------------------------|---------------------------|
| Dividend Income | 889,813 | 889,680 |
| Interest Income (others) | - | 214,027 |
| Interest on Fixed Deposits | 16,318,169 | 19,047,733 |
| Miscellaneous Income | 130,051 | 229,527 |
| Profit on Sale of Assets | - | 11,503,561 |
| Provision for Written Back | 850,602 | 2,829,411 |
| Total | 18,188,635 | 34,713,939 |

NOTE 18. EMPLOYEE BENEFITS EXPENSES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| Bonus | 950,937 | 857,911 |
| Company Contributions to P F & ESIC | 1,182,264 | 1,716,872 |
| Gratuity | 556,855 | - |
| Leave Encashment | 198,498 | 97,114 |
| Salaries and incentives | 12,864,330 | 31,386,991 |
| Staff welfare expenses | 676,399 | 656,821 |
| Total | 16,429,283 | 34,715,709 |



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2015

NOTE 19. FINANCE COST

| | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------------------------|---------------------------|---------------------------|
| Bank Charges | 1,020,103 | 912,721 |
| Interest expense | 4,269,867 | 9,441,165 |
| Other borrowing costs (Interest on Car Loan) | 124,146 | 122,417 |
| Total | 5,414,116 | 10,476,303 |

NOTE 20 . DEPRECIATION AND AMORTIZATION EXPENSES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|-----------------------------------|---------------------------|---------------------------|
| Amortization of Intangible assets | 698,250 | 698,250 |
| Depreciation of tangible assets | 4,061,941 | 5,344,067 |
| Total | 4,760,191 | 6,042,317 |

NOTE 21. OTHER EXPENSES

| | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------------------|---------------------------|---------------------------|
| Advertisement & Publicity | - | 59,641 |
| Annual Maintenance Charges | 138,256 | 184,518 |
| Auditor Remuneration | 655,000 | 655,000 |
| Books & Periodicals | 7,091 | 10,474 |
| Business Promotion Expenses | 388,128 | 418,693 |
| Computer Expenses | 106,419 | 713,775 |
| Conveyance Expenses | 315,195 | 554,717 |
| Donation | 60,000 | - |
| Electricity Charges | 272,683 | 964,696 |
| General Expenses | 60,456 | 119,256 |
| Insurance Charges | 227,605 | 539,679 |
| Legal & Professional Charges | 7,631,649 | 3,529,048 |
| Loss on Valuation of Closing Stock | 531,613 | 821,892 |
| Loss on Sale of Asset | 219,677 | 13,906 |
| Loss on Trading in Securities | - | 3,397,670 |
| Loss on Trading in F&O | - | 35,636 |
| Membership & Subscription | 3,203,647 | 1,144,243 |
| Miscellaneous Expenses | 276,886 | 365,080 |
| Motor Car Expenses | 641,906 | 672,121 |
| Postage & Telegraph | 36,019 | 174,046 |
| Printing & Stationery | 136,594 | 243,025 |
| Professional Tax | 4,000 | 2,500 |
| Rent, Rates & taxes & License Fees | 1,365,713 | 4,178,203 |
| Repairs & Renewal | 385,102 | 638,149 |
| Security Transaction Tax | 7,403 | 369,957 |
| Stamp Duty & Stamp Expenses | 18,605 | 156,125 |
| Stock Exchange Related Expenses | 2,458,607 | 2,812,977 |
| Sundry Balances Written off. | 264,797 | 3,003,497 |
| Telephone & Communication Expenses | 611,079 | 1,521,539 |
| Travelling Expenses | 3,742,090 | 1,552,694 |
| Total | 23,766,222 | 28,852,759 |



NOTE 22. SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 (Companies Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013.

(b) USE OF ESTIMATES:

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. 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, in case of Fixed Assets which have completed their useful life as at 1st April, 2014, the carrying value (net of residual value) amounting to Rs. 7.46 lacs (net of deferred tax of Rs. 3.58 lacs) as a transitional provision has been recognised in the retained earnings.
- iii. Depreciation and amortization expenses for the year would have been lower by Rs. 11.04 lacs had the company continued with the previous assessment of useful life of such assets.
- iv. Assets costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

(f) INTANGIBLE ASSETS AND AMORTIZATION:

- i. Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.
- ii. Payment made for the membership of the Bombay Stock Exchange and National Stock Exchange has been treated as intangible asset however considering the enduring nature of the stock exchange card, the same has not been amortized. During the year the OTC Exchange Membership has been written off as per the communication received from OTC Exchange on closure of the said exchange.

(g) 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.

(h) INVESTMENTS :

Investments are classified into long term investments and current investments. 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.

