

KEYNOTE

DIRECTORS' REPORT

To,
The Members of Keynote Capitals Limited.

Dear Shareholders,

1. INTRODUCTION:

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016.

2. FINANCIAL SUMMARY OF THE COMPANY:

(₹ In lacs)		
Particulars	2015-16	2014-15
Total Income	1033.26	618.41
Total Expenses	906.11	503.69
Profit before depreciation	164.15	162.31
Less : Depreciation	37.01	47.60
Profit before Tax	127.14	114.71
Provision for Taxation:		
- Current Tax	27.07	24.05
- Deferred Tax Liability / (Asset)	13.88	11.50
Profit after tax	86.19	79.16
Add: Excess/(Short) Provision	(8.23)	7.46
Profit brought forward from Previous Years	1416.69	1330.06
Surplus carried forward	1494.65	1416.69

3. REVIEW OF OPERATIONS/PERFORMANCE:

During the financial year, the Company has earned total income of ₹ 1033.26 lacs as compared to ₹ 618.41 lacs for the previous year. Profit after Tax stood at ₹ 86.19 lacs as compared to ₹ 79.16 lacs for the previous year.

4. DIVIDEND:

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

5. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

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

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

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

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

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

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

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

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

9. PUBLIC DEPOSIT:

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and the necessary rules made thereunder during the year ended 31st March, 2016.

10. STATUTORY AUDITORS:

Reappointment of M/s. K.K. Bhageria & Co. Chartered Accountants, having (Firm Registration Number: 101106W), as the Statutory Auditors of the Company is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting. 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,

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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.

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

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

12. SHARE CAPITAL:

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

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

b. Issue Of Sweat Equity Shares:

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

c. Issue Of Equity Shares With Differential Rights:

The Company has not issued any Equity Shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

d. Issue of Employee Stock Option:

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

e. Issue Of Equity Shares Without Differential Rights:

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

13. EXTRACT OF THE ANNUAL RETURN:

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

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Conservation of energy:

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

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(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 - ₹21.28 lacs (previous year ₹26.47 lacs).

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

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

16. DIRECTOR & KEY MANAGERIAL PERSONNEL (KMP):

(a) Non Executive- Non Independent Director:

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

Sr. No.	Name of the Director	DIN	Designation
1.	Vineet Suchanti	00004031	Non Executive Director

(b) Key Managerial Personnel (KMP):

- At the Board Meeting held on 4th January, 2016, Mr. Rakesh Choudhari (DIN: 00009093) has been reappointed as Managing Director and Key Managerial Personnel (KMP) of the Company for further period of 03 (three) years with effect from 1st February, 2016 to 31st January, 2019, along with a remuneration to the extent of Rs.283,500/-p.m. (Rupees Two Lac Eighty Three Thousand Five Hundred Only) per month. The reappointment has duly ratified by the shareholders of the Company at the Extraordinary General Meeting held on 25th January, 2016 and the necessary provisions of the Companies Act, 2013 have been complied with.

The composition of the Key Managerial Personnel is as follows:

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

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(c) Non Executive- Independent Director:

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

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

An independent director shall hold office for a term up to 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 met the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

17. DIRECTOR LIABLE TO RETIRE BY ROTATION:

In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vineet Suchanti, Director (DIN: 00004031) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Board recommends his re-appointment.

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

(a) Audit Committee:

As per the provisions of Section 177 of the Companies Act, 2013, the Board has constituted a well-qualified Audit Committee with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. There were four committee meetings held during the year 2015-16.

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

(b) Nomination and Remuneration Committee:

As per the provisions of Section 178 of the Companies Act, 2013, the Board has constituted a well-qualified Nomination and Remuneration Committee with majority of them are Independent Directors including Chairman. There was only one committee meeting held during the year 2015-16.

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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 Personnel.
- (iii) Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- (iv) Conduct Annual performance review of MD and CEO/CFO and Senior Management Employees;
- (v) Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.

(c) Management Committee:

As per the provisions of Section 179 of the Companies Act, 2013, the Management Committee is formed to authorize the committee to approve intercorporate loans, investments or guarantee or security and borrowing facilities as and when granted by the Banks, Financial Institution and other entities and execution of documents for these facilities. There were two committee meetings held during the year 2015-16.

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

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

Your Board of Directors has duly met ten (10) times during the financial year under review, i.e. on 6th April, 2015, 22nd April, 2015, 20th May, 2015, 25th May, 2015, 20th June, 2015, 14th August, 2015, 17th October, 2015, 19th December, 2015, 4th January, 2016 and 28th March, 2016 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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

The Particulars of Loans, Investment, Guarantees or Security made by the company under Section 186 of Companies Act, 2013 during the year is enclosed herewith in Annexure-III.

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

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The detail regarding particulars of contracts or arrangements referred to in sub-section (1) of Sections 188 have been disclosed in note no. 31(b) in notes to accounts of financial statements under Accounting Standard -18.

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is enclosed herewith in Annexure-IV.

22. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

23. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period,

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- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- d. The directors had prepared the annual accounts on a going concern basis,
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. SAFETY OF WOMEN AT WORK PLACE:

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


25. ACKNOWLEDGMENT:

We take this opportunity to express our deep sense of gratitude to Securities and Exchange Board of India (SEBI), BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Registrar of Companies (ROC), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), M/s. KK Bhageria & Co. Statutory Auditors, our Clients, Bankers and other Government Agencies for their continued support.

