# KEYNOTE

Ref # Key17/Stock-Exch.Let/Sm(86) 23rd August, 2017

The Manager
**National Stock Exchange of India Ltd.**
Listing Department
Exchange Plaza, C-1, Block – G,
Bandra Kurla Complex,
Bandra (East),
**Mumbai - 400 051**

**Dear Sir,**

**Ref.: Scrip Code No. 512597**
**Reg.: 24th Annual Report of the Company for the Financial Year 2016-2017**

Please find enclosed herewith the Annual Report for the Financial Year 2016-2017 as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Please acknowledge the receipt.

Thanking you and assuring you of our best co-operation at all times.

Yours sincerely,
For **KEYNOTE CORPORATE SERVICES LIMITED**

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

**Encl: as above**

**Keynote Corporate Services Limited**
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

KEYNOTE

# 24th Annual Report 2016-2017

KEYNOTE CORPORATE SERVICES LTD.

# KEYNOTE CORPORATE SERVICES LIMITED
# ANNUAL REPORT 2016 – 2017

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## BOARD OF DIRECTORS

**Shri B. Madhuprasad**
Chairman

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

**Shri Hitesh Shah**
Director

**Shri Anish Malhotra**
Director

**Shri Vineet Suchanti**
Director

**Smt. Rinku Suchanti**
Director

**Shri Manish Desai**
Director

**Shri Shishir Dalal**
Director

### BOARD COMMITTEES

| Audit Committee | | | Stakeholders Relationship Committee | | |
|---|---|---|---|---|---|
| Shri Shishir Dalal | – | Chairman | Shri B. Madhuprasad | – | Chairman |
| Shri Hitesh Shah | – | Member | Shri Uday S. Patil | – | Member |
| Shri Manish Desai | – | Member | Shri Hitesh Shah | – | Member |
| **Management Committee** | | | **Nomination and Remuneration Committee** | | |
| Shri Vineet Suchanti | – | Chairman | Shri Anish Malhotra | – | Chairman |
| Shri B. Madhuprasad | – | Member | Shri B. Madhuprasad | – | Member |
| Shri Uday S. Patil | – | Member | Shri Hitesh Shah | – | Member |
| | | | Shri Manish Desai | – | Member |

**COMPANY SECRETARY**
Shri Sujeet Krishna More

**REGISTERED OFFICE**
Keynote Corporate Services Limited
The Ruby, 9th floor,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028
CIN: L67120MH1993PLC072407

**SHARE TRANSFER AGENT**
Link Intime India Pvt. Ltd.,
C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Tel : (022) 49186000
Fax : (022) 49186060
www.Linkintime.co.in

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

**AUDITORS**
S M S R & Co. LLP
Chartered Accountants,
A–005, Gr. Floor, Western Edge-II,
Off Western Express Highway,
Borivali East,
Mumbai – 400 066

**Twenty-Fourth Annual General Meeting**
On Wednesday, 23rd August, 2017 at 10.00 a.m.
At Homi J. H. Taleyarkhan Memorial Hall,Indian Red Cross Society,
141, Shahid Bhagat Singh Road, Fort,(Town Hall Compound),
Mumbai – 400 001

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KEYNOTE CORPORATE SERVICES LIMITED WILL BE HELD ON WEDNESDAY, 23RD DAY OF AUGUST, 2017 AT HOMI J. H. TALEYARKHAN MEMORIAL HALL, INDIAN RED CROSS SOCIETY, 141, SHAHID BHAGAT SINGH ROAD (TOWN HALL COMPOUND) FORT, MUMBAI – 400 001 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditor's thereon.
2. To declare dividend for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri Uday S. Patil, (DIN - 00003978), who retires by rotation and being eligible offers himself for reappointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the Members at the 23rd Annual General Meeting (AGM) held on 29th July, 2016 re-appointing M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094) as statutory auditors of the Company, to hold office from the conclusion of the 23rd AGM till conclusion of the 28th AGM, the appointment of M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094), as statutory auditors of the Company, to hold office from the conclusion of this Meeting i.e. 24th AGM until the conclusion of the 25th AGM of the Company, be ratified by the Members at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, based on the recommendation of the Audit Committee in connection with the Audit of the accounts of the Company for the Year ending 31st March, 2018."

**SPECIAL BUSINESS:**

5. Appointment of Smt. Rinku Suchanti (DIN: 00012903) as a Whole-Time Director of the Company.

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

   **"RESOLVED THAT** pursuant to Sections 196, 197, 203 and other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the appointment of Smt. Rinku Suchanti (DIN: 00012903) as Whole Time Director of the Company for a period of 3 (three) years with effect from 25th May, 2017, on the terms and conditions of appointment and remuneration which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Smt. Rinku Suchanti.

   **RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Smt. Rinku Suchanti, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Shri. Uday S. Patil, Director and/or Company Secretary of the Company be and is hereby authorized to file the necessary returns with the Registrar of Companies, Maharashtra, Mumbai, and to do all the acts, deeds and sign any documents to give effect to this resolution."

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

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

**Date: 25th May, 2017**
**Place: Mumbai**

**NOTES:**

1) An Explanatory Statement pursuant to Section 102 of the companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional information, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), in respect of the directors seeking appointment/ re – appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/ declaration for their appointment/re – appointment as required under the Companies Act, 2013 and the Rules there under.

2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 [FORTY-EIGHT] HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 [ten] percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.

4) Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

5) The Register of Members and share transfer books of the Company will remain closed from Saturday, 19th August, 2017 to Wednesday, 23rd August, 2017 (both days inclusive).

6) The dividend for the financial year 31st March, 2017, as recommended by the Board of Directors, if approved by the Members, will be paid after Annual General Meeting to those Members holding shares in physical form whose names shall appear on the Company's Register of Members on closure of business hours i.e. 18th August, 2017; in respect of the shares held in dematerialized form the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on 18th August, 2017.

7) The Dividend is proposed to be disbursed by way of National Electronic Clearing Service (NECS). For this purpose, the details such as, name of the Bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the Bank, account type, account number etc. are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.

8) The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy.

9) Members wishing to claim dividends, which have remained unclaimed, are requested to correspond with Registrar & Share Transfer Agent and Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection fund constituted by the Central Government.

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

| Date of Declaration of Dividend | Dividend for the year | Proposed date for transfer to Investor Education and Protection Fund (IEPF) |
|---|---|---|
| 29th September, 2010 | 2009 - 2010 | 6th November, 2017 |
| 30th September, 2011 | 2010 - 2011 | 7th November, 2018 |
| 27th September, 2012 | 2011 - 2012 | 4th November, 2019 |
| 25th September, 2013 | 2012 - 2013 | 2nd November, 2020 |
| 9th September, 2014 | 2013 - 2014 | 17th October, 2021 |
| 29th September, 2015 | 2014 - 2015 | 6th November, 2022 |
| 29th July, 2016 | 2015 - 2016 | 5th September, 2023 |

All the members are requested to note that as per the notification of Ministry of Corporate Affairs (MCA) dated 10th May, 2012 full details of shareholders and dividend amount pending encashment have been uploaded on website of MCA (i.e. www.mca.gov.in) and Company (i.e. www.keynoteindia.net). Said information for the period up to 29th July, 2016 has been made available and will be updated as per the requirements. The members may check the details for unclaimed dividend if any and approach the Company and Registrar for getting the same paid. During Financial Year 2016-2017 Company has transferred a sum of ₹ 1,12,393/- (Rupees One Lac Twelve Thousand Three Hundred Ninety Three only) Unclaimed Dividend of Financial Year 2008-2009 to Investor Education and Protection Fund (IEPF) on 29th September, 2016.

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

10) All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday & Sunday between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

11) Members are requested to:

i. Intimate changes, if any, in their registered address at the earliest.

ii. Furnish PAN with Income Tax Ward/Range/District to the Company.

iii. Quote ledger folio nos. in all the correspondence with the Company and the Transfer Agent. In case shares are held in dematerialized mode, please quote the DP ID No. and client ID in all the correspondence.

iv. Bring the copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.

v. Send the queries, if any, **at least 7 (Seven) days in advance** of the meeting so that the information can be made available at the meeting.

12) Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Limited Unit: Keynote Corporate Services Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, for the purpose of service of documents under Section 20 of the Companies Act, 2013. The members are also requested to update their

e-mail address in the Depository Account holding shares of the Company in dematerialized mode enabling the Registrar to consider the same. The form for sending the response is annexed at the end of the Annual Report.

13) **Voting through electronic means**

In compliance with provisions of Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Listing Regulations, the Company is pleased to provide members the facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM.

The E-voting period for all items of business contained in this Notice shall commence from Sunday, 20th August, 2017 (10.00 a.m. IST) and will end on Tuesday, 22nd August, 2017 (5.00 p.m. IST) During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 16th August, 2017 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently or cast vote again.

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

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

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

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

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

(i) The voting period begins on Sunday, 20th August, 2017 (10.00 a.m. IST) and ends on Tuesday, 22nd August, 2017 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 16th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | |
|---|---|
| PAN | **For Members holding shares in Demat Form and Physical Form**<br>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)·<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field. |
| Dividend Bank Details<br>**OR**<br>Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv). |

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xi) Click on the EVSN for the relevant Keynote Corporate Services Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

**In respect of Item No. 5 - Appointment of Smt. Rinku Suchanti (DIN: 00012903) as Whole-Time Director**

The Board of Directors, on the recommendation of Nomination and remuneration Committee at their Meeting held on 25th May, 2017, appointed Smt. Rinku Suchanti as a Whole-time Director of the Company for a term of three years with effect from 25th May, 2017, subject to approval of the Shareholders at the ensuing Annual General Meeting.

Smt. Rinku Suchanti has been one of the Directors with the Company since March, 2015. Her appointment was approved by the members in the 22nd Annual General Meeting held on 29th September, 2015.

The remuneration drawn by Smt. Rinku Suchanti is approved by Nomination and remuneration Committee of the Company and is within the limits prescribed by Section 197 and Schedule V of the Companies Act, 2013, the details of the same are as follows:

Salary: ₹ 2,50,000/- (Rupees Two lac Fifty Thousand only) per month with increments as per the Company's Policy and as may be determined by the Board of Directors, from time to time, within the limits prescribed by Section 197 and Schedule V of the Companies Act, 2013 and subject to approval of the Central Government, if any, she will be entitled to perquisites as per Company's rules.

She shall not be paid any sitting fees for attending the meetings of the Board of Directors/Committees thereof.

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

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

I. **General Information**:

1. Nature of Industry

   Merchant Baking/Corporate Advisory Services

2. Date or expected date of commencement of commercial production

   Not Applicable

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

   Not Applicable

4. Financial performance based on given indicators during financial year ended 31st March, 2017

   (₹ In lacs)

| | | |
|---|---|---|
| Total Income | : | 763.99 |
| Expenses | : | 527.14 |
| Profit | : | 236.85 |
| EPS (₹) | : | 2.69 |
| P/E Ratio (times) | : | 18.20 |
| Total Assets | : | 5451.45 |

5. Foreign investment or collaborators, if any

   As on 31st March, 2017, the foreign shareholding in the company is 5,66,194 Equity Shares representing 8.07% of the total capital.

**II. Information about Smt. Rinku Suchanti, Whole-Time Director**

1. **Background Details:**
   Smt. Rinku Suchanti has completed her graduation (Bachelor of Commerce) in the year 1993-94 from South City College from Kolkata University and also holds the Diploma in Interior Design from Jenson & Nicholson from Kolkata.
   She has wide experience in interior designing and administration. She gives her inputs as a Director on the Board of Keynote Corporate Services Limited.
2. **Past remuneration:**
   NIL
3. **Recognition or awards:**
   **NIL**
4. **Job profile and her suitability:**
   Smt. Rinku Suchanti, would be one of the Whole-Time Director of the Company. She is providing an administrative support to the management and has been one of the authorized signatories on behalf of the Company. She is found to be suitable for the job being of the Executive Director and Woman Director.
5. **Remuneration proposed:**
   The remuneration of Smt. Rinku Suchanti is set out above.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**
   Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Smt. Rinku Suchanti, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.
7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**
   Smt. Rinku Suchanti is one of the person forming part of Promoter Group of the Company and apart from the remuneration stated above, Smt. Rinku Suchanti, has no other pecuniary relationship directly or indirectly with Company.