Long term investments are valued at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.



(i) 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.

(j) 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.

(k) OPERATING LEASES:

Assets acquired on leases, where a significant portion of the risks & rewards of ownership are retained by the lessor, and are classified as operating lease. Lease rentals are charged to the statement of Profit and Loss on systematic basis over the term of lease.

(l) 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.



(m) 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.

(n) 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 23. CONTINGENT LIABILITIES (to the extent not provided for) :

i) The company had filed an appeal for Assessment Year 2009-2010 before the Income Tax Appellate Tribunal, Mumbai against the total disputed liability of Rs. 17,05,840/-.

ii) The company had filed an appeal for Assessment Year 2010-2011 before the Income Tax Appellate Tribunal, Mumbai against the total disputed liability of Rs. 59,76,740/-.

iii) 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/-.

iv) 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 has not made any provisions in respect of above matters which are pending before various appellate authorities.

v) The Company has filed an Appeal (Arbitration Petition) in the High Court, Mumbai against arbitrary order of Appellate bench of National Stock Exchange of India Ltd amounting to Rs.2,35,16,348/- in the matter of Eco Recycling Ltd v/s Keynote Capitals Ltd and as on date the arbitration petition is duly admitted in the Hon'ble High Court, Mumbai.

The 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 24.

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 25.

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 26. FOREIGN CURRENCY TRANSACTION:

(Rs. in Lakhs)

| Particulars | 2014-2015 | 2013-2014 |
|------------------------------------|-----------|-----------|
| Service Income in Foreign Currency | NIL | NIL |
| Expenditure in Foreign Currency | 26.97 | 6.47 |

NOTE 27. AUDITORS REMUNERATION (Excluding Service Tax):

(Rs. in Lakhs)

| | | Year ended 31 st March, 2015 | Year ended 31 st March, 2014 |
|-------|----------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| (i) | Statutory Audit Fees | 5.00 | 5.00 |
| (ii) | Tax Audit Fees | 0.50 | 0.50 |
| (iii) | Income Tax Matters | 0.25 | 0.25 |
| (iv) | As Advisor or in any other capacity in respect of: | | |
| | -Certification Work | 0.25 | 0.25 |
| | -Out of Pocket Expenses | 0.55 | 0.55 |
| | Total | 6.55 | 6.55 |

NOTE 28. COMPUTATION OF BASIC & DILUTED EARNINGS/(LOSS) PER SHARE:

| Particulars | 31 st March 2015 | 31 st March 2014 |
|--------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Net Profit attributable to equity shareholders (A) | 79,16,626 | 81,62,103 |
| Weighted Average of equity shares issued (B) (face value of Rs. 10 each) | 1,12,66,667 | 1,12,66,667 |
| Basic Earnings per share (A/B) | 0.70 | 0.72 |
| Weighted Number of equity shares outstanding for Diluted EPS (C) | 1,12,66,667 | 1,12,66,667 |
| Diluted Earnings per share (A/C) | 0.70 | 0.72 |



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

NOTE 29. SEGMENT INFORMATION

A. BUSINESS SEGMENT – PRIMARY

(Rs. In Lacs)

| Particulars | Investment Banking | | Broking Related Activities | | Trading in Securities | | Total | |
|-------------------------------------------------|--------------------|-----------|----------------------------|-----------|-----------------------|-----------|--------------|--------------|
| | 2014-2015 | 2013-2014 | 2014-2015 | 2013-2014 | 2014-2015 | 2013-2014 | 2014-2015 | 2013-2014 |
| Segment Revenue | | | | | | | | |
| External Revenue | 28.43 | 33.55 | 377.67 | 538.53 | 30.42 | - | 436.52 | 572.08 |
| Inter Segment Revenue | - | - | - | - | - | - | - | - |
| Total Revenue | 28.43 | 33.55 | 377.67 | 538.53 | 30.42 | - | 455.22 | 572.08 |
| Segment Result before Interest and tax | (19.12) | 4.15 | 94.16 | 35.14 | 21.79 | (42.55) | 96.82 | (3.26) |
| Add/(Less):Unallocated Income/ (Expenses) (NET) | | | | | | | 61.83 | 217.24 |
| Interest and Finance Charges | | | | | | | (43.94) | (95.64) |
| Deferred Tax Assets/(Liabilities) | | | | | | | (11.50) | (12.03) |
| Provision for Income Tax | | | | | | | (24.05) | (24.70) |
| Net Profit | | | | | | | 79.16 | 81.62 |
| Other Information | | | | | | | | |
| Segment Assets | | | 3652.50 | 4080.57 | 55.76 | 55.57 | 3708.26 | 4136.14 |
| Unallocated Corporate assets | | | | | | | 1046.76 | 1139.81 |
| Total Assets | | | 3652.50 | 4080.57 | 55.76 | 55.57 | 4755.02 | 5275.95 |
| Segment Liabilities | | | 793.25 | 643.10 | | | 793.25 | 643.10 |
| Unallocated Corporate liabilities | | | | | | | 790.08 | 1547.77 |
| Total Liabilities | | | 643.10 | 643.10 | | | 1583.33 | 2190.87 |
| Depreciation | | | | | | | | |
| Segment depreciation | 3.10 | 3.54 | 41.19 | 56.88 | 3.32 | - | 47.60 | 60.42 |
| Unallocated depreciation | | - | | - | | - | - | - |
| Total Depreciation | 3.10 | 3.54 | 41.19 | 56.88 | 3.32 | - | 47.60 | 60.42 |
| | | | | | | | | |
| | | | | | | | | |