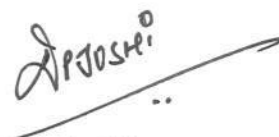
By order of the Board
For Keynote Capitals Limited



Vineet Suchanti
Director
(DIN: 00004031)



Rakesh Choudhari
Managing Director
(DIN: 00009093)



Devin Joshi
Chief Financial Officer

Place: Mumbai
Date:

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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, 2016

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

I. REGISTRATION AND OTHER DETAILS:

1.	Corporate Identity Number (CIN)	:	U67120MH1995PLC088172
2.	Registration Date	:	08-05-1995
3.	Name of the Company	:	KEYNOTE CAPITALS LIMITED
4.	Category/Sub-Category of the Company	:	Indian Non-Government Company
5.	Address of the Registered Office and contact details	:	The Ruby, 9 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)	67120	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 Company	100	2(46)
2.	Keynote Commodities Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: U72900MH2000PLC127047)	Wholly Owned Subsidiary Company	100	2(87)(i)(ii)
3.	Keynote Fincorp Limited The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: U67120MH1995PLC084814)	Associate Company	42.86	2(6)

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

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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

II). SHAREHOLDING OF PROMOTERS:

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

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

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

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

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

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

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

VI). DETAILS OF INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2015				
i). Principal Amount	12,71,134/-	-	-	12,71,134/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,71,134/-	-	-	12,71,134/-
Change in Indebtedness during the financial year				
• Addition	24,38,500/-	-	-	24,38,500/-
• Reduction	10,52,519/-	-	-	10,52,519/-
Net Change	13,85,981	-	-	13,85,981
Indebtedness at the end of the financial year - 31-03-2016				
i). Principal Amount	26,57,115/-	-	-	26,57,115/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	26,57,115/-	-	-	26,57,115/-

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

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (₹. 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	32,67,000/-	32.67
	(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	Nil	Nil
	- Others specify	Nil	Nil
5.	Others, please specify (Bonus)	2,70,000/-	2.70
	Ceiling as per the Act	As per Section 197(1)(i) 5% of the net profit calculated as per Section 198 of the Companies Act, 2013	
	Total	35,61,000/-	35.61

B. Remuneration of other Directors:

I. Independent Directors:

Nil

Particulars of Remuneration	Name of Directors		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

Other Non-Executive Directors	Amount (₹. In lacs)
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

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


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


Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	Company Secretary	CFO (Devin Joshi)	Total Amount (₹ In lacs)
1.	Gross Salary				
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	Nil	10,28,500/-	10.29
	(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	85000/-	0.85
	Total	Nil	Nil	11,13,500/-	11.13


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

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

For Keynote Capitals Limited


Vineet Suchanti
Director
(DIN: 00004031)


Rakesh Choudhari
Managing Director
(DIN: 00009093)


Devin Joshi
Chief Financial Officer

Place: Mumbai

Date:

Keynote Capitals Limited

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KEYNOTE

ANNEXURE - II TO THE DIRECTORS' REPORT

Form AOC-I

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

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

Part "A": Subsidiaries

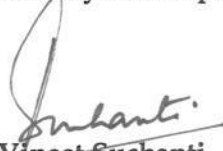
(Information in respect of each subsidiary to be presented with amounts in ₹.)


Name of the Subsidiary	Keynote Commodities Limited (CIN:U72900MH2000PLC127047)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2015 to 31/03/2016
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign	Not Applicable
Subsidiaries.	Not Applicable
Share Capital	35,00,000/-
Reserves & surplus	18,365,920/-
Total assets	111,123,538/-
Total Liabilities	111,123,538/-
Investments	Nil
Turnover	1,905,280/-
Profit before taxation	1,541,082/-
Provision for taxation	588,267/-
Profit after Taxation	952,815
Proposed Dividend	---
% of shareholding	100%


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

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

For Keynote Capitals Limited


Vineet Suchanti
Director
(DIN: 00004031)


Rakesh Choudhari
Managing Director
(DIN: 00009093)


Devin Joshi
Chief Financial Officer

Place: Mumbai
Date:

Keynote Capitals Limited

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KEYNOTE

Part "B": Associates and Joint Ventures


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

Name of Associates / Joint Venture	Keynote Fincorp Limited (Associate Concern) (CIN: U67120MH1995PLC084814)
Latest Audited Balance Sheet Date	31 st . March 2016
Shares of Associate / Joint Ventures held by the Company on the year end	15,00,000 Equity shares of Rs.10/- each.
Amount of Investment in Associates / Joint Venture	₹3,00,00,000/-
Extent of Holding in %	42.85%
Description of how there is significant influence	Common Directors & Shareholders
Reason why the associate / Joint venture is not consolidated	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	76,312,036
6. Profit / Loss for the year	
i. Considered in Consolidation	Nil
i. Not Considered in Consolidation	3,497,395
. Names of associates or joint ventures which are yet to commence operations.	NA
Names of associates or joint ventures which have been liquidated or sold during the year.	NA

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

For Keynote Capitals Limited


Vineet Suchanti
Director
(DIN: 00004031)


Rakesh Choudhari
Managing Director
(DIN: 00009093)


Devin Joshi
Chief Financial Officer

Place: Mumbai

Date:

Keynote Capitals Limited

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CIN - U67120MH1995PLC088172

KEYNOTE

ANNEXURE - IV TO THE DIRECTORS' REPORT

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

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

Name of the Related Party & Nature of Relationship	---	---	---	---	---	---
Nature of Relationship	---	---	---	---	---	---
Nature of contracts/arrangements/transactions	---	---	---	---	---	---
Duration of the contracts / arrangements/transactions	---	---	---	---	---	---
Salient terms of the contracts or arrangements or transactions including the value, if any	---	---	---	---	---	---
Justification for entering into such contracts or arrangements or transactions	---	---	---	---	---	---
Date(s) of approval by the Board	---	---	---	---	---	---
Amount paid as advances, if any	---	---	---	---	---	---
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	---	---	---	---	---	---
	---	---	---	---	---	---
	---	---	---	---	---	---