**III. Other Information**

1. **Reason of loss or inadequate profits**
   Not Applicable
2. **Steps taken or proposed to be taken for improvement**
   The Company has well defined business strategy wherein focus on completion of various assignments is laid. The efforts to complete the transactions within the said timelines are on. The execution team has been assigned structured timelines to adhere.
3. **Expected increase in productivity and profits in measurable terms.**
   The Company expects to increase the productivity and profit by increasing new mandates. Various mandates at various stages of execution are reviewed from time to complete. As a result company expects to improve both the top line and the bottom line growth.

**IV. Disclosures**

Except Smt. Rinku Suchanti and Shri Vineet Suchanti, none of the Directors and Key Managerial personnel of the company and their relative are concerned or interested, financial or otherwise, in the resolution set out at item no. 5.

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

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

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

**Date: 25th May, 2017**
**Place: Mumbai**

## ANNEXURE TO THE NOTICE

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36 of the Listing Regulations:**

**1. Shri Uday S. Patil – Director seeking re-appointment.**

**A. A brief resume of the director and Nature of his expertise in specific function areas:**

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

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

**B. Disclosure of relationships between directors inter-se:**

None of the Directors of the Company are related to Shri. Uday S. Patil.

**C. Name of the listed entities in which the person also holds the directorship and the membership of Committees of the board:**

| Name of the Company | Directorship | Membership of the Committees |
|---|---|---|
| Not Applicable | | |

**D. Shareholding in the Company:**

2500 Equity shares as on 31st March, 2017

**2. Smt. Rinku Suchanti**

**A. A brief resume of the director and Nature of her expertise in specific function areas:**

Smt. Rinku Suchanti, would be one of the Whole-Time Director of the Company. She is providing an administrative support to the management and has been one of the authorized signatories on behalf of the Company. She is found to be suitable for the job being of the Executive Director and Woman Director.

**B. Disclosure of relationships between directors inter-se:**

Smt. Rinku Vineet Suchanti one of the Directors of the Company is the spouse of Shri Vineet Suchanti. None of the other directors are related to Smt. Rinku Suchanti except mentioned above.

**C. Name of the listed entities in which the person also holds the directorship and the membership of Committees of the board:**

| Name of the Company | Directorship | Membership of the Committees |
|---|---|---|
| Not Applicable | | |

**D. Shareholding in the Company:**

3802 Equity shares as on 31st March, 2017.

## DIRECTORS' REPORT

**The Members of KEYNOTE CORPORATE SERVICES LIMITED**

Dear Shareholder(s),

Your Directors have pleasure in presenting their 24th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2017.

### FINANCIAL RESULTS

(₹ In lacs)

| Particulars | Year Ended 31-03-2017 | Year Ended 31-03-2016 |
|---|---|---|
| **Total Income** | **763.98** | 997.87 |
| Gross Operating Profit | **278.09** | 525.55 |
| Depreciation | **41.24** | 44.03 |
| Exceptional Items | **—** | — |
| **Profit Before Tax** | **236.85** | 481.52 |
| Provision for : | | |
| Current Tax | **48.32** | 114.95 |
| Short / (Excess) provision for tax in respect of earlier years | **03.08** | 00.72 |
| Deferred Tax Liability/(Assets) | **(3.51)** | 18.15 |
| **Profit After Tax** | **188.96** | 347.70 |
| Profit/(Loss) brought forward from Previous year | **1832.97** | 1,567.59 |
| Surplus available for appropriations | **2021.93** | 1,915.29 |
| Proposed Dividend | **70.18** | 70.18 |
| Tax on Dividend | **14.29** | 12.14 |
| Transferred to General Reserve | **—** | — |
| **Balance carried forward** | **2021.93** | 1,832.97 |

### DIVIDEND

Your directors are pleased to recommend a dividend of ₹ 1/- per Equity Share of face value of ₹ 10/- each (i.e. 10%) for the year ended 31st March, 2017. The dividend will be paid subject to approval of members at the 24th Annual General Meeting (AGM).

### OPERATIONS

The financial year 2016-17 witnessed a marginal increase in public equity market dominated by IPOs. 25 Main Board IPOs were launched during the financial year and 78 SME IPOs were completed in the same year. The average issue size in SME segment enhanced to about ₹ 10 crores as against about ₹ 6 crores. The mobilization of resources through Rights issue had declined. During the financial year 13 Rights issues were completed. Your Company successfully completed SME IPO, Rights issues and have handled Exit offers in respect of Companies shifted to 'Dissemination Board' by SEBI. Company focused on quality transactions with full-fledged efforts towards transparency and completion of assignments in appropriate manner. Your Company was successful in handling about 24% of the Rights issues completed during the financial year and was ranked no.1 Investment Banker (Prime Database) in respect of number of Rights issues handled.

Besides capital market transactions, Company continued to provide corporate advisory services, valuations, ESOP advisory services to various clients. Company continued to maintain long term business relationship with the prominent clients. The total income during the year was ₹ 763.98 lacs as against ₹ 997.87 lacs for the previous year. Consequently the profit after tax was at a lower level to ₹ 188.96 lacs. November 2016 witnessed a path breaking initiative of demonetization by the Government of India. During the period capital market activity was subdued. However, activity is likely to pick up and Company hopes to get benefited.

**OPERATIONS OF SUBSIDIARIES**

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

Besides trading, KCL also concentrated on marketing of financial products such as IPOs. During the year, KCL was ranked as No.1 'Underwriter' by Prime. KCL also offered its holding in BSE shares for sale in the recently concluded IPO of BSE.

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

As stipulated by Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] the consolidated financial statement have been prepared by the Company in accordance with the applicable Accounting standards. The audited consolidated financial statements together with Auditors Report form part of the Annual Report.

The company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on the company's Website http://www.keynoteindia.net/document-hosting/financial_results/Material_Subsidiary Policy.pdf

**TRANSFER TO RESERVES**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Regulation 34 of the Listing Regulations with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

**CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Companies Act, 2013 and Listing Regulations require compliances with specified Corporate Governance practices. These practices have been fully implemented and a certificate from the Practicing Company Secretary as well as a detailed report on Corporate Governance approved by the Board of Directors of the Company is set

out in the Annual Report. Your Company has also been enlisted in the new SEBI Complaint Redressal System (SCORES) enabling the investors to register their complaints if any for speedy redressal.

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company continued to be listed and traded on the BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE). The scrip code number of the Equity Shares of the Company on BSE is 512597/KEYCORPSER and on NSE is KEYCORPSER. The Company has paid up to date listing fees to both the stock exchanges.

**DEMATERIALIZATION**

The Equity Shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Ltd. (NSDL), Central Depository Services (India) Ltd. (CDSL) and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders. The International Securities Identification Number (ISIN), allotted to the Company is INE681C01015. The Equity Shares of the Company are listed and traded on BSE and NSE. On BSE the equity shares of the Company are traded in "B" segment. The Equity Shares of the Company are being traded in compulsory dematerialized mode. Presently 96.55% of equity capital of the company is in dematerialized mode.

**PUBLIC DEPOSIT**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and the necessary rules made there under during the year ended 31st March, 2017.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company understands and values Corporate Social Responsibility (CSR) initiatives of the Government and has also noted the requirements of CSR activities in terms of Companies Act, 2013. The requirement of mandatory implementation of CSR activity is presently not applicable to your company.

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

**(A) Conservation of energy:**

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

**(B) Technology absorption:**

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

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

a) The foreign exchange earnings ₹ 35.91 lacs (previous year ₹ 25.85 lacs).

b) The foreign exchange expenditure ₹ 1.07 lacs (previous year ₹ 0.82 lacs).

**STATE OF AFFAIRS**

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

**DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013**

There are no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**DIRECTOR AND KEY MANAGERIAL PERSONNEL (KMP)**

**(i) Changes in Director and Key Managerial Personnel (KMP):**

During the Financial Year there was no change in Composition of the Board of Directors.

Events occurred between the end of the financial year of the Company and date of this report:

a. Shri. Vineet Suchanti approached the Company informing about various opportunities abroad which he wished to explore and evaluate. As a result he will not be in a position to look after day to day affairs of the Company and hence resigned as Managing Director w.e.f. 5th April, 2017 and expressed his willingness to continue as Non-Executive Director of the Company. Accordingly, the Board has appointed him as a Non-executive Director of the Company.

b. Smt. Rinku Suchanti a Non Executive Director of the Company expressed her willingness and gives her consent to act as a Whole-time Director of the Company. Accordingly, the Board appointed her as Whole-time Director w.e.f 25th May, 2017, subject to approval by the Members of the Company.

c. Ms. Saloni Maru has resigned with effect from 21st April, 2017 and Shri. Sujeet Krishna More has joined as Company Secretary and Compliance Officer of the Company with effect from 25th May, 2017.

**(ii) Retirement by rotation:**

As per the provisions of Section 152 of the Companies Act, 2013, Shri Uday S. Patil (DIN: 00003978) retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend their approval.

**(iii) Declaration of Independence**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 25 of the Listing Regulations.

**(iv) Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Listing Regulations. Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework.

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

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

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**(v) DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Regulation 19 of the Listing Regulations the Board of Directors at their meeting held on 7th August, 2014 formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

**(vi) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEES**

Your Board of Directors duly met four (4) times during the financial year i.e. on 26th May, 2016, 11th August, 2016, 10th November, 2016 and 9th February, 2017 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Audit Committee duly met four (4) times during the financial year i.e. on 26th May, 2016, 11th August, 2016, 10th November, 2016 and 9th February, 2017 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

**(vii) Directors Responsibility Statement**

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

(a) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) They have 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) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER**

In accordance with the provisions of section 197(12) of the Companies Act, 2013, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub section 12 of Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as **"Annexure [A]"**.

In accordance with provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection by Members at the Registered Office of the Company, 21 (Twenty one) days before and up to the date of the ensuing Annual General Meeting during the business hours on working days. Any Shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer at the Registered Office of the Company.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014, the Extract of Annual Return **(Form No. MGT-9)** as on the financial year ended on 31st March, 2017 is enclosed as **"Annexure – [B]"** to the Directors' Report.

**AUDIT REPORTS AND AUDITORS**

**AUDIT REPORTS**

The observations made by the Statutory Auditors in their Report for the Financial Year Ended 31st March, 2017, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

The Secretarial Auditor's Report for the Financial Year 2016-17 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed herewith as **"Annexure - [C]"**

**AUDITORS**

**Statutory Auditors**

M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094) was re-appointed as Statutory Auditors of the Company at 23rd Annual General Meeting which was held on 29th July, 2016 to hold the office as Statutory Auditor from the conclusion of 23rd Annual General Meeting till conclusion of 28th Annual General Meeting (AGM) of the Company subject to ratification by the Members of the Company at every Annual General Meeting (AGM). M/s. S M S R & CO LLP is willing to act as a Statutory Auditor of the Company for the financial year 2017 – 2018. The Company has received a written consent from them vide letter No. SMSR/2017-18/AAS/SS/002 dated 5th April, 2017 for their reappointment and also confirmations from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Statutory Auditors of the Company.

As recommended by Audit Committee, the Board has proposed the appointment of M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094) as Statutory Auditors for the financial year 2017-2018.

Necessary resolution for appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Uma Lodha & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

**RELATED PARTY TRANSACTIONS**

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

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

**CODE OF CONDUCT**

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

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

**RISK MANAGEMENT**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Regulation 17 of Listing Regulations the Company has formulated risk management policy and the same has been placed on the company website.

http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Risk%20Management%20Policy.pdf

At present the company has not identified any element of risk which may adversely affect functioning of the company.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. Said code of conduct is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have complied with the Code.

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

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company's operations in future.