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:

| <u>Business Segment</u> | <u>Types of Products and Services</u> |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Primary Segment | <ol style="list-style-type: none">1. Investment Banking2. Broking Related Activities3. 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 30. 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)
Cosy Mercantile Ltd.
Concept Communication Ltd.
Concept Production Ltd.
Gupta Builders Pvt. Ltd.
August Brand Communications Ltd
Vivek Suchanti & Co.
Keynote Fincorp Ltd.
Mitcon Consultancy Services Ltd.



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

b) Description of the nature of transactions with the Related Parties during the year 2014-2015:

(Rs. in Lacs)

| Particulars | Holding Company | Subsidiary Company | Key Management Personnel | Related to Key Management Personnel | Other Related Parties |
|----------------------------------------------------|-----------------|--------------------|--------------------------|-------------------------------------|-----------------------|
| Brokerage | | | | | |
| Keynote Fincorp Ltd. | - | - | - | - | 0.30 |
| Keynote Commodities Ltd. | - | 0.05 | - | - | - |
| Director Remuneration | - | - | 35.10 | - | - |
| Interest on Deposit | - | - | - | - | - |
| Rajesh Choudhari | - | - | - | 0.60 | - |
| Jamuna Choudhari | - | - | - | 0.24 | - |
| Madhulika Choudhari | - | - | - | 0.36 | - |
| Consultancy | - | - | - | - | - |
| Mitcon Consultancy & Engg. Ltd. | - | - | - | - | 16.85 |
| Outstanding Balances (Loans & Advances) | - | - | - | - | - |
| Keynote Corporate Services Ltd. | NIL | - | - | - | - |
| Keynote Fincorp Ltd. | - | - | - | - | NIL |
| Keynote Commodities Ltd. | - | 263.99 | - | - | - |

NOTE 31. 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 5th July 2005 which is effective from 1st June 2005 and has paid Rs.2,78,284 as a total contribution during the year (Previous Year 2,80,102/-).



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

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

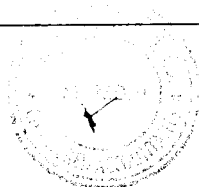
(Current Year 2014-15)

| 1. | Assumption | As On 31/03/2015 |
|-----------|--------------------------------------------------------------------------------|------------------|
| | Discount Rate (Previous Year) | 9.14% |
| | Rate of Return on Plan Assest (Previous) | 8.70% |
| | Salary Escalation (Previous) | 10.00% |
| | Attrition Rate (Previous) | 13.00% |
| | Discount Rate (Current) | 8.04% |
| | Rate of Return on Plan Assets (Current) | 8.04% |
| | Salary Escalation (Current) | 8.00% |
| | Attrition Rate (Current) | 13.00% |
| 2. | Table Showing changes in present value of Defined benefit obligation | |
| | Present value of benefit obligations as at beginning of year | 38,60,598 |
| | Interest cost | 3,52,859 |
| | Current Service Cost | 3,38,385 |
| | 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) | (1,03,526) |
| | Actuarial(Gains) / Losses on obligations | (1,43,340) |
| | Present Value of Benefit Obligation as at the end of the current period | 43,04,976 |
| 3. | Table for fair value of plan assets | |
| | Fair value of plan assets at beginning of year | 18,33,739 |
| | Expected return on plan assets | 1,59,535 |
| | Contributions | 2,77,514 |
| | Transfer from Other Company | - |
| | Transfer to Other Company | - |
| | Benefits Paid from the fund | (1,03,526) |
| | Actuarial gains/(losses) on Plan assets | (1,68,486) |
| | Fair value of plan assets at the end of period | 19,98,776 |
| 4. | Table of Recognition of Actuarial Gains / Losses | |
| | Actuarial (gains) /losses on obligation for the period | (1,43,340) |
| | Actuarial (gains) /losses on Asset for the period | 1,68,486 |
| | Sub Total | 25,146 |
| | Actuarial(gains)/losses recognised in Income & Expenses statement | 25,146 |
| 5 | Table of Recognition of Transitional Liability | |
| | Un Recognised Transitional Liability at start of period | - |
| | Transitional Liability incurred during the period | - |