Keynote Capitals Limited

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KEYNOTE

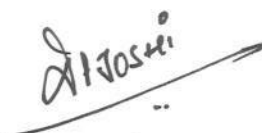
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Keynote Commodities Limited	Keynote Fincorp Limited
Nature of Relationship	Wholly owned subsidiary	Associate Concern
Nature of contracts/arrangements/transactions	(i) Rendering of Services (ii) Leasing of immoveable property (office premises)	(i) Rendering of Services (ii) Leasing of immoveable property (office premises)
Duration of the contracts / arrangements/transactions	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board
Salient terms of the contracts or arrangements or transactions including the value, if any	As per the mutual agreed terms with the Board	As per the mutual agreed terms with the Board
Date(s) of approval by the Board, if any,	N.A.	N.A.
Amount paid as advances, if any	N.A.	N.A.

For Keynote Capitals Limited


Vineet Suchanti
Director
(DIN: 00004031)


Rakesh Choudhari
Managing Director
(DIN: 00009093)


Devin Joshi
Chief Financial Officer

Place: Mumbai
Date:

Keynote Capitals Limited

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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, 2016, 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 Board of 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 the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that 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 and auditing 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. 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, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B" and
- g. 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. 24 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, 2016.

Place: Mumbai
Date: '26 MAY 2016



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

(K. K. BHAGERIA)
Partner
Membership No. 033505

“Annexure A” 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 2016, we report that:

- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b). As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;

(c). According to the information and explanations given to us, the title deed of the immovable properties are held in the name of the Company.
- ii. The company is having stock of shares and securities which have been physically verified by the management at reasonable intervals during the year and there was no material discrepancies noticed on such verifications
- iii. The company has granted interest free unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the loans are repayable on demand. The borrower has been regular in payments of interests wherever stipulated. The terms of arrangements do not stipulate any repayment schedule as the loans are payable on demand.
 - c) The term of arrangements do not stipulate any repayment schedule and the loans are repayable on demand; hence there are no overdue amount in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, The Company has complied with provisions of section 185 and 186 of the Companies Act 2013 with respect to loans, investments, guarantees and security.
- 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 companies Act, 2013.
- 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, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duties of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us there are no material dues of sales tax, service tax, custom duty, excise duty, value added tax which have not been deposited with the appropriate authority on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	7,42,946	Assessment Year 2011-2012	Commissioner (Appeals)
Income Tax Act 1961	Income Tax	2,21,950	Assessment Year 2012-2013	Commissioner (Appeals)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks, Government or debenture holders.
- ix. In our opinion, and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3 (ix) of the Order is not applicable.



- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion, and according to the information and explanations given to us, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with schedule V to the companies Act.
- xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company, hence Para 3(xii) is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, Para 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: 26 MAY 2016



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

(K. K. BHAGERIA)
Partner
Membership No. 033505

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF KEYNOTE CAPITALS LIMITED.**

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

We have audited the internal financial controls over financial reporting of KEYNOTE CAPITALS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over



financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: 26 MAY 2016



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

(K. K. BHAGERIA)
Partner
Membership No. 033505

KEYNOTE CAPITALS LIMITED
Balance Sheet as at 31st March, 2016

(Amount in Rs.)

	Note	As at 31st March 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	112,666,670	112,666,670
(b) Reserves and Surplus	2	212,298,461	204,502,483
Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,645,137	575,881
(b) Deferred Tax Liabilities (Net)	4	6,309,408	4,920,660
Current Liabilities			
(a) Short term Borrowing	5	79,026,932	62,589,046
(b) Trade Payables	6	48,893,919	79,325,448
(c) Other Current Liabilities	7	59,794,171	7,792,182
(d) Short-Term Provisions	8	4,129,719	3,129,924
TOTAL		524,764,417	475,502,294
ASSETS			
Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		95,230,530	95,573,403
(ii) Intangible Assets		35,957,108	35,957,108
(b) Non-Current Investments	10	35,149,549	37,068,919
(c) Long-Term Loans and Advances	11	21,058,331	25,333,331
Current assets			
(a) Current Investments	12	4,950,257	-
(b) Inventories	13	18,862,858	5,576,191
(c) Trade Receivables	14	47,495,301	26,075,445
(d) Cash and Bank Balances	15	250,690,223	218,134,274
(d) Short-Term Loans and Advances	16	15,370,260	31,783,623
TOTAL		524,764,417	475,502,294

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

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



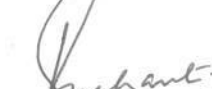
(K. K. BHAGERIA)
Partner
Membership No. 33505



For **KEYNOTE CAPITALS LIMITED**



RAKESH CHOUDHARY
Managing Director



VINEET SUCHANTI
Director



DEVIN JOSHI
Chief Financial Officer

Place : Mumbai
Date : 26 MAY 2016

KEYNOTE CAPITALS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in Rs.)