**GENERAL DISCLOSURES**

- **DISCLOSURE UNDER SECTION 43(a) (ii) OF THE COMPANIES ACT, 2013**

  The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 54(1) (d) OF THE COMPANIES ACT, 2013**

  The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 62(1) (b) OF THE COMPANIES ACT, 2013**

  The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013**

  During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**ACKNOWLEDGMENT**

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

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

**Sd/-**
**B. Madhuprasad**
**Chairman**
**(DIN: 00004632)**

**Date: 25th May, 2017**
**Place: Mumbai**

**Annexure [A] to Director's Report**
**Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

**Particulars of employees**

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

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

| Directors | Ratio to median remuneration |
|---|---|
| Shri Manish Desai | 0.08 |
| Shri Shishir Dalal | 0.11 |
| Shri Anish Malhotra | — |
| Shri Hitesh Shah | — |
| Smt. Rinku Suchanti | — |
| Shri B. Madhuprasad | 2.00 |
| Shri. Vineet Suchanti | 10.42 |
| Shri. Uday S. Patil | 9.29 |

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % Increase in remuneration in the financial year |
|---|---|
| Shri Vineet Suchanti | 8.66 |
| Shri Uday S. Patil | 16.67 |
| Shri Manish Desai | 75.00 |
| Shri Shishir Dalal | 233.33 |
| Shri Anish Malhotra | — |
| Shri Hitesh Shah | — |
| Smt. Rinku Suchanti | — |
| Shri B. Madhuprasad | — |
| Ms. Saloni Maru | — |

**c. The percentage increase in the median remuneration of employees in the financial year: (Nil)**

**d. The number of permanent employees on the rolls of Company: 20**

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

The average annual increase was around 8.67%. However, during the course of the year, the total increase is approximately 130.04%, after accounting for promotions and other event based compensation revisions. The management wish to retain the well settled manpower by making annual increment irrespective of Company's financial performance. Increase in the managerial remuneration for the year was 25.32%

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

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

**By Order of the Board**

**For Keynote Corporate Services Limited**

**Sd/-**

**B. Madhuprasad**

**Chairman**

**(DIN: 00004632)**

**Date: 25th May, 2017**

**Place: Mumbai**

## Annexure [B] to Director's Report

**Extract of Annual Return as on 31st March, 2017**

**Form No. MGT-9**

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

I. **REGISTRAION AND OTHER DETAILS**:

| | | | |
|---|---|---|---|
| i. | Corporate Identity Number (CIN) | : | L67120MH1993PLC072407 |
| ii. | Registration Date | : | 16th June, 1993 |
| iii. | Name of the Company | : | Keynote Corporate Services Limited |
| iv. | Category/Sub-Category of the Company | : | Public Company Limited by Shares |
| v. | Address of the Registered office and contact details | : | The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West) Mumbai – 400 028<br>Tel : (022) 30266000<br>Fax : 022) 30266088<br>Email: investors@keynoteindia.net<br>Website: www.keynoteindia.net |
| vi. | Whether listed Company (Yes/No) | : | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | M/s. Link Intime India Pvt. Limited<br>C-101, 247, Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai – 400 083<br>Telephone No.: (022) 49186000<br>Fax Number : (022) 49186060<br>Email ID: rnt.helpdesk@linkintime.co.in |

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

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

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|---|---|---|---|
| 1. | Investment Banking and Advisory Services | 649 | 100 |

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

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

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

I. **Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. 1st April, 2016) | | | | No. of Shares held at the end of the year (i.e. 31st March, 2017) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/HUF | 651052 | — | 651052 | 9.28 | 651052 | — | 651052 | 9.28 | — |
| b) Central Govt. | — | — | — | — | — | — | — | — | — |
| c) State Govt(s) | — | — | — | — | — | — | — | — | — |
| d) Bodies Corporate | 3411166 | — | 3411166 | 48.60 | 3411166 | — | 3411166 | 48.60 | — |
| e) Banks/FI | — | — | — | — | — | — | — | — | — |
| f) Any Other…… | — | — | — | — | — | — | — | — | — |
| **Sub-Total (A) (1):-** | **4062218** | **---** | **4062218** | **57.88** | **4062218** | **---** | **4062218** | **57.88** | **---** |
| (2) **Foreign** | | | | | | | | | |
| a) NRIs- Individuals | — | — | — | — | — | — | — | — | — |
| b) Other-Individuals | — | — | — | — | — | — | — | — | — |
| c) Bodies Corp. | — | — | — | — | — | — | — | — | — |
| d) Banks/FI | — | — | — | — | — | — | — | — | — |
| e) Any Other…. | — | — | — | — | — | — | — | — | — |
| **Sub-total (A)(2) :-** | — | — | — | — | — | — | — | — | — |
| **Total Shareholding of Promoter (A) = (A) (1)+(A)(2)** | **4062218** | **—** | **4062218** | **57.88** | **4062218** | **—** | **4062218** | **57.88** | **—** |
| **B. Public Shareholding** | | | | | | | | | |
| 1. **Institutions** | | | | | | | | | |
| a) Mutual Funds | — | 13900 | 13900 | 0.20 | — | 13900 | 13900 | 0.20 | — |
| b) Bank/FI | 300 | — | 300 | 0.00 | 300 | — | 300 | 0.00 | — |
| c) Central Govt. | — | — | — | — | — | — | — | — | — |
| d) State Govt(s) | — | — | — | — | — | — | — | — | — |
| e) Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| f) Insurance Companies | — | — | — | — | — | — | — | — | — |
| g) FIIs | 561348 | — | 561348 | 8.00 | 561348 | — | 561348 | 8.00 | — |
| h) Foreign Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| i) Others (specify) | — | — | — | — | — | — | — | — | — |
| **Sub-Total (B)(1):-** | **561648** | **13900** | **575548** | **8.20** | **561648** | **13900** | **575548** | **8.20** | **---** |

| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. 1st April, 2016) | | | | No. of Shares held at the end of the year (i.e. 31st March, 2017) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. **Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 108397 | 31200 | 139597 | 1.99 | 103926 | 31200 | 135126 | 1.92 | (0.07) |
| ii) Overseas | — | — | — | — | — | — | — | — | —— |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh. | 313780 | 194986 | 508766 | 7.45 | 362050 | 194186 | 556236 | 7.92 | 0.48 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 245867 | — | 245867 | 3.30 | 205450 | — | 205450 | 2.93 | (0.37) |
| c) Others | | | | | | | | | |
| i) Non-resident Indians (Repat) | 2216 | 2100 | 4316 | 0.06 | 2216 | 2100 | 4316 | 0.06 | — |
| ii) Non Resident (Non Repatriable) | 630 | — | 630 | 0.01 | 530 | — | 530 | 0.01 | — |
| iii) Trust | 1451702 | 200 | 1451902 | 20.69 | 1451702 | 200 | 1451902 | 20.69 | — |
| iv) Hindu Undivided Family | 17790 | 500 | 18290 | 0.26 | 17498 | 500 | 17998 | 0.26 | — |
| v) Clearing Member | 11205 | — | 11205 | 0.16 | 9015 | — | 9015 | 0.13 | (0.03) |
| **Sub-Total (B)(2)** | **2151587** | **228986** | **2380573** | **33.92** | **2152387** | **228186** | **2380573** | **33.92** | **—-** |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **2713235** | **242886** | **2956121** | **42.12** | **2714035** | **242086** | **2956121** | **42.12** | — |
| **C. Shares held by Custodian for GDRs & ADRs** | | | | | | | | | |
| **Promoter and Promoter Group** | — | — | — | — | — | — | — | — | — |
| **Public** | — | — | — | — | — | — | — | — | — |
| **Grand Total (A+B+C)** | **6775453** | **242886** | **7018339** | **100.00** | **6775453** | **242886** | **7018339** | **100.00** | — |

ii) **Shareholding of Promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year i.e. 1st April, 2016 | | | Share holding at the end of the year i.e. 31st March, 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of shares pledged/ encumbered to total shares | % change in share holding during the year |
| 1. | NSS Digital Media Limited | 2932256 | 41.78 | — | 3112256 | 44.34 | — | 2.56 |
| 2. | Nirmal Suchanti – HUF | 282499 | 4.03 | — | 282499 | 4.03 | — | — |
| 3. | Concept Production Limited | 241600 | 3.44 | — | 241600 | 3.44 | — | — |
| 4. | Dhanvirdhi Tie up Pvt. Limited | 184010 | 2.62 | — | 4010 | 0.06 | — | (2.56) |
| 5. | Pushpa Nirmal Suchanti | 132308 | 1.89 | — | 132308 | 1.89 | — | — |
| 6. | Nirmal Suchanti | 117647 | 1.68 | — | 117647 | 1.68 | — | — |
| 7. | Naga Accounts Management Pvt. Ltd., | 53300 | 0.76 | — | 53300 | 0.76 | — | — |
| 8. | Vivek Suchanti | 49440 | 0.70 | — | 49440 | 0.70 | — | — |
| 9. | B. Madhuprasad | 48550 | 0.69 | — | 48550 | 0.69 | — | — |
| 10. | Vineet Suchanti | 11977 | 0.17 | — | 11977 | 0.17 | — | — |
| 11. | Rita Suchanti | 4829 | 0.07 | — | 4829 | 0.07 | — | — |
| 12. | Rinku Suchanti | 3802 | 0.05 | — | 3802 | 0.05 | — | — |
| | **Total** | **4062218** | **57.88** | — | **4062218** | **57.88** | — | — |

iii) **Change in Promoters' Shareholding as on 31st March, 2017 (Please specify, if there is no change)**

| Sr. No. | Shareholder's Name | No. of Shares at the beginning i.e. 01.04.2016 | % of total Shares of the Company | Date | Increase/ (Decrease) in Shareholding | Reason | Cumulative Shares during the year | % of total shares of the company during the year |
|---|---|---|---|---|---|---|---|---|
| 1. | NSS Digital Media Limited | 2932256 | 41.78 | | | | 2932256 | 41.78 |
| | | | | 28-02-2017 | 100000 | Purchase | 3032256 | 43.20 |
| | | | | 02-03-2017 | 80000 | Purchase | 3112256 | 44.34 |
| | At the end of the year (31-03-2017) | | | | | | 3112256 | 44.34 |
| 2. | Nirmal Suchanti – HUF | 282499 | 4.03 | No Change | | | 282499 | 4.03 |
| 4. | Dhanvirdhi Tie up Pvt. Limited | 184010 | 2.62 | | | | 184010 | 2.62 |
| | | | | 28-02-2017 | (100000) | Sale | 84010 | 1.20 |
| | | | | 02-03-2017 | (80000) | Sale | 4010 | 0.06 |
| | At the end of the year (31-03-2017) | | | | | | 4010 | 0.06 |
| 5. | Pushpa Nirmal Suchanti | 132308 | 1.89 | No Change | | | 132308 | 1.89 |
| 6. | Nirmal Suchanti | 117647 | 1.68 | No Change | | | 117647 | 1.68 |
| 7. | Naga Accounts Management Pvt. Ltd., | 53300 | 0.76 | No Change | | | 53300 | 0.76 |
| 8. | Vivek Suchanti | 49440 | 0.70 | No Change | | | 49440 | 0.70 |
| 9. | B. Madhuprasad | 48550 | 0.69 | No Change | | | 48550 | 0.69 |
| 10. | Vineet Suchanti | 11977 | 0.17 | No Change | | | 11977 | 0.17 |
| 11. | Rita Suchanti | 4829 | 0.07 | No Change | | | 4829 | 0.07 |
| 12. | Rinku Suchanti | 3802 | 0.05 | No Change | | | 3802 | 0.05 |