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

| | | | |
|------------|---------------------------------------------------------------------|--|--------------------|
| | (Transitional Liability recognized during the period) | | - |
| | Unrecognised Transitional liability at the end of the period | | - |
| 6. | Actual return of Plan Assets | | |
| | Expected Return on Plan Assets | | 1,59,535 |
| | Actuarial gain/ (loss) on plan assets | | (1,68,486) |
| | Actual Return on Plan Assets | | (8,951) |
| 7. | Amount Recognised in the Balance Sheet | | |
| | Fair Value of Plan Assets at the end of the period | | 19,98,776 |
| | (Present Value of Benefit Obligation at the end of the period) | | (43,04,976) |
| | Funded Status | | (23,06,200) |
| | Unrecognised past service cost at the end of the period | | - |
| | Unrecognised transitional liability at the end of the period | | - |
| | Net (Liability) / Asset recognized in the Balance Sheet | | (23,06,200) |
| 8. | Expenses recognized in the Income Statement | | |
| | Current Service Cost | | 3,38,385 |
| | Interest Cost | | 1,93,324 |
| | Actuarial (Gains) / losses | | 25,146 |
| | 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 | | - |
| | Expense Recognised in P & L | | 5,56,855 |
| 9. | Balance Sheet Reconciliation | | |
| | Opening Net Liability | | 20,26,859 |
| | Expense as above | | 5,56,855 |
| | Net Transfer in | | - |
| | (Net Transfer Out) | | - |
| | (Benefit Directly paid by Employer) | | - |
| | (Employers Contribution) | | (2,77,514) |
| | Net Liability / (Asset) recognized in Balance Sheet | | 23,06,200 |
| 10. | Other Details | | |
| | No of Members | | 25 |
| | Salary PM | | 7,86,622 |
| | Projected Benefit Obligation (PBO) | | 43,04,976 |
| | Prescribed Contribution for Next year (12 months) | | 7,86,622 |
| 11. | Category of Assets | | |
| | Government of India Assets | | - |
| | Corporate Bonds | | - |
| | Special Deposit Scheme | | - |
| | Equity Shares of Listed Companies | | - |
| | Property | | - |
| | Insurer Managed Funds | | 19,98,776 |
| | Other | | - |

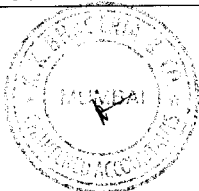


KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

| | | | |
|----|-------------------------------------------|--|-------------------|
| | Total | | 19,98,776 |
| 12 | Experience Adjustment | | |
| | On Plan Liability (gains) / Losses | | 61,212 |
| | On Plan Assets (Losses) / Gains | | (1,68,486) |

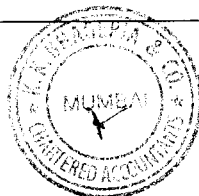
(Previous Year 2013-14)

| | | | |
|-----------|--------------------------------------------------------------------------------|--|-------------------------|
| 1. | Assumption | | As On 31/03/2014 |
| | Discount Rate (Previous Year) | | 8.00% |
| | Rate of Return on Plan Asset (Previous) | | 8.70% |
| | Salary Escalation (Previous) | | 10.00% |
| | Attrition Rate (Previous) | | 13.00% |
| | Discount Rate (Current) | | 9.14% |
| | Rate of Return on Plan Assets (Current) | | 8.70% |
| | Salary Escalation (Current) | | 10.00% |
| | Attrition Rate (Current) | | 13.00% |
| 2. | Table Showing changes in present value of Defined benefit obligation | | |
| | Present value of benefit obligations as at beginning of year | | 66,10,155 |
| | Interest cost | | 5,28,812 |
| | Current Service Cost | | 14,00,824 |
| | 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) | | (27,47,575) |
| | Actuarial(Gains) / Losses on obligations | | (19,31,618) |
| | Present Value of Benefit Obligation as at the end of the current period | | 38,60,598 |
| 3. | Table for fair value of plan assets | | |
| | Fair value of plan assets at beginning of year | | 41,29,979 |
| | Expected return on plan assets | | 3,59,308 |
| | Contributions | | 2,80,100 |
| | Transfer from Other Company | | - |
| | Transfer to Other Company | | - |
| | Benefits Paid from the Fund | | (27,47,575) |
| | Actuarial gains/(losses) on Plan assets | | (1,88,073) |
| | Fair value of plan assets at the end of period | | 18,33,739 |
| 4. | Table of Recognition of Actuarial Gains / Losses | | |
| | Actuarial (gains) /losses on obligation for the period | | (19,31,618) |
| | Actuarial (gains) /losses on Asset for the period | | 1,88,073 |
| | Sub Total | | 17,43,545 |
| | Actuarial(gains)/losses recognised in Income & | | (17,43,545) |