	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
INCOME			
Revenue from Operations	17	78,791,212	43,652,407
Other Income	18	24,535,393	18,188,635
Total Revenue		103,326,606	61,841,042
EXPENSES			
Employee Benefits Expense	19	17,474,628	16,429,283
Finance Costs	20	6,427,505	5,414,116
Depreciation and Amortization Expense	21	3,701,129	4,760,191
Other Expenses	22	63,008,405	23,766,222
Total Expenses		90,611,667	50,369,811
Profit Before Tax		12,714,939	11,471,231
Tax expense:			
Current tax		2,707,518	2,404,781
Deferred tax		1,388,748	1,149,824
Profit for the year		8,618,673	7,916,626
Earnings per Equity Share of Face value of Rs.10 each Basic and Diluted		0.76	0.70

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

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

(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 : 26 MAY 2016

KEYNOTE CAPITALS LIMITED
Cash Flow Statement For The Year Ended 31st March, 2016

	(Amount in Rs.)	
	Year ended 31st. March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per Statement of Profit & Loss	12,714,939	11,471,231
Adjustments For :		
Depreciation / Amortization	3,701,129	4,760,191
Loss on Sale of Assets	250,361	219,677
(Profit) / Loss on Sale of Investments	(4,435,250)	-
Finance Cost	6,427,505	5,414,116
Dividend Income	(1,547,004)	(889,813)
Interest Income	(18,016,834)	(16,318,169)
Operating profit before working capital changes	(905,154)	4,657,233
Adjustment For :		
(Increase) / Decrease in Trade Receivables	(21,419,856)	39,423,206
(Increase) / Decrease in Inventories	(13,286,667)	(19,191)
Increase / (Decrease) in Short Term Borrowing	16,437,886	(15,869,184)
(Increase) / Decrease in Long Term Loans & advances	4,275,000	3,370,716
(Increase) / Decrease in Short Term Loans & advances	16,413,363	6,930,751
Increase / (Decrease) in Short Term Provisions	(1,707,723)	(2,329,360)
Increase / (Decrease) in Other Current Liabilities	52,001,989	(61,549,920)
Increase / (Decrease) in Trade Payables.	(30,431,529)	15,015,162
NET CASH FROM OPERATING ACTIVITIES	21,377,308	(10,370,587)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(5,051,311)	(1,325,755)
Sale of Fixed Assets	620,000	80,000
Intangible Asset Written Off	-	2,200,000
Sale / (Purchase) of Investments	1,124,670	(1,101,131)
Investments in Shares	(4,950,257)	-
Sale of Investments	5,229,950	-
Interest Income	18,016,834	16,318,169
Dividend Income	1,547,004	889,813
NET CASH FROM INVESTING ACTIVITIES	16,536,890	17,061,097
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(6,427,505)	(5,414,116)
Increase / (Decrease) in Long -Term Borrowing	1,069,256	65,501
NET CASH FROM FINANCING ACTIVITIES	(5,358,249)	(5,348,615)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	32,555,948	1,341,895
Cash and Cash Equivalents at the beginning of the year (Refer Note 15)	218,134,274	216,792,379
Cash and Cash Equivalents at the end of the year (Refer Note 15)	250,690,222	218,134,274

"As per our report of even date attached"

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


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



Place : Mumbai

Date: 26 MAY 2016

For KEYNOTE CAPITALS LIMITED


RAKESH CHOUDHARY
Managing Director


VINEET SUCHANTI
Director


DEVIN JOSHI
Chief Financial Officer

KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 1. SHARE CAPITAL

	As at 31st March, 2016	As at 31st March, 2015
Authorized Share Capital		
1,50,00,000 (31st March 2015: 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 2015: 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 at the beginning and at the end of the year

	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	11,266,667	112,666,670	11,266,667	112,666,670
Shares outstanding at the end of the year	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, 2016		As at 31st March, 2015	
	No of Shares	Holding %	No of Shares	Holding %
Keynote Corporate Services Ltd.	11,266,667	100	11,266,667	100

NOTE 2. RESERVES AND SURPLUS

	As at 31st March, 2016	As at 31st March, 2015
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	141,669,143	133,006,740
Add/(Less): Additional Depreciation	(822,694)	745,777
Add: Profit for the year	8,618,673	7,916,626
	149,465,121	141,669,143
Total	212,298,461	204,502,483

NOTE 3. LONG TERM BORROWINGS

	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current	Non Current	Current
Secured				
Car Loan from Volkswagen Finance Pvt. Ltd. (Secured By Hypothecation of Car - Vento TDI)	143,302	324,650	467,952	291,700
Car Loan from Kotak Mahindra Prime Limited (Secured By Hypothecation of Car -Honda Accord)	-	109,031	107,929	403,553
Car Loan from Daimler Financial Services Pvt. Ltd. (Secured By Hypothecation of Mercedes Benz)	1,501,835	578,298	-	-
Total	1,645,137	1,011,979	575,881	695,253



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 4. DEFERRED TAX LIABILITY (Net)

	As at 31st March, 2016	As at 31st March, 2015
Deferred tax Liability as on 1st April, 2015	4,920,660	3,412,658
Difference between book and Tax Depreciation	1,768,501	1,880,936
Total deferred Tax liability	6,689,160	5,293,594
Expenses Disallowed as per section 43B of Income Tax Act. 1961	379,752	372,934
Total deferred Tax Assets	379,752	372,934
Net Deferred Tax Liability	6,309,408	4,920,660

NOTE 5. SHORT TERM BORROWING

Axis Bank O/D Account (O/D against FDR of Rs. 8.00 Cr.)	79,026,932	62,589,046
Total	79,026,932	62,589,046

NOTE 6. TRADE PAYABLES

	As at 31st March, 2016	As at 31st March, 2015
Trade Payables	48,893,919	79,325,448
Total	48,893,919	79,325,448