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

| Sr. No. | Shareholder's Name | Shareholding | | Date | Increase/ (Decrease) in Shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | For each of the top Ten Shareholders | No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017) | % of total Shares of the company | | | | No. of Shares | % of total Shares of the Company |
| 1 | Keynote Trust | 1451702 | 20.68 | 01-04-2016 | 0 | NIL Movement | 1451702 | 20.68 |
| | | 1451702 | 20.68 | 31-03-2017 | | during the year | | |
| 2 | India Max Investment Fund Ltd., | 561348 | 8.00 | 01-04-2016 | 0 | NIL Movement | 561348 | 8.00 |
| | | 561348 | 8.00 | 31-03-2017 | | during the year | | |
| 3 | Gaurav Himatsingka | 121000 | 1.72 | 01-04-2016 | 0 | NIL Movement | 121000 | 1.72 |
| | | 121000 | 1.72 | 31-03-2017 | | during the year | | |
| 4 | Skunk Agents Private Limited | 41914 | 0.59 | 01-04-2016 | 0 | NIL Movement | 41914 | 0.59 |
| | | 41914 | 0.59 | 31-03-2017 | | during the year | | |
| 5 | Bela Properties Private Limited | 36046 | 0.51 | 01-04-2016 | 120 | Purchase | 36166 | 0.51 |
| | | 36166 | 0.51 | 31-03-2017 | | | | |
| 6 | Gulu Khuba Watumull | 36071 | 0.51 | 01-04-2016 | 0 | NIL Movement | 36071 | 0.51 |
| | | 36071 | 0.51 | 31-03-2017 | | during the year | | |
| 7 | Manoj J. Bagadia | 24880 | 0.35 | 01-04-2016 | 0 | NIL Movement | 24880 | 0.35 |
| | | 24880 | 0.35 | 31-03-2017 | | during the year | | |
| 8 | Narsingh Pal Singh | 11708 | 0.16 | 01-04-2016 | 11791 | Purchase | 23499 | 0.33 |
| | | 23499 | 0.33 | 31-03-2017 | | | | |
| 9 | Varsha Berlia | 16000 | 0.22 | 01-04-2016 | 0 | NIL Movement | 16000 | 0.22 |
| | | 16000 | 0.22 | 31-03-2017 | | during the year | | |
| 10. | Vikash Berlia | 14000 | 0.19 | 01-04-2016 | 0 | NIL Movement | 14000 | 0.19 |
| | | 14000 | 0.19 | 31-03-2017 | | during the year | | |

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

| Sr. No. | Shareholder's Name | Shareholding | | Date | Increase/ (Decrease) in Shareholding | Reason | Cumulative Shareholding during the year (01-04-2015 to 31-03-2016) | |
|---|---|---|---|---|---|---|---|---|
| | For each of the Directors and KMP | No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017) | % of total Shares of the company | | | | No. of Shares | % of total Shares of the Company |
| | **Directors:** | | | | | | | |
| 1. | Shri B. Madhuprasad | 48550 | 0.69 | 01-04-2016 | 0 | NIL Movement during the year | | |
| | | 48550 | 0.69 | 31-03-2017 | | | 48550 | 0.69 |
| 2. | Shri Vineet Suchanti | 11977 | 0.17 | 01-04-2016 | 0 | NIL Movement during the year | | |
| | | 11977 | 0.17 | 31-03-2017 | | | 11977 | 0.17 |
| 3. | Shri Uday S. Patil | 2500 | 0.03 | 01-04-2016 | 0 | NIL Movement during the year | | |
| | | 2500 | 0.03 | 31-03-2017 | | | 2500 | 0.03 |
| 4. | Shri Hitesh Shah | 0 | 0 | 01-04-2016 | 0 | NIL holding/ Movement during the year | | |
| | | 0 | 0 | 31-03-2017 | | | 0 | 0 |
| 5. | Shri Shishir Vasant Dalal | 0 | 0 | 01-04-2016 | 0 | NIL holding/ Movement during the year | | |
| | | 0 | 0 | 31-03-2017 | | | 0 | 0 |
| 6. | Shri Anish Malhotra | 0 | 0 | 01-04-2016 | 0 | NIL holding/ Movement during the year | | |
| | | 0 | 0 | 31-03-2017 | | | 0 | 0 |
| 7. | Shri Manish Desai | 0 | 0 | 01-04-2016 | 0 | NIL holding/ Movement during the year | | |
| | | 0 | 0 | 31-03-2017 | | | 0 | 0 |
| 8. | Smt. Rinku Suchanti | 3802 | 0.05 | 01-04-2016 | 0 | NIL Movement during the year | | |
| | | 3802 | 0.03 | 31-03-2017 | | | 3802 | 0.03 |
| **Key Managerial Personnel** | | | | | | | | |
| 1. | Shri Uday S. Patil | 2500 | 0.03 | 01-04-2016 | 0 | NIL Movement during the year | | |
| | | 2500 | 0.03 | 31-03-2017 | | | 2500 | 0.03 |
| 2. | Ms. Saloni Dilip Maru (upto 21-04-2017 | 0 | 0 | 01-04-2016 | 0 | NIL holding/ Movement during the year | 0 | 0 |
| | | 0 | 0 | 31-03-2017 | | | 0 | 0 |

## V. INDEBTEDNESS

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

**Amount (₹)**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year 01-04-2016** | | | | |
| i) Principal Amount | 16,94,175/- | —- | 3,00,000/- | 19,94,175/- |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 1,319.21 | — | — | 1,319.21/- |
| Total (i+ii+iii) | 16,95,494.21 | — | 3,00,000/- | 19,95,494.21 |
| **Change in Indebtedness during the financial year** | | | | |
| + Addition | — | 50,894/- | 2,60,000/- | 3,10,894/- |
| - Reduction | 9,80,464.21 | — | 3,00,000/- | 12,80,464.21 |
| **Net Change** | 9,80,464.21 | 50,894/- | 40,000/- | 10,71,358.21 |
| **Indebtedness at the end of the financial year – 31-03-2017** | | | | |
| i) Principal Amount | 7,15,030 | 50,894, | 2,60,000 | 10,25,924/- |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | — | — | — | — |
| Total (i+ii+iii) | 7,15,030 | 50,894/- | 2,60,000/- | 10,25,924/- |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount (₹) |
|---|---|---|---|---|
| | | *Shri Vineet Suchanti – Managing Director | Shri Uday S. Patil – Whole-Time Director | |
| 1. | Gross Salary | (₹) | (₹) | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 51,40,095/- | 45,12,696/- | 96,52,791/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | — | — | — |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | — | — |
| 2. | Stock Option | — | — | — |
| 3. | Sweat Equity | — | — | — |
| 4. | Commission | | | |
| | – As % of Profit | — | — | — |
| | – Others specify | — | — | — |
| 5. | Others, please specify | | | |
| | **Total (A)** | 51,40,095/- | 45,12,696/- | 96,52,791/- |
| | Ceiling as per the Act | | | **1,68,00,000/- |

* Ceased to be Managing Director w.e.f. 5th April, 2017

**The Managerial remuneration paid is in line with Clause A of Section II of Part II of Schedule V of the Companies Act, 2013.

B. **Remuneration of other Directors:**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount (₹) |
|---|---|---|---|---|
| | | Shri Manish Desai | Shri Shishir Dalal | |
| 1. | **Independent Directors** | | | |
| | • Fees for attending board committee meetings | 35,000/- | 50,000/- | 85,000/- |
| | • Commission | Nil | Nil | Nil |
| | • Others | Nil | Nil | Nil |
| | **Total (1)** | 35,000/- | 50,000/- | 85,000/- |

| | Particulars of Remuneration | Name of the Director | Total Amount (₹) |
|---|---|---|---|
| | | Shri B. Madhuprasad | |
| 2. | **Other Non-Executive Directors** | | |
| | • Fees for attending board committee meetings | Nil | Nil |
| | • Commission | Nil | Nil |
| | • Others (Professional fees) | 9,00,000/-* | 9,00,000/- |
| | **Total (2)** | 9,00,000/-* | 9,00,000/- |

| | | | |
|---|---|---|---|
| | **Total B = (1+2)** | | 9,85,000/- |
| | Total Managerial Remuneration | | 9,85,000/- |
| | Ceiling as per the Act | * As per Resolution passed by the Nomination & Remuneration Committee of the company. | |

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

| Sl.No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount (₹) |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | |
| | | | Ms. Saloni Dilip Maru* | Shri Uday S. Patil | |
| 1. | Gross Salary | (₹) | (₹) | (₹) | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | — | 4,14,220/- | As mention point No. VI(A) | 4,14,220/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | — | — | — | — |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | — | — | — |
| 2. | Stock Option | — | — | — | — |
| 3. | Sweat Equity | — | — | — | — |
| 4. | Commission | — | | | |
| | – As % of Profit | — | — | — | — |
| | – Others specify | — | — | — | — |
| 5. | Others, please specify | — | — | — | — |
| | **Total** | — | 4,14,220/- | — | 4,14,220/- |

*Ms. Saloni Maru has resigned as Company Secretary and Compliance Officer w.e.f. 21st April, 2017.

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

| 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** | | | | | |

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

**Sd/-**
**B. Madhuprasad**
**Chairman**
**(DIN: 00004632)**

**Date: 25th May, 2017**
**Place: Mumbai**

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

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017**

**To**

**The Members of**
**Keynote Corporate Services Limited**

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by M/s. Keynote Corporate Services Limited for the financial year ended 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (now known as SEBI (Prohibition of Insider Trading) Regulation 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

vi) Other laws specifically applicable to the Company:

- Securities Exchange Board of India (Merchant Bankers) Regulation, 1992.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. As per the representation given by the Company, all the existing related party transactions of the Company with its related parties are in the ordinary course of business and on arm's length basis or as per the contracts existing on the commencement of the Act, 2013 and have been approved by the Audit Committee.

I further report that there were no events/actions in pursuance of:

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;

**We further report that**

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

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

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

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

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

For Uma Lodha & Company

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

Place : Mumbai
Date : 25th May, 2017

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

**ANNEXURE B(i)**

**To,**

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

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

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

For Uma Lodha & Company

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

Place : Mumbai
Date : 25th May, 2017

**ANNEXURE [D] TO DIRECTOR'S REPORT**

**FORM No. AOC-2**

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

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

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

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

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

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

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

**Sd/-**
**B. Madhuprasad**
**Chairman**
**(DIN: 00004632)**

**Date: 25th May, 2017**
**Place: Mumbai**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry structure and developments

Over the years Indian Capital Market has improved and developed as a sophisticated market place with modern facilities and amenities. With a dedicated regulator for the securities market the functions have become systematic and controlled providing depth & discipline to the market structure. SEBI regulates capital market through the process of registering the intermediaries and framing rules & regulations for each activity involving capital market functions. Your Company is one of the capital market intermediaries registered with SEBI as Category I Merchant Banker. Keynote Capitals Limited, the subsidiary of the Company, is also registered with SEBI as 'Corporate Broker' and 'Depository Participant' of Central Depository Services India Ltd.

The industry structure is well defined and organized over a period of time. The capital market regulator acts swiftly to adopt to any change & development that is witnessed in the market place. The consultative process of making rules & regulations and also monitoring the intermediaries is adopted by the regulators making it a very vibrant and transparent structure. The requirement of having trained personnel at various registered intermediaries is being implemented by SEBI which is helping the intermediaries to remain up-to-date in tune with global market conditions and practices followed besides having knowledge and information about the recent developments in the capital market. With India, being one of the favoured investment destination, capital market structure is bound to become more & more sophisticated with latest technologies.

### Opportunities & Threats

Though the capital markets conditions are vibrant, there has been a lot of skepticism about various policy measures. Sudden announcement of decision such as demonetization changes the complexion of the economy and it takes quite a lot of time for entire system to settle. Financial year 2016-17 witnessed the same. Besides this, implementation of major policy initiatives such as GST is also likely to affect operational structure of the system. The economy and businesses may feel distortions affecting their businesses initially. Nevertheless India has been considered as a favourite investment destination by many foreign investors. Besides this, Mutual Fund industry has been witnessing large domestic inflows in their schemes enhancing investible corpus in their hands. This is likely to have the impact on capital markets. At the same time small players find it difficult to raise equity resources and intermediaries such as your Company would find it difficult to penetrate into large ticket transactions.

### Segment-wise performance

The income of the Company comprises of fees received on advisory services in the Merchant Banking, Corporate Finance & ESOP Advisory. On a consolidated basis income further comprises of brokerage, depository services, profit on trading besides interest on loan & advances. During the current year income from core activities was relatively low. However, on account of profit on sale of investments and shares of BSE etc., the income on consolidated basis was relatively higher.

### Outlook

The outlook for the current financial year seems mixed. Large policy changes such as GST is likely to have its impact on operations of the corporates. The capital markets are likely to show positive trends.

### Risks & Concerns

The size of operation of your Company has always been a concern as Investment Banking is moving towards institutionalization. Primary market is dominated by few large Merchant Banks and it is increasingly difficult for mid cap entities to penetrate.