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

| | | | |
|------------|---------------------------------------------------------------------|--|--------------------|
| | Expenses statement | | |
| 5 | Table of Recognition of Transitional Liability | | |
| | Un Recognised Transitional Liability at start of period | | - |
| | Transitional Liability incurred during the period | | - |
| | (Transitional Liability recognized during the period) | | - |
| | Unrecognised Transitional liability at the end of the period | | - |
| 6. | Actual return of Plan Assets | | |
| | Expected Return on Plan Assets | | 3,59,308 |
| | Actuarial gain/ (loss) on plan assets | | (1,88,073) |
| | Actual Return on Plan Assets | | 1,71,235 |
| 7. | Amount Recognised in the Balance Sheet | | |
| | Fair Value of Plan Assets at the end of the period | | 18,33,739 |
| | (Present Value of Benefit Obligation at the end of the period) | | (38,60,598) |
| | Funded Status | | (20,26,859) |
| | Unrecognised past service cost at the end of the period | | - |
| | Unrecognised transitional liability at the end of the period | | - |
| | Net (Liability) / Asset recognized in the Balance Sheet | | (20,26,859) |
| 8. | Expenses recognized in the Income Statement | | |
| | Current Service Cost | | 14,00,824 |
| | Interest Cost | | 5,28,812 |
| | (Expected Return on Plan Assets) | | (3,59,308) |
| | Actuarial (gains) / losses | | (17,43,545) |
| | 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 | | - |
| | Expense Recognised in P & L | | (1,73,217) |
| 9. | Balance Sheet Reconciliation | | |
| | Opening Net Liability | | 24,80,176 |
| | Expense as above | | (1,73,217) |
| | Net Transfer in | | - |
| | (Net Transfer Out) | | - |
| | (Benefit Directly Paid by Employer) | | - |
| | (Employers Contribution) | | (2,80,100) |
| | Net Liability / (Asset) recognized in Balance Sheet | | 20,26,859 |
| 10. | Other Details | | |
| | No of Members | | 31 |
| | Salary PM | | 9,39,658 |
| | Prescribed Contribution for Next year (12 months) | | 9,39,658 |
| 11. | Category of Assets | | |
| | Government of India Assets | | - |



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2015

| | | | |
|-----------|-------------------------------------------|--|--------------------|
| | Corporate Bonds | | - |
| | Special Deposit Scheme | | - |
| | Equity Shares of Listed Companies | | - |
| | Property | | - |
| | Insurer Managed Funds | | 18,33,739 |
| | Other | | - |
| | Total | | 18,33,739 |
| 12 | Experience Adjustment | | |
| | On Plan Liability (gains) / Losses | | (16,73,082) |
| | On Plan Assets (Losses) / Gains | | (1,88,073) |

2. Compensated Absences:

As per the Company's Policy, a sum of Rs.2,19,507/- (Previous Year Rs. 2,00,811 /-) has been paid towards compensated absences calculated on the basis of unutilised leave.

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:

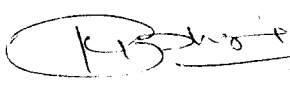
(Figures in Rs.)

| Particulars | 2014-2015 | 2013-2014 |
|---------------------------------------------|------------------|------------------|
| 1) Contribution to Employees Provident Fund | 11,48,323 | 15,47,151 |
| 2) Employees State Insurance Scheme | 33,941 | 1,69,721 |
| Total | 11,82,264 | 17,16,872 |

NOTE 32.

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

For **K.K.BHAGERIA & CO.**
Firm Registration No. 101106W
Chartered Accountants


K. K. BHAGERIA
Partner
Membership No. 33505



For **KEYNOTE CAPITALS LIMITED**


RAKESH CHOUDHARY
Managing Director


VINEET SUCHANTI
Director


DEVIN JOSHI
Chief Financial Officer

Place : Mumbai
Date : 25/05/2015