NOTE 7. OTHER CURRENT LIABILITIES

	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Debts	1,011,979	695,253
Deposit / Advance From Clients/ Parties*	47,662,214	2,697,124
Employee Benefits Payable	98,698	95,571
Statutory Dues Payable	4,818,491	1,049,433
Other Payables	4,829,212	300,443
Outstanding Expenses Payable	1,373,578	2,422,745
Other Provisions (Loss on Closing Stock)	-	531,613
Total	59,794,171	7,792,182

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

NOTE 8. SHORT TERM PROVISIONS

	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Provision for Bonus	700,000	675,000
Provision for Gratuity	2,315,269	2,306,200
Provision for Leave Encashment	185,090	148,724
Other Provisions		
Provision for Profit on F & O Open Position	929,360	
Total	4,129,719	3,129,924

NOTE 10. NON CURRENT INVESTMENTS (Long term Investment)

	As at 31st March, 2016	As at 31st March, 2015
Trade (Quoted) (Refer note 10.1)		
Investments in Equity Shares	1,266,391	3,185,761
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	33,500,000	33,500,000
& Others	35,149,549	37,068,919
Total	35,149,549	37,068,919



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

(Amount in Rs.)

NOTE 9. FIXED ASSETS

	Description	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1st April, 2015	Additions	Deductions/A adjustments	As at 31st March 2016	As at 1st April, 2015	For the year	Deductions/A adjustments	Upto 31st March 2016	As at 31st March 2016	As at 31st March, 2015
a)	TANGIBLE ASSETS										
	Furniture and Fixtures	6,749,977	547,500.0	-	7,297,477	1,965,175	649,919	-	2,615,094	4,682,384	4,784,802
	Motor Car	10,652,621	4,445,500.0	2,126,598	12,971,523	5,290,153	1,460,757	-433,543	6,317,367	6,654,156	5,362,468
	Office equipment	1,895,397	-	-	1,895,397	1,800,627	-	-	1,800,627	94,770	94,770
	Office Premises	88,307,368	-	-	88,307,368	4,144,801	1,398,200	-	5,543,001	82,764,367	84,162,567
	Computers Hardware	13,839,622	58,311.0	-	13,897,933	12,670,827	192,253	-	12,863,080	1,034,853	1,168,795
	Total (A)	121,444,985	5,051,311.0	2,126,598	124,369,698	25,871,583	3,701,129	(433,543)	29,139,169	95,230,530	95,573,403
b)	INTANGIBLE ASSETS										
	Computer software	3,491,250	-	-	-	3,491,250	-	-	-	-	-
	Stock Exchange Membership	35,957,108	-	-	35,957,108	-	-	3,491,250	-	35,957,108	35,957,108
	Total (B)	39,448,358	-	-	35,957,108	3,491,250	-	3,491,250	-	35,957,108	35,957,108
	Total (A+B)	160,893,343	5,051,311	5,617,848	160,326,806	29,362,833	3,701,129	3,057,707	29,139,169	131,187,638	131,530,511
	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	160,893,343	5,051,311	5,617,848	160,326,806	29,362,833	3,701,129	3,057,707	29,139,169	131,187,638	131,530,511



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

	As at 31st March, 2016	As at 31st March, 2015
10.1 Trade (Quoted) (at cost)		
3,320 (3,320) Equity Shares of Aptech Ltd. of Rs.10/- each fully paid up.	257,300	257,300
Investments in Mutual Fund	519,091	1,643,761
Nil (88,300) Equity Shares of Olympia Industries Ltd. of Rs.10/- each. Fully paid up.	-	794,700
4,90,000 (4,90,000) Equity Shares of Siddha Ventures Ltd. of Re.1/-	490,000	490,000
37 (37) SBI Bond (Maturing at 2025) of Rs.10,000/- each	370,000	370,000
	1,636,391	3,555,761

10.2 Trade (Unquoted) (at cost)

1,71,054 (1,71,054) Equity Shares of Bombay Stock Exchange Ltd. 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 (at cost)

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

NOTE 11. LONG TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered good		
Deposit for Premises	10,160,600	10,160,600
Deposit with Corporates & Other Bodies	10,897,731	15,147,731
Deposit with Co-op. Society	-	25,000
Total	21,058,331	25,333,331

NOTE 12. CURRENT INVESTMENTS

Investments in Shares	4,950,257	-
	4,950,257	-

NOTE 13. INVENTORIES

	As at 31st March, 2016		As at 31st March, 2015	
Equity Shares(Quoted)	Quantity	Amount	Quantity	Amount
Mitcon Engineering & Consultancy Ltd.	110,000	7,700,000	68,000	3,434,000
Sanco Industries Ltd.	224,000	5,600,000	120,000	2,136,000
Perfect Infraengineers	216,000	5,557,500	-	-
Swelect Energy Systems Ltd.	2	624	2	632
Equity Shares(Unquoted)				
J M Financial Ltd.	98	3,734	98	4,709
Mutual Fund (Quoted)				
Goldman Sachs Liquid Exchange Traded Scheme	1	1,000	1	850
Total		18,862,858		5,576,191



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 14 TRADE RECEIVABLES

	As at 31st March, 2016	As at 31st March, 2015
Over Six Months	6,287,760	14,117,909
Others	41,207,541	11,957,536
Total	47,495,302	26,075,445

NOTE 15. CASH AND CASH EQUIVALENTS

	As at 31st March, 2016	As at 31st March, 2015
Balances with Banks		
In Current Accounts	34,942,541	3,179,582
In Fixed Deposits*	214,568,848	213,776,114
Cash on Hand	1,178,834	1,178,579
Total	250,690,223	218,134,274