**Internal Control systems and their adequacy**

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

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

The financial year 2016-17 witnessed a marginal increase in public equity market dominated by IPOs. 25 Main Board IPOs were launched during the financial year and 78 SME IPOs were completed in the same year. The average issue size in SME segment enhanced to about ₹ 10 crores as against about ₹ 6 crores. The mobilization of resources through Rights issue was declined. During the financial year 13 Rights issues were completed. Your Company successfully completed SME IPO, Rights issues and have handled Exit offers in respect of Companies shifted to 'Dissemination Board' by SEBI. Company focused on quality transactions with full-fledged efforts towards transparency and completion of assignments in appropriate manner. Your Company was successful in handling about 24% of the Rights issues completed during the financial year and was ranked no.1 Investment Banker (by Prime Database) in respect of number of Rights issues handled.

Besides capital market transactions, Company continued to provide corporate advisory services, valuations, ESOP advisory services to various clients. Company continued to maintain long term business relationship with the prominent clients. The total income during the year was ₹ 763.98 lacs as against ₹ 997.87 lacs for the previous year. Consequently the profit after tax was at a lower level to ₹ 188.96 lacs. November 2016 witnessed a path breaking initiative of demonetization by the Government of India. During the period capital market activity was subdued which affected enthusiasm to some extent. However, activity is likely to pick up and Company hopes to get benefited.

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

There are no material developments in human resources /industrial relations front. The Company continues to operate with a sleek employee structure.

**DISCLOSURE OF ACCOUNTING TREATMENT**

Your Company follows Accounting Standards as prescribed by Institute of Chartered Accountants of India (ICAI) for preparation of financial statements; there is no other such different treatment followed for the same.

## REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The philosophy of governance has been deeply rooted in the culture of the Company over a long period of time. The Company continues to deliver value to its various stakeholders. The practice of responsible governance has enabled the Company to maintain sustainability, while meeting the expectations of all stakeholders and the society at large. Besides complying with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company has adopted various practices and set reasonable standards for conducting business. The Company endeavours to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing value for its shareholders.

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

### GOVERNANCE FRAMEWORK

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

### BOARD STRUCTURE:

**Board Leadership:**

The Company has a well-balanced Board of Directors with members from diverse backgrounds who have experience and expertise in various fields. Out of 8 members on the Board, 4 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence. The Board over the period of years has created a culture of leadership to provide long-term vision and policy approach to improve performance and quality of governance in the Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

**Board Committees:**

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

### BOARD OF DIRECTORS

**Composition:**

The composition of the Board is in conformity with Regulation 17(1) of Listing Regulation as well as the Companies Act, 2013. The Company has a Non-Executive Chairman and an optimum representation of Independent Directors on the Board of Directors of the Company.

The composition of the Board of Directors of the Company as on 31st March, 2017 is as follows:

| Category | : | Name of Directors |
|---|---|---|
| Promoter Directors | : | Shri.B.Madhuprasad<br>Shri.Vineet`Suchanti<br>Smt. Rinku Suchanti |
| Executive Director | | Shri Uday S. Patil |
| Independent Directors | : | Shri Hitesh Shah<br>Shri Anish Malhotra<br>Shri Manish Desai<br>Shri Shishir Dalal |

Smt. Rinku Vineet Suchanti is the spouse of Shri Vineet Suchanti. None of the other directors are related to any other director on the Board.

Board Meetings held during the financial year 2016-2017.

The Board of Directors had met 4 times during the financial year 2016-2017. These meetings were held on 26th May, 2016, 11th August, 2016, 10th November, 2016 and 9th February, 2017. Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31st March, 2017, as applicable, is tabulated hereunder:

| Name of the Director | No. of Board Meeting attended | Attendance at previous AGM on 29/07/2016 | No. of outside Directorships held (Excluding Keynote Corporate Services Limited.) | No. of Membership/ Chairmanship in other Board Committees (Excluding Keynote Corporate Services Limited) | | Nature of Directorship in the Company |
|---|---|---|---|---|---|---|
| | | | | Member | Chairman | |
| Shri B. Madhuprasad [DIN-00004632] | 3 | Yes | 2 | Nil | Nil | Non-Executive |
| Shri Vineet Suchanti [DIN-00004031] | 4 | Yes | 5 | 3 # | 4 ## | Executive |
| Shri Uday S. Patil [DIN-00003978] | 4 | Yes | 2 | Nil | Nil | Executive |
| Shri Hitesh Shah [DIN-00061296] | 2 | No | 1 | 1 * | Nil | Independent |
| Shri Anish Malhotra [DIN-02034366] | 1 | No | 4 | Nil | Nil | Independent |
| Shri Manish Desai [DIN-02925757] | 3 | No | 1 | Nil | Nil | Independent |
| Shrimati. Rinku Suchanti [DIN-00012903] | 4 | Yes | 3 | — | — | Non-Executive |
| Shri Shishir Dalal (DIN-00007008) | 4 | Yes | 7 | 4 @ | 6 @@ | Independent |

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

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

* Member of Audit Committee of Keynote Capitals Limited.

@ Member of "Executive Committee" and "Nomination and Remuneration Committee" and "Banking and Execution Committee" of Sustainable Agro-Commercial Finance Limited and "Risk Management Committee" of Windsor Machines Limited.

@@ Chairman of "Audit Committee" of Sustainable Agro-Commercial Finance Limited, Windsor Machines Limited, Chairman of "Corporate Social Responsibility Committee", "Nomination and Remuneration Committee" and "Fund Raising Committee" and "Compensation Committee" of Windsor Machines Limited.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board/Committees of the Board of other companies.

**INDEPENDENT DIRECTORS:**

The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the Listing Regulations; a statement in this regard forms part of the Board's Report. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Listing Regulations. A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: http://www.keynoteindia.net/document-hosting/AppointmentLetters_CorporateGovernance/Appointment%20Letters%20to%20Independent%20Directors.pdf

**The shareholding of the Non-Executive Directors of the company as on 31st March, 2017 is as follows:**

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

Shri Vineet Suchanti, Managing Director holds 11977 (0.17%) Equity Shares of the Company as on 31st March, 2017 and Shri Uday S. Patil, Whole-Time Director and CFO holds 2500 (0.03%) Equity Shares of the Company as on 31st March, 2017.

**Board Procedures**

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

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

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

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

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

**Directors' Induction and Familiarization**

The provision of an appropriate induction for new Directors and ongoing familiarisation training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Managing Director is responsible for ensuring that such induction programme is provided to Directors. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

a. build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;

b. provide an appreciation of the role and responsibilities of the Director;

c. fully equip Directors to perform their role on the Board effectively; and

d. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The details of Director's induction and familiarization are available on the Company's website at http://www.keynoteindia.net/document-hosting/financial results/Familiarization Pragram for Independent Directors of Keynote.pdf

**Separate Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 9th February, 2017, without the attendance of Non-Independent Directors and members of the management.

**Evaluation of Board Effectiveness**

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Part D of Schedule II of Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2017. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

**COMMITTEES OF THE BOARD**

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

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

**AUDIT COMMITTEE**

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

The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The members of the Audit Committee are financially literate and have

requisite experience in financial management. The Committee invites the Managing Director, Chief Financial Officer (CFO) and Statutory Auditor to attend its meetings.

The previous annual general meeting (AGM) of the Company was held on 29th July, 2016 and was attended by Shri Shishir Dalal, Chairman of Audit Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2017 are detailed below:

The Audit Committee comprises of 3 members namely Shri Shishir Dalal, Shri Hitesh Shah and Shri Manish Desai. All are Independent Directors. The Committee met 4 (four) times during the year under review. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2017.

| Sr. No. | Name of the Director | Designation in Committee | Nature of Directorship in the Company | No. of Meetings attended upto 31st March, 2017 |
|---|---|---|---|---|
| 1. | Shri Shishir Dalal | Chairman | Independent | 4 |
| 2. | Shri Hitesh Shah | Member | Independent | 2 |
| 3. | Shri Manish Desai | Member | Independent | 3 |

The necessary quorum was present for all the meetings.

The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

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

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgment by management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with listing and other legal requirements relating to financial statements;

   (f) disclosure of any related party transactions;

   (g) modified opinion(s) in the draft audit report;

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**B. The audit committee shall mandatorily review the following information:**

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

**NOMINATION AND REMUNERATION COMMITTEE**

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

The composition of the “Nomination and Remuneration Committee” is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

The Committee met one (1) time during the financial year ended 31st March, 2017 on 26th May, 2016. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2017 is detailed below:

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

| Sr. No. | Name of the Director | Designation in Committee | Nature of Directorship in the Company | No. of Meetings attended upto 31st March, 2017 |
|---|---|---|---|---|
| 1. | Shri Anish Malhotra | Chairman | Independent | — |
| 2. | Shri B. Madhuprasad | Member | Non Executive | 1 |
| 3. | Shri Hitesh Shah | Member | Independent | — |
| 4. | Shri Manish Desai | Member | Independent | 1 |

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

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

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

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

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

1. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. Identify persons who are qualified to be Directors: The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. Nominate candidates for Directorships subject to the approval of Board: The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. Approve the candidates required for Senior Management positions: The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director, CFO, Company Secretary and Executive Directors of the Company.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive compensation: The Committee shall evaluate the performance of the Managing Director by setting his Key

Performance Objectives at the beginning of each financial year. The Committee shall also approve his/her/their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.

7. Review performance and compensation of Senior Management: The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

8. Recommend to the Board, commission (if any) to the Non-Executive Directors: The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

**Remuneration to the Managing Director**

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

**Details of remuneration paid to Non-Executive Directors during the year 2016-17:**

During the financial year ended 31st March, 2017, the Company paid ₹ 85,000/- (Rupees Eighty Five Thousand only) as sittings fees for attending the Board meetings to the Independent Directors and ₹ 9,00,000/- (Rupees Nine Lacs only) as a professional fees to Shri B. Madhuprasad, Chairman of the Company.

**Details of the remuneration paid to the Executive Directors of the Company for the financial year ended 31st March, 2017 is as follows:**

During the financial year ended 31st March, 2017, the Company paid to total amount ₹ 96,52,791/- (Rupees Ninety Six Lac Fifty Two Thousand Seven Hundred Ninety One only) to Whole-Time Directors of the Company. Company has not granted any stock options to any of its Directors.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

In the Financial Year 2014-2015, the nomenclature of the "Shareholders/Investors Grievance Committee" was changed to "Stakeholders Relationship Committee" pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

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

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

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

The Committee meets on every 15th day of the month to consider the status of shareholders grievances/complaints and takes on record the details of submissions made by Registrar & Transfer Agent (RTA), if any.

During the financial year 2016-2017 few communications were received from shareholders and Investors. These communications were of routine nature regarding duplicate shares certificates, corrections/change in address, and issuance of demand draft against dividend warrant due to expiry of the date etc and were addressed promptly.

All valid requests for share transfer received during 2016-2017 have been acted upon by the Company and no transfer/grievances/complaints are pending.

The details of the complaints resolved during the financial year ended on 31st March, 2017 are as follows:

| Number of Complaints | Received | Resolved | Closing |
|---|---|---|---|
| Nil | Nil | Nil | Nil |

**MANAGEMENT COMMITTEE**

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

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

The said committee of Board of Director is constituted for the purposes of operational convenience in respect of Merchant Banking assignment handled by the company under the authority of Board of Directors in January, 2006. The committee has powers to open and operate Escrow/Special Accounts and/or any such accounts with Banks for take-over, Buy Back offers and other assignments accepted by the company in the course of Merchant Banking activities.