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

NOTE 16. SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
Advances		
Advances Recoverable in Cash or Kind	2,837,844	3,179,286
Income Tax (Net of Provision)	5,597,100	813,098
Loans to Related Parties	1,004,138	26,398,915
Prepaid Expenses	906,739	831,806
Advances to Staff	143,405	265,566
Service Tax Credit	4,881,034	294,951
Total	15,370,260	31,783,622

NOTE 17. REVENUE FROM OPERATIONS

	As at 31st March, 2016	As at 31st March, 2015
Advisory Income	48,055,782	2,466,087
Brokerage Income	28,193,291	35,581,471
Depository Income	389,665	563,640
Income From Stock Exchange Activity	1,716,394	1,622,240
Profit from Trading in Securities	-	3,041,946
Primary Market Business	436,080	377,024
Total	78,791,212	43,652,407

NOTE 18. OTHER INCOME

	As at 31st March, 2016	As at 31st March, 2015
Dividend Income	1,547,004	889,813
Interest Income	9,000	-
Interest on Fixed Deposits	18,007,834	16,318,169
Miscellaneous Income	4,692	130,051
Profit on Sale of Shares	4,435,250	-
Provision Written Back	531,613	850,602
Total	24,535,393	18,188,635

NOTE 19. EMPLOYEE BENEFITS EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Bonus	1,169,009	950,937
Company's Contributions to P F & ESIC	1,263,594	1,182,264
Gratuity	263,482	556,855
Leave Encashment	267,391	198,498
Salaries and incentives	13,772,339	12,864,330
Staff welfare expenses	738,813	676,399
Total	17,474,628	16,429,283



KEYNOTE CAPITALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 20. FINANCE COST

	As at 31st March, 2016	As at 31st March, 2015
Bank Charges	871,675	1,020,103
Interest expense	5,317,161	4,269,867
Other borrowing costs (Interest on Car Loan)	238,669	124,146
Total	6,427,505	5,414,116

NOTE 21 . DEPRECIATION AND AMORTIZATION EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Amortization of Intangible assets	-	698,250
Depreciation of tangible assets	3,701,129	4,061,941
Total	3,701,129	4,760,191

NOTE 22. OTHER EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
Annual Maintenance Charges	168,708	138,256
Auditor Remuneration	425,000	655,000
Books & Periodicals	10,397	7,091
Business Promotion Expenses	900,567	388,128
Commission and Brokerage Expenses	33,344,373	-
Computer Expenses	180,267	106,419
Conveyance Expenses	338,491	315,195
Donation	70,000	60,000
Electricity Charges	233,367	272,683
General Expenses	975	60,456
Insurance Charges	204,144	227,605
Legal & Professional Charges	10,629,200	7,631,649
Loss on Valuation of Closing Stock	-	531,613
Loss on Sale of Asset	250,361	219,677
Loss on Trading in Securities	6,494,317	-
Membership & Subscription	968,493	3,203,647
Miscellaneous Expenses	783,644	276,886
Motor Car Expenses	530,937	641,906
Postage & Telegraph	67,243	36,019
Printing & Stationery	68,937	136,594
Professional Tax	4,000	4,000
Rent, Rates & taxes & License Fees	1,991,513	1,365,713
Repairs & Renewal	397,713	385,102
Security Transaction Tax	39,421	7,403
Loss in F&O Transaction	9,295	-
Stamp Duty & Stamp Expenses	25,884	18,605
Stock Exchange Related Expenses	1,317,291	2,458,607
Sundry Balances Written off.	100,663	264,797
Telephone & Communication Expenses	482,938	611,079
Travelling Expenses	2,970,266	3,742,090
Total	63,008,405	23,766,222



NOTE 23. SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) 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 in conformity with GAAP requires management to make estimates and assumptions to be made that affect the reported balances of assets and liabilities and disclosure related to contingent liabilities as at the date of financial statements and the reported amount of revenues and expenses during the reporting period.

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

(c) REVENUE RECOGNITION:

- i. Brokerage income is recognised on trade date basis and is exclusive of service tax and Securities Transaction Tax (STT) wherever applicable.
- ii. Advisory and transactional processing fees income is accounted for on accrual basis in accordance with the terms of contracts entered into between the company and the counter party.
- iii. Income from investment in Mutual Fund is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.
- iv. Profit/loss on sale of securities is determined based on first in first out basis.
- v. Profit/loss on equity derivative transactions is accounted for as explained below:-



(a) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures or equity Index/stock options which are released on final settlement/squaring-up of underlying contracts are disclosed under Current Assets, Loans and advances. "Mark-to-market margin-Equity Index/Stock Futures" representing the amounts paid in respect of mark to market margin is disclosed under Loans and Advances and amount received is shown under Current Liabilities.

(b) "Equity Index/Stock Option Premium Account" represents premium paid or received for buying or selling the options, respectively.

(c) On final settlement or squaring-up of contracts for equity index / stock futures, the realized profit or loss is recognized in the statement of Profit and Loss. On settlement or squaring-up of equity index / stock options before expiry, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognized in the statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index / stock futures or equity index/stock options contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

(d) As at the balance sheet date, the mark to market / Unrealized Profit / (Loss) on all outstanding hedged transactions comprising of Securities and Equity Derivatives positions is determined on a Portfolio basis with net unrealized losses being recognized in the statement of Profit and Loss. Unrealized gains (on overall portfolio basis) are not recognized in the statement of Profit and Loss on grounds of prudence as enunciated in Accounting Standard - 1, Disclosure of Accounting Policies. In respect of other transactions, the unrealized losses on equity derivatives determined on script basis are recognized in statement of Profit and Loss and unrealized gains are ignored; and in case of securities (shares, etc.) the net unrealized losses are recognized in statement of Profit and Loss and net unrealized gains are ignored.

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

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

viii. Interest Income is recognized on accrual basis.

ix. Account opening charges are recognized on accrual basis.



(d) STOCK-IN-TRADE

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

(e) FIXED ASSETS AND DEPRECIATION

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

(f) 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.

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

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

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

ii) The company had filed an appeal for Assessment Year 2012-2013 before the Commissioner of Income Tax (Appeals) against the total disputed liability of Rs. 2,21,950/-.

The Company has not made any provisions in respect of the above matters which are pending before appellate authority since we have been advised by our Tax Consultant that in the previous two Assessment years the judgement has been in the favour of the company and hence no contingent liability has been provided for the same.

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

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

NOTE 25.

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

NOTE 26.

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



NOTE 27. FORIEGN CURRENCY TRANSACTION:

(Rs. in Lakhs)

Particulars	2015-2016	2014-2015
Service Income in Foreign Currency	NIL	NIL
Expenditure in Foreign Currency	21.28	26.47

NOTE 28. AUDITORS REMUNERATION (Excluding Service Tax):

(Rs. in Lakhs)

		Year ended 31 st March, 2016	Year ended 31 st March, 2015
(i)	Statutory Audit Fees	3.75	5.00
(ii)	Tax Audit Fees	0.50	0.50
(iii)	Income Tax Matters	0.75	0.25
(iv)	As Advisor or in any other capacity in respect of:		
	-Certification Work	0.17	0.25
	-Out of Pocket Expenses	-	0.55
	Total	5.17	6.55

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

Particulars	31 st March 2016	31 st March 2015
Net Profit attributable to equity shareholders (A)	86,18,673	79,16,626
Weighted Average Number 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)	0.76	0.70
Weighted Number of equity shares outstanding for Diluted EPS (C)	1,12,66,667	1,12,66,667
Diluted Earnings per share (A/C)	0.76	0.70



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 30. SEGMENT INFORMATION

A. BUSINESS SEGMENT – PRIMARY

(Rs. In Lacs)

Particulars	Investment Banking		Broking Related Activities		Trading in Securities		Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Segment Revenue								
External Revenue	484.92	28.43	302.99	377.67	-	30.42	787.91	436.52
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	484.92	28.43	302.99	377.67	-	30.42	787.91	436.52
Segment Result before Interest and tax	86.60	(19.12)	71.08	94.16	-64.94	21.79	92.74	96.82
Add/(Less): Unallocated Income/ (Expenses) (NET)							89.96	61.83
Interest and Finance Charges							(55.56)	(43.94)
Deferred Tax Assets/(Liabilities)							(13.88)	(11.50)
Provision for Income Tax							(27.07)	(24.05)
Net Profit							86.19	79.16
Other Information								
Segment Assets			4179.17	3652.50	238.13	55.76	4417.30	3708.26
Unallocated Corporate assets							830.34	1046.76
Total Assets			4179.17	3652.50	238.13	55.76	5247.64	4755.02
Segment Liabilities			488.94	793.25			488.94	793.25
Unallocated Corporate liabilities							1509.05	790.08
Total Liabilities			488.94	793.25			1997.99	1583.33
Depreciation								
Segment depreciation	22.78	3.10	14.23	41.18	-	3.32	37.01	47.60
Unallocated depreciation	-	-	-	-	-	-	-	-
Total Depreciation	22.78	3.10	14.23	41.18	-	3.32	37.01	47.60



B. OTHER DISCLOSURES

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

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

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

Business Segment
Primary Segment

Types of Products and Services
1. Investment Banking
2. Broking Related Activities
3. Trading in Securities

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

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

NOTE 31. RELATED PARTY DISCLOSURE:

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

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

i) **Holding Company:**

Keynote Corporate Services Ltd.

ii) **Subsidiary Companies:**

Keynote Commodities Limited

iii) **Key Management Personnel:**

Mr. B.Madhuprasad

Mr. Uday S.Patil

Mr. Vineet Suchanti

Mr. Rakesh Choudhari

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

Pushpa Suchanti

Rita Suchanti

Rinku Suchanti

Madhulika Choudhari

Rajesh Choudhari

Jamuna Choudhari

v) **Other related parties:**

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

Cosy Mercantile Ltd.

Concept Communication Ltd.

Concept Production Ltd.



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

Gupta Builders Pvt. Ltd.
August Brand Communications Ltd
Vivek Suchanti & Co.
Keynote Fincorp Ltd.
Mitcon Consultancy Services Ltd.

b) Description of the nature of transactions with the Related Parties during the year 2015-2016:

(Rs. in Lacs)					
Particulars	Holding Company	Subsidiary Company	Key Management Personnel	Related to Key Management Personnel	Other Related Parties
Brokerage					
Keynote Fincorp Ltd.	-	-	-	-	0.01
Keynote Commodities Ltd.	-	-	-	-	-
Director Remuneration (Rakesh Choudhari)	-	-	35.37	-	-
Outstanding Balances (Loans & Advances)	-	-	-	-	-
Keynote Corporate Services Ltd.	NIL	-	-	-	-
Keynote Fincorp Ltd.	-	-	-	-	3.93
Keynote Commodities Ltd.	-	(3.90)	-	-	-

NOTE 32. EMPLOYEE BENEFITS:

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

A. Defined Benefit Plans

1. Gratuity

Retirement Benefits in the form of Gratuity for the eligible employees are considered as Defined Benefit Plan. The Company has implemented Group Gratuity Assurance Scheme of Life Insurance Corporation of India dated 5th July 2005 which is effective from 1st June 2005 and has paid Rs.2,54,413 as a total contribution during the year (Previous Year 2,78,284/-).