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

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

**GENERAL BODY MEETINGS**

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

| Year | Venue | Date | Time |
|---|---|---|---|
| 2013-2014 | Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001 | 9th September, 2014 | 10.00 a.m. |
| 2014-2015 | Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001 | 29th September, 2015 | 10.00 a.m. |
| 2015-2016 | Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001 | 29th July, 2016 . | 10.00 a.m |

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

| Date of Annual General Meeting | Number of Special Resolutions passed | Details of Special Resolutions Passed |
|---|---|---|
| 9th September, 2014 | 6 | 1. Appointment of Shri Hitesh Shah [DIN-00061296] as an Independent Director of the Company for five consecutive years commencing from 9th September, 2014<br>2. Appointment of Shri Sujal Shah [DIN-00058019] as an Independent Director of the Company for five consecutive years commencing from 9th September, 2014.<br>3. Appointment of Shri Anish Malhotra [DIN-02034366] as an Independent Director of the Company for five consecutive years commencing from 9th September, 2014.<br>4. Appointment of Shri Manish Desai [DIN-02925757] as an Independent Director of the Company for five consecutive years commencing from 9th September, 2014.<br>5. Re-appointment of Shri Vineet Suchanti as Managing Director of the Company for five years w.e.f. 5th May, 2014.<br>6. Adoption of new Articles of Association of the Company, substituted in place of existing Articles of Association on based on Table "F" of the Companies Act. |
| 29th September, 2015 | 3 | 1. Appointment of M/s. NMAH & Co. Chartered Accountants, Mumbai (Firm Registration No. 135966W) as Statutory Auditors of the Company.<br>2. Appointment of Smt. Rinku Suchanti as a Non-Executive Director of the Company.<br>3. Appointment of Shri Shishir Dalal [DIN- 00007008] as an Independent Director of the Company for five consecutive years Commencing from 29th September, 2015. |
| 29th July, 2016 | 3 | 1. Variation in terms of appointment of Shri Vineet Suchanti, (DIN – 00004031) Managing Director of the Company.<br>2. Variation in terms of appointment of Shri Uday S. Patil, (DIN – 0003978) Whole Time Director of the Company.<br>3. To increase borrowing power not exceeding Rs. 200 Crores (Rupees Two Hundred Crore only) on such terms and conditions as Board may think fit. |

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

**Postal Ballot**

During the year, no resolution was passed through Postal Ballot.

**Extraordinary General Meeting**

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

**MEANS OF COMMUNICATION**

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

   Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in English and vernacular language newspapers, viz., Free Press Journal and Navshakti, Mumbai newspapers. "Limited Review" by the Statutory Auditors of the Company for the quarterly results was sent to BSE Limited and

National Stock Exchange of India Limited where the shares of the company are listed. Shareholders can also access the quarterly results on the website of these exchanges where the equity shares of the company are listed (i.e. www.bseindia.com www.nseindia.com )

2. **Website and News Releases:**

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

3. **Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the SEBI (LODR) Regulations, 2015 and other rules and regulations issued by SEBI.

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

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

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

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

**GENERAL SHAREHOLDER'S INFORMATION**

**Annual General Meeting**

| | | |
|---|---|---|
| Date and time | : | Wednesday, 23rd August, 2017, 10.00 a.m. |
| Venue | : | Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001 |
| Financial Year Ending | : | 31st March, 2017 |
| Tentative Schedule for declaration of results during the financial year 2017-2018 | | |
| • 1st Quarter (June, 2017) | : | Second week of August, 2017. |
| • 2nd Quarter (September, 2017) | : | Second week of November, 2017 |
| • 3rd Quarter (December, 2017) | : | Second week of February, 2018 |
| • 4th Quarter (March, 2018) and Audited Financial Results for the year ended 31st March, 2018 | : | Last week of May, 2018 |
| Date of Book Closure | : | From Saturday, 19th August, 2017 to Wednesday, 23rd August, 2017 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend which will be subject to approval of shareholders. |
| Dividend Payment date | | |
| • Final Dividend 2016-2017 recommended by the Board of Directors at its Meeting held on 25th May, 2017. | : | After 23rd August, 2017<br>(Subject to approval of the shareholders) |
| Listing on Stock Exchange and Stock Code | : | Equity Shares of the Company are listed at BSE Limited, (Scrip Code : 512597) and National Stock Exchange of India Limited, (Symbol: KEYCORPSER). |
| Face Value of Equity Shares | : | ₹ 10/- each. |

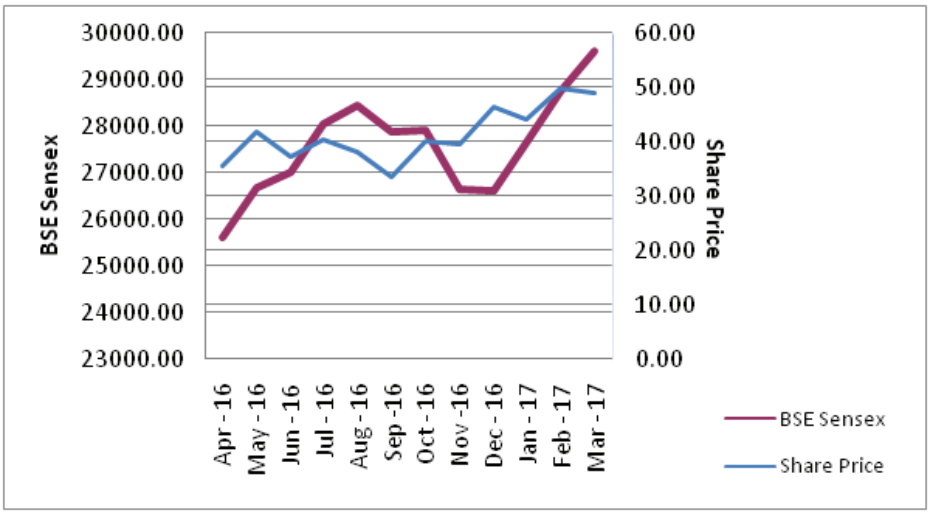
**Monthly High/Low price of Equity Shares of the Company during the financial year 2016-2017 on BSE Limited and National Stock Exchange of India Limited.**

| Month | BSE Limited (BSE) | | National Stock Exchange of India Limited (NSE) | |
|---|---|---|---|---|
| | Month's High Price (₹) | Month's Low Price (₹) | Month's High Price (₹) | Month's Low Price (₹) |
| April, 2016 | 35.50 | 28.75 | 38.00 | 35.85 |
| May, 2016 | 48.80 | 36.90 | 45.95 | 37.65 |
| June, 2016 | 43.40 | 37.05 | 37.65 | 37.65 |
| July, 2016 | 40.35 | 32.15 | 38.85 | 35.70 |
| August, 2016 | 46.00 | 37.90 | 37.25 | 35.50 |
| September, 2016 | 38.80 | 33.35 | 35.00 | 32.00 |
| October, 2016 | 39.95 | 30.50 | 32.00 | 32.00 |
| November, 2016 | 39.50 | 38.00 | 33.60 | 33.60 |
| December, 2016 | 49.75 | 41.40 | 33.50 | 30.45 |
| January, 2017 | 48.40 | 42.00 | 36.90 | 33.50 |
| February, 2017 | 50.25 | 39.80 | 40.60 | 40.60 |
| March, 2017 | 50.00 | 47.45 | 42.00 | 37.05 |

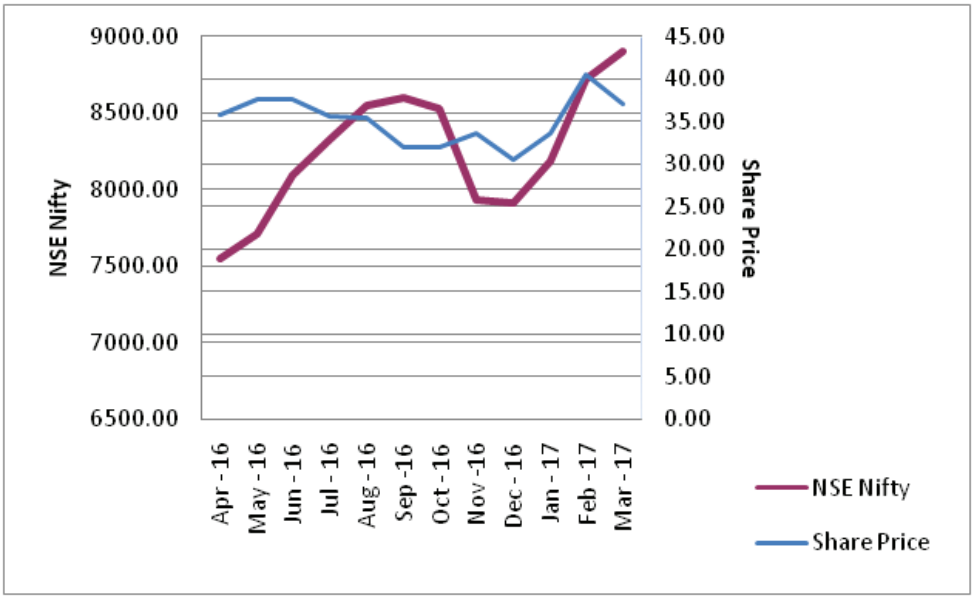
NT: No Trading

Source: BSE and NSE website

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



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




**REGISTRAR AND TRANSFER AGENT**

For any queries relating to the shares of the Company, correspondence may please be addressed to:
Link Intime India Pvt. Ltd.,
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Tel : (022) 4918 6000, Fax : (022) 4918 6060
www.linkintime.co.in

**SHARE TRANSFER SYSTEM**

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

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice and Registrar and Share Transfer Agent as required under Regulation 40 (9) and 7(3) of the Listing Regulations respectively and files a copy of the certificate with the Stock Exchanges on or before the due date.

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017**

| No. of Shares | Shareholders | | Shareholding | |
|---|---|---|---|---|
| | Number | % | Number | % |
| Upto 5000 | 2189 | 91.36 | 297162 | 4.24 |
| 5001 to 10000 | 97 | 4.05 | 77490 | 1.10 |
| 10001 to 20000 | 41 | 1.71 | 63817 | 0.90 |
| 20001 to 30000 | 27 | 1.13 | 67364 | 0.96 |
| 30001 to 40000 | 11 | 0.46 | 38828 | 0.55 |
| 40001 to 50000 | 4 | 0.17 | 18839 | 0.27 |
| 50001 to 100000 | 4 | 0.17 | 29993 | 0.43 |
| 100001 and above | 23 | 0.95 | 6424846 | 91.55 |
| **TOTAL** | **2396** | **100.00** | **70,18,339** | **100.00** |

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017**

| Sr. No. | Category of Shares | No. of Shares | % of total shares |
|---|---|---|---|
| (A) | **Promoter & Promoter Group :** | | |
| | (a) Individuals/Hindu Undivided Family | 6,51,052 | 9.28 |
| | (b) Bodies Corporate | 34,11,166 | 48.60 |
| | Sub Total : | 40,62,218 | 57.88 |
| (B) | **Public Shareholding :** | | |
| | 1. Institutions | | |
| | (a) Mutual Funds | 13,900 | 0.20 |
| | (b) Financial Institutions/Banks | 300 | 0.00 |
| | (c) Foreign Institutional Investors | 5,61,348 | 8.00 |
| | 2. Non-Institutions | | |
| | (a) Individuals | 7,61,686 | 10.85 |
| | (b) Trust | 14,51,902 | 20.69 |
| | (c) Hindu Undivided Family | 17,998 | 0.26 |
| | (d) Non-Resident (Non-Repatriable) | 530 | 0.01 |
| | (e) Non-Resident Indians (Repat) | 4,316 | 0.06 |
| | (f) Clearing Members | 9,015 | 0.13 |
| | (g) Bodies Corporate | 1,35,126 | 1.92 |
| | Sub Total : | 29,56,121 | 42.12 |
| | **GRAND TOTAL** | **70,18,339** | **100.00** |

**Dematerialization of Shares:** 67,76,253 Equity Shares of ₹ 10/- each (i.e. 96.55%) of the total capital of the Company have been dematerialized as on 31st March, 2017.

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2017.

**ADDRESS FOR CORRESPONDENCE:**

Keynote Corporate Services Limited
The Ruby, 9th floor,
Senapati Bapat Marg,
Dadar (West),
Mumbai – 400 028.
E-mail: investors@keynoteindia.net

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

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

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

**For shares held in physical form:**

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

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

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

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

In terms of Sections 124 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

**OTHER DISCLOSURES**

a. Related Party Transactions

During the financial year 2016-2017, the Company had no materially significant Related Party Transaction (RPT) which is considered to have potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Policy%20on%20Related%20Party%20Transactions.pdf

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2014-2015, 2015-16 and 2016-17 respectively :

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

However, company had received a prohibitory order dated 6th April, 2016 issued by Whole Time Member (WTM), SEBI in the matter of IPO of Emmbi Industries Ltd. Though said order was not received during the last financial year and the same was placed before the Board of Directors as the meeting of Board of Directors was scheduled on 26th May, 2016. Relevant disclosures were made in Corporate Governance Report of last Financial Year (i.e. 2015-16). In terms of order No. WTM/RKA/EFD/46/2016 dated 6th April, 2016, Keynote Corporate Services Ltd. (KCSL) was prohibited from taking up new assignment as 'Merchant Banker' for the period of one month & Keynote Capitals Ltd. (KCL), a wholly owned subsidiary, was prohibited from taking up any new assignment as 'Underwriter' for a period of one month. The order to come into effect immediately on the expiry of twenty-one days from the date of the order. The Board of Directors after detailed discussion have observed that in the normal course of business there would be such regulatory risks. However, while conducting the business intentions shall be right. They also expressed satisfaction

that the company for which the IPO was managed has implemented the project and have progressed very well on the business front which has reflected in the current market price of the Company. The Company is genuine and efforts put in by Keynote entities have yielded positive results. However, precautions shall be taken to avoid repetition of such instances. All the attempts shall be made to ensure that Company is not required to defend such regulatory actions. In any case the said prohibition period is complete and is not in force as on date.

c. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link: http://www.keynoteindia.net/documenthosting/ financial_results/ WHISTLE%20BLOWER%20POLICY.pdf

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

e. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees and the same has been posted on the website of the company (i.e. www.keynoteindia.net) Date of Number of Details of Special Resolutions Passed Annual General Special Meeting Resolutions passed.

The members of the Board and Senior management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2017. The Annual Report of the Company contains a Certificate by the Director in terms of Regulation 34(3) and Part D of Schedule V of the Listing Regulations based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

**SUBSIDIARY COMPANIES**

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

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

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at http://www.keynoteindia.net/document-hosting/financial_results/Material_ Subsidiary_ Policy.pdf

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

**Sd/-**
**B. Madhuprasad**
**Chairman**
**(DIN: 00004632)**

**Date: 25th May, 2017**
**Place: Mumbai**

**Declaration by Director**

I, Vineet Suchanti, (DIN: 00004031) Director of Keynote Corporate Services Limited, hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

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

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

**Place: Mumbai**
**Date: 25th May, 2017**

**Director and Chief Financial Officer (CFO) Certification**

We, Vineet Suchanti (Director) and Uday S. Patil (Director & CFO) of Keynote Corporate Services Limited hereby certify that:

(a) We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

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

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

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

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

(d) We have indicated to the Auditors and the Audit Committee that -

  (i) there has not been any significant changes in internal control over financial reporting during the year under reference;

  (ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) there has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

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

**Sd/-**
**Uday S. Patil**
**Director & CFO**
**(DIN: 00003978)**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of **Keynote Corporate Services Limited**

We have examined the compliance of conditions of Corporate Governance by **Keynote Corporate Services Limited** for the year ended March 31, 2017 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") as referred in Regulation 15(2) of the listing regulations for the period 1st April, 2016 to 31st March 2017.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

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

**Place: Mumbai**
**Date: 25th May, 2017**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Keynote Corporate Services Limited**("theCompany"), which comprise the Balance Sheet as at 31March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, 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 purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company has made provision as at 31 March 2017, as required under the applicable law or accounting standard, for foreseeable losses, if any on long-term contracts. Refer Note 32 to the Standalone financial statements.

   iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements.

For **S M S R & Co LLP**
*Chartered Accountants*
Firm's Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No:019216

Mumbai
Date: 25 May 2017

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2017

(Referred to in our report of even date)

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

(b) The During the year, the fixed assets have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering services of investment banking, corporate advisory and ESOP advisory services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

iii. The Company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated

(c) There are no overdue amounts in respect of the loan granted to a 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 the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance and Service tax, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident fund, Employees' State Insurance and Service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

| Name of the Statute | Nature of dues | Amount (₹) | Period to which amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income tax | 9,700 | A.Y. 2011-12 | Deputy Commissioner of Income Tax |
| Income Tax Act, 1961 | Income tax | 8,670 | A.Y. 2016-17 | Deputy Commissioner of Income Tax |

viii. In According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. The company does not have any loan or borrowings from government or debenture holders during the year.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no 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. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

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 standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give 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. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

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, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **S M S R & Co LLP**
*Chartered Accountants*
Firm's Registration No: 110592W/W-100094
**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No:019216

Mumbai
Date: 25 May 2017

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KEYNOTE CORPORATE SERVICES LIMITED – 31 MARCH 2017

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

We have audited the internal financial controls over financial reporting of Keynote Corporate Services Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**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 Act, 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 judgement, 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.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

For **S M S R & Co LLP**
*Chartered Accountants*
Firm's Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No:019216

Mumbai
Date: 25 May 2017

## BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | NOTE NO. | AS AT 31-March -2017 | AS AT 31-March -2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share capital | 3 | **70,183,390** | 70,183,390 |
| Reserves and surplus | 4 | **446,232,577** | 427,336,100 |
| | | **516,415,967** | 497,519,490 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 5 | **—** | 715,030 |
| Deferred tax liabilities (net) | 6 | **6,822,400** | 7,173,861 |
| Other long-term liabilities | 7 | **260,000** | 300,000 |
| Long-term provisions | 8 | **75,015** | 1,462,860 |
| | | **7,157,415** | 9,651,751 |
| **Current liabilities** | | | |
| Short-term borrowings | 9 | **50,894** | — |
| Trade payables | 10 | **1,549,514** | 760,895 |
| (a) Dues to micro and small enterprises (refer note - 37) | | | |
| (b) Dues to others | | | |
| Other current liabilities | 11 | **18,834,814** | 6,217,621 |
| Short-term provisions | 12 | **1,136,230** | 9,307,711 |
| | | **21,571,452** | 16,286,227 |
| **TOTAL** | | **545,144,834** | 523,457,468 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| – Tangible assets | 13 | **92,579,393** | 96,470,317 |
| Non-current investments | 14 | **243,119,674** | 243,572,811 |
| Long-term loans and advances | 15 | **655,023** | 1,578,361 |
| | | **336,354,090** | 341,621,489 |
| **Current assets** | | | |
| Current investments | 16 | **69,265,176** | 134,597,248 |
| Trade receivables | 17 | **9,189,895** | 9,759,534 |
| Cash and bank balances | 18 | **14,836,303** | 9,302,891 |
| Short-term loans and advances | 19 | **113,525,224** | 26,559,044 |
| Other current assets | 20 | **1,974,146** | 1,617,262 |
| | | **208,790,744** | 181,835,979 |
| **TOTAL** | | **545,144,834** | 523,457,468 |
| Significant accounting policies | 2 | | |

The accompanying notes referred above form an integral part of the standalone financial statements

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

Date : 25 May 2017
Place : Mumbai

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | NOTE NO. | For The Year Ended 31-March -2017 | For The Year Ended 31-March -2016 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 21 | **50,020,476** | 71,581,425 |
| Other income | 22 | **26,378,327** | 28,205,792 |
| **Total Income** | | **76,398,803** | 99,787,217 |
| **EXPENSES** | | | |
| Employee benefits expense | 23 | **23,158,915** | 24,373,115 |
| Finance costs | 24 | **120,055** | 253,957 |
| Depreciation | 25 | **4,124,465** | 4,402,793 |
| Other expenses | 26 | **25,310,275** | 22,604,925 |
| **Total Expenses** | | **52,713,710** | 51,634,790 |
| **Profit before tax** | | **23,685,093** | 48,152,427 |
| **Tax Expense** | | | |
| – Current tax | | **4,831,805** | 11,494,726 |
| – Deferred tax charge | | **(351,461)** | 1,815,483 |
| – Taxation for earlier years | | **308,272** | 72,397 |
| **Total Tax Expenses** | | **4,788,616** | 13,382,605 |
| **Profit after tax** | | **18,896,477** | 34,769,822 |
| Earnings per share (Face value of ₹ 10 /-) (P.Y. ₹ 10/- each) | | | |
| Basic & diluted | 29 | **2.69** | 4.95 |
| Significant accounting policies | 2 | | |

The accompanying notes referred above form an integral part of the standalone financial statements

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

Date : 25 May 2017
Place : Mumbai

**Notes to financial statements for the year ended 31st March 2017**

**1. CORPORATE INFORMATION**

Keynote Corporate Services Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its registered office is at Mumbai. Its shares are listed on two stock exchanges in India. i.e., BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).The Company is engaged in providing services of Investment Banking, Corporate Advisory Services & ESOP Advisory etc.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation of financial statements**

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

**b) Use of estimates**

Preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

**c) Current/Non-current classification of assets and liabilities**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of resources for delivery and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

**d) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**e) Property Plant &Equipment**

Tangible assets and intangible assets are stated at cost less accumulated depreciation / amortization and impairments, if any. Cost includes expenses related to purchases, borrowing costs and any directly attributable cost for bringing the assets to its working condition for its intended use and excludes any duties and taxes recoverable, net of adjustments arising from the exchange rate variations attributable to the assets. Subsequent expenditure related to an item of tangible and intangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance and / or life.The advances given for acquiring for fixed assets are shown under loans and advances (capital advances). The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and resultant gains or losses are recognised in the Statement of Profit and Loss. Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss. Tangible assets and Intangible assets not ready for the intended use on the date of Balance Sheet are stated at Cost as "Capital work-in-progress" and "Intangible Assets under Development" respectively.

Depreciation is provided on pro rata basis under Straight Line Method, as per the useful life of the assets, on all the tangible fixed assets (including property held as investment) which were in use during the year. Residual value for the assets is considered to be at five percent of the original cost of the asset. If the assets are purchased during the year, depreciation is provided on pro – rata basis from the date the assets are installed. In case the assets are sold, depreciation is provided on the same up to the date of sale on pro – rata basis.

Individual assets costing less than Rs 5,000 are depreciated in full in the year of acquisition.

Estimated useful lives of the tangible assets is as prescribed in Schedule II of the Companies Act, 2013, except in case of Investment Property.

**f) Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors except in case of intangibles under development which are reviewed at every reporting date. An impairment loss is recognized in the Statement of Profit & Loss, wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specifics to the asset.

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.

**g) Operating Lease**

**Where the Company is the lessor**

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

Assets given by the Company under operating lease are included in Investment property. Lease income from operating leases isrecognised in the Statement of Profit and Loss on a straight-line basis over the non-cancellable lease term. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease arerecognised in the Statement of Profit and Loss.

**h) Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as "Current Investments". On initial recognition, all investments are measured at cost. The cost comprises purchase price. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. All other investments are classified as "Non-Current Investments".

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

**i) Investment property**

Property given on lease is shown as Investment in property under "Non-Current Investments" and is depreciated using Straight Line method.

**j) Revenue recognition**

i) Revenue is recognized to the extent that it can be reliably measured and there is no uncertainty about ultimate collection. Income from services is recognized with reference to achievement of milestones defined in the corresponding engagement letters or mandate letters entered with counter party which reflects the proportionate stage of completion method.

ii) Initial acceptance fee is recorded as income after the achievement of the first milestone. In situations where there is no further progress on the mandate, the initial acceptance fees so received, is recorded as income immediately after 12 from the date of issuing of debit note.

iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividend from investments is accounted for as income when the right to receive the dividend is established.

v) Other income is recognized on accrual basis.

**k) Foreign currency transactions**

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions or that approximates the actual rate at the date of transaction. Exchange differences arising on foreign currency transactions, settled during the year, are recognised in the statement of profit and loss. The premium or discount on foreign exchange forward contracts is amortized as income or expense over the life of the contract.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reported using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognised in the Statement of Profit & Loss. Non monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

**l) Retirement and other employee benefits**

**i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a Government administered provident fund scheme and has no obligation to pay any further amounts. Retirement benefits in the form of Provident Fund and ESIC is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**ii) Defined benefit plans**

The Company's gratuity benefit scheme is a defined benefit plan. Presently the gratuity scheme of the Company is unfunded. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation.

**m) Taxes on income**

Income tax expense comprises of current and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act of 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in Balance Sheet if there is convincing evidence that the Company will pay normal tax after tax holiday period and the resultant asset can be measured reliably.

**n) Earnings per share**

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

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

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issue including for changes effected prior to the approval of financial statements by the Board of Directors.

**o) Provisions, Contingent liabilities & Contingent assets**

Provision is recognised in the financial statements when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognised nor disclosed in the financial statements.

**p) Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

| **3. SHARE CAPITAL** | **31-March -2017** ₹ | 31-March -2016 ₹ |
|---|---|---|
| **Authorised :** | | |
| 15,000,000 (P.Y : 15,000,000) equity shares of ₹ 10/- each | **150,000,000** | 150,000,000 |
| | **150,000,000** | 150,000,000 |
| **Issued :** | | |
| 11,274,417 (P.Y: 11,274,417) equity shares of ₹ 10/- each | **112,744,170** | 112,744,170 |
| | **112,744,170** | 112,744,170 |
| **Subscribed and fully paid-up shares:** | | |
| 7,018,339 (P.Y : 7,018,339) equity shares of ₹ 10/- each | **70,183,390** | 70,183,390 |
| | **70,183,390** | 70,183,390 |

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :**

| Particulars | 31-March -2017 | | 31-March -2016 | |
|---|---|---|---|---|
| | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| Equity shares at the beginning of the year | **7,018,339** | **70,183,390** | 7,018,339 | 70,183,390 |
| Equity shares outstanding at the end of the year | **7,018,339** | **70,183,390** | 7,018,339 | 70,183,390 |

**(b) Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend & repayment of capital. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31st March 2017, the Company has proposed final dividend of ₹ 1/- per share (P.Y : ₹ 1/- per share) to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining net assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

| Name of the shareholder | 31-March -2017 | | 31-March -2016 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| NSS Digital Media Limited | **3,112,256** | **44.34** | 2,932,256 | 41.78 |
| Keynote Trust | **1,451,702** | **20.68** | 1,451,702 | 20.68 |
| India Max Investment Fund Limited | **561,348** | **8.00** | 561,348 | 8.00 |

**Note :**As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

| **4. RESERVES AND SURPLUS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Securities premium account** | **230,648,293** | 230,648,293 |
| **General reserve** | **13,391,679** | 13,391,679 |
| **Surplus in the statement of profit & loss** | | |
| At the commencement of the year | **183,296,128** | 156,759,097 |
| Add : Profit for the year | **18,896,477** | 34,769,823 |
| Less : Appropriations: | | |
| – Proposed equity dividend | **—** | (7,018,339) |
| – Tax on proposed equity dividend | **—** | (1,214,453) |
| | **202,192,605** | 183,296,128 |
| | **446,232,577** | 427,336,100 |

| **5. LONG-TERM BORROWINGS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Secured** | | |
| – Term loans from parties other than banks | **—** | 715,030 |
| | **—** | 715,030 |

**Notes :**

(a) The Company had taken vehicle loan from the financial institution during F.Y. 2011-12, carrying interest @ 8.82% p.a. repayable in 59 monthly installments of ₹ 90,085/- each. The said loan has been repaid during the year.

During the F.Y. 2013-14, the company had further obtained additional vehicle loan from a financial institution carrying interest @ 10.72% p.a. repayable in 59 monthly installments of ₹ 63,100/- each. The principal components of the installments due have been reflected in other current liabilities.

(b) All the above loans are secured by hypothecation of respective assets of the company.

| **6. DEFERRED TAX LIABILITIES (NET)** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Deferred tax liabilities** | | |
| – Depreciation on fixed assets | **7,926,203** | 8,318,148 |
| – Deferred Rent Assets | **19,749** | — |
| | **7,945,952** | 8,318,148 |
| **Deferred tax assets** | | |
| Provision for leave encashment | **41,840** | 53,323 |
| – Provision for gratuity | **291,888** | 785,743 |
| – Provision for Doubtful Debts | **537,406** | — |
| – Provision for bonus | **252,418** | 305,221 |
| | **1,123,552** | 1,144,287 |
| | **6,822,400** | 7,173,861 |

| **7. OTHER LONG-TERM LIABILITIES** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| Interest free security deposits towards lease | **260,000** | 300,000 |
| | **260,000** | 300,000 |

| **8. LONG-TERM PROVISIONS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Provision for employee benefits** | | |
| – Provision for gratuity | **—** | 1,379,102 |
| – Provision for leave encashment | **75,015** | 83,758 |
| | **75,015** | 1,462,860 |

| **9. SHORT-TERM BORROWINGS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Unsecured** | | |
| Loans from parties other than banks (repayable on demand) | **50,894** | — |
| | **50,894** | — |

| **10. TRADE PAYABLES** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| Dues to micro and small enterprises (refer note - 37) | **—** | — |
| Dues to others | **1,549,514** | 760,895 |
| | **1,549,514** | 760,895 |

| **11. OTHER CURRENT LIABILITIES** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| Current maturities of long-term debts *(refer note 5)* | **715,030** | 979,145 |
| Advance received from customers | **14,935,000** | 2,589,036 |
| Unpaid dividend *(refer note below)* | **1,240,449** | 1,214,368 |
| Interest accrued but not due on borrowings | **—** | 1,319 |
| Statutory dues payable | **1,028,202** | 510,604 |
| Provision for bonus | **916,133** | 923,149 |
| | **18,834,814** | 6,217,621 |

**Note :**

During the current year, the Company had transferred ₹ 1,12,393/- (P.Y : ₹ 1,02,890) to Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

| **12. SHORT-TERM PROVISIONS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| **Provision for employee benefits** | | |
| – Provision for gratuity *(refer notes below)* | **1,059,390** | 997,400 |
| – Provision for leave encashment *(refer notes below)* | **76,840** | 77,519 |
| **Other provisions** | | |
| – Proposed equity dividend | **-** | 7,018,339 |
| – Tax on proposed equity dividend | **-** | 1,214,453 |
| | **1,136,230** | 9,307,711 |

**Notes : Disclosures as required by Accounting Standard (AS) 15 EMPLOYEE BENEFITS :**

**(A) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as an expense and included in "Employee benefits expenses "

Note 23 in the Statement of Profit and Loss are as under :

- Employers contribution to Provident Fund and Family Pension Scheme ₹ 834,669/- (Previous year : ₹ 1,847,929/-)
- Employers contribution to Employees State Insurance Scheme ₹ 24,038/- (Previous year : ₹ 22,354/-)
- Employers contribution to Gratuity Fund ₹ -956,814/- (Previous year : ₹ 19,561/-)

**(B) Defined Benefit Plans**

**(i) Gratuity**

| | Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| I | **Change in the present value obligation during the year** | | |
| | Liability at the beginning of the year | 5,688,959 | 5,699,687 |
| | Interest cost | 446,014 | 450,275 |
| | Current service cost | 180,565 | 208,779 |
| | Past service cost | — | — |
| | Benefits paid | (290,769) | (277,892) |
| | Actuarial gains / (losses) | (1,317,743) | (391,890) |
| | Liability at the end of the year | 4,707,026 | 5,688,959 |
| II | **Change in fair value of plan assets during the year** | | |
| | Fair value of plan assets at the beginning of the year | 3,312,457 | 2,984,933 |
| | Expected return of plan assets | 259,697 | 235,810 |
| | Contributions | 360,298 | 357,813 |
| | Benefits paid | (290,769) | (277,892) |
| | Actuarial gains / (losses) | 5,953 | 11,793 |
| | Fair value of plan assets at the end of the year | 3,647,636 | 3,312,457 |
| | Total actuarial gains/(loss) to be recognised | 1,323,696 | 403,683 |
| III | **Recognition of Actuarial gains / (losses)** | | |
| | Actuarial gains/(losses) to be recognised on obligation for the period | (1,317,743) | (391,890) |
| | Actuarial gains/(losses) to be recognised on assets for the period | (5,953) | (11,793) |
| | Total actuarial gain/(loss) to be recognised in statement of profit and loss | (1,323,696) | (403,683) |
| IV | **Actual return on plan assets** | | |
| | Expected return on plan assets | 259,697 | 235,810 |
| | Actuarial gains / (losses) | (5,953) | (11,793) |
| | Actual return on plan assets | 265,650 | 247,603 |
| V | **Net asset / (liability) recognised in the balance sheet** | | |
| | Fair value of plan assets at the end of the year | 3,647,636 | 3,312,457 |
| | Present value of benefit obligation as at the end of the year | (4,707,026) | (5,688,959) |
| | Funded status | (1,059,390) | (2,376,502) |
| | Unrecognised past service cost at the end of the year | — | — |
| | Unrecognised transitional liability at the end of the year | — | — |
| | Net asset / (liability) recognised in the balance sheet | (1,059,390) | (2,376,502) |
| VI | **Expenses recognised in the statement of profit and loss for the year** | | |
| | Current service cost | 180,565 | 208,779 |
| | Interest cost | 446,014 | 450,275 |
| | Expected return on plan assets | (259,697) | (235,810) |
| | Actuarial (gain) / losses | (1,323,696) | (403,683) |
| | Past service cost (non vested benefit) recognised during the year | — | — |
| | Past service cost (vested benefit) recognised during the year | — | — |
| | Transitional liability recognised during the year | — | — |
| | Total expenses as per actuarial valuation recognised in the Statement of Profit & Loss | (956,814) | 19,561 |
| VII | **Balance Sheet Reconciliation** | | |
| | Opening net liability | 2,376,502 | 2,714,754 |
| | Expenses recognised in the statement of profit and loss for the year | (956,814) | 19,561 |
| | Employer's contribution | (360,298) | (357,813) |
| | Net asset / (liability) recognised in the balance sheet | 1,059,390 | 2,376,502 |
| VIII | **Other details** | | |
| | Number of members | 20 | 20 |
| | Salary per month | 1,134,488 | 997,400 |
| | Prescribed contribution for next year (12 months) | 1,134,488 | 997,400 |
| IX | **Actuarial assumptions** | | |
| | 1 Discount rate | 6.81% | 7.84% |
| | 2 Rate of return on plan assets | 6.81% | 7.84% |
| | 3 Salary escalation | 6.00% | 8.00% |
| | 4 Attrition rate | 13.00% | 13.00% |
| X | **Category of assets** | | |
| | Government of India assets | — | — |
| | Corporate bonds | — | — |
| | Equity shares of listed companies property | — | — |
| | Insurer managed funds | 3,312,457 | 3,312,457 |
| | Others | — | — |
| | Total | 3,312,457 | 3,312,457 |
| XI | **Classification as per Schedule III of the Companies Act, 2013** | | |
| | Current liability *(refer note 12)* | 1,059,390 | 997,400 |
| | Non- current liability *(refer note 8)* | — | 1,379,102 |
| | | 1,059,390 | 2,376,502 |

| XII. Particulars | 31 March 2017 | 31 March 2016 | 31 March 2015 | 31 March 2014 | 31 March 2013 |
|---|---|---|---|---|---|
| Present value of benefit obligation | **4,707,026** | 5,688,959 | 5,699,687 | 5,864,303 | 6,769,954 |
| Fair value of plan assets | **3,647,636** | 3,312,457 | 2,984,933 | 2,634,128 | 5,431,178 |
| Surplus / (Deficit) | **(1,059,390)** | (2,376,502) | (2,714,754) | (3,230,175) | (1,338,776) |
| Experience adjustment on plan liability (gains)/ losses | **(1,188,140)** | (443,113) | (542,508) | 1,963,668 | (531,484) |
| Experience adjustment on plan assets (losses)/gains | **5,953** | 11,793 | 906 | (214,673) | 31,034 |

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

**Note: Disclosures of plan assets**

The Company has group plan with LIC of India and has not been provided with the details of the planned assets. As a result, no disclosures for the same has been made.

**(ii) Leave encashment**

As per the Company's policy, a sum of ₹ 440,752 (Previous year : ₹ 490,550) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year, the Company has provided to the extent of ₹ 151,855 (Previous Year: ₹ 161,277) as per actuarial valuation done by independent actuary.

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

**13. FIXED ASSETS** (₹)

| Sr