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

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

(Current Year 2015-16)

1.	Assumption	As On 31/03/2016
	Discount Rate (Previous Year)	7.84%
	Rate of Return on Plan Assest (Previous)	7.84%
	Salary Escalation (Previous)	8.00%
	Attrition Rate (Previous)	13.00%
	Discount Rate (Current)	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	43,04,976
	Interest cost	3,46,120
	Current Service Cost	2,83,575
	Transitional Liability incurred during the period	-
	Past Service Cost (Non Vested Benefit) incurred during the period	-
	Past Service Cost (Vested Benefit) incurred during the period	-
	Liability Transferred in	-
	Liability Transferred out	-
	(Benefit Paid Directly by Employer)	-
	(Benefit Paid from the fund)	-
	Actuarial(Gains) / Losses on obligations	6,454
	Present Value of Benefit Obligation as at the end of the current period	49,41,125
3.	Table for fair value of plan assets	
	Fair value of plan assets at beginning of year	19,98,776
	Expected return on plan assets	1,60,702
	Contributions	2,54,413
	Transfer from Other Company	-
	Transfer to Other Company	-
	Benefits Paid from the fund	-
	Actuarial gains/(losses) on Plan assets	2,11,965
	Fair value of plan assets at the end of period	26,25,856
4.	Table of Recognition of Actuarial Gains / Losses	
	Actuarial (gains) /losses on obligation for the period	6,454
	Actuarial (gains) /losses on Asset for the period	(2,11,965)
	Sub Total	(2,05,511)
	Actuarial(gains)/losses recognised in Income & Expenses statement	(2,05,511)



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

5.	Actual return of Plan Assets		
	Expected Return on Plan Assets		1,60,702
	Actuarial gain/ (loss) on plan assets		2,11,965
	Actual Return on Plan Assets		3,72,667
6.	Amount Recognised in the Balance Sheet		
	Fair Value of Plan Assets at the end of the period		26,25,856
	(Present Value of Benefit Obligation at the end of the period)		(49,41,125)
	Funded Status		(23,15,269)
	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		(23,15,269)
7.	Net Interest Cost for the Current Period		
	Present Value of Benefit Obligation at the beginning of the period		43,04,976
	(Fair Value of Plan Assets at the beginning of the period)		(19,98,776)
	Net Liability / (Asset) at the beginning		23,06,200
	Interest Cost		3,46,120
	(Expected Return on Plan Assets)		(1,60,702)
	Net Interest cost for Current Period		1,85,418
8.	Expenses recognized in the Income Statement		
	Current Service Cost		2,83,575
	Interest Cost		1,85,418
	Actuarial (Gains) / losses		(2,05,511)
	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		2,63,482
9.	Balance Sheet Reconciliation		
	Opening Net Liability		23,06,200
	Expense recognized in statement of Profit or Loss		2,63,482
	Net Transfer in		-
	(Net Transfer Out)		-
	(Benefit Directly paid by Employer)		-
	(Employers Contribution)		(2,54,413)
	Net Liability / (Asset) recognized in Balance Sheet		23,15,269
10.	Other Details		
	No of Members		22
	Salary PM		8,15,898
	Projected Benefit Obligation (PBO)		49,41,125



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

	Prescribed Contribution for Next year (12 months)	8,15,898
11.	Category of Assets	
	Government of India Assets	-
	Corporate Bonds	-
	Special Deposit Scheme	-
	Equity Shares of Listed Companies	-
	Property	-
	Insurer Managed Funds	26,25,856
	Other	-
	Total	26,25,856
12	Experience Adjustment	
	On Plan Liability (gains) / Losses	(42,397)
	On Plan Assets (Losses) / Gains	2,11,965

(Previous Year 2014-15)

1.	Assumption	As On 31/03/2015
	Discount Rate (Previous Year)	9.14%
	Rate of Return on Plan Assets (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



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

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 recognized in Income & Expenses statement		25,146
5	Table of Recognition of Transitional Liability		
	Un Recognized Transitional Liability at start of period		-
	Transitional Liability incurred during the period		-
	(Transitional Liability recognized during the period)		-
	Unrecognized 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 Recognized 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)
	Unrecognized past service cost at the end of the period		-
	Unrecognized 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 Recognized in P & L		5,56,855
9.	Balance Sheet Reconciliation		
	Opening Net Liability		20,26,859
	Expense as above		5,56,855



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

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

2. Compensated Absences:

As per the Company's Policy, a sum of Rs.1,48,724/- (Previous Year Rs. 2,19,507 /-) 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	2015-2016	2014-2015
1) Contribution to Employees Provident Fund	12,33,150	11,48,323
2) Employees State Insurance Scheme	30,444	33,941
Total	12,63,594	11,82,264



KEYNOTE CAPITALS LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016

NOTE 33.

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

Place : Mumbai

Date : 26 MAY 2016

For **KEYNOTE CAPITALS LIMITED**

 RAKESH CHOUDHARY Managing Director	 VINEET SUCHANTI Director	 DEVIN JOSHI Chief Financial Officer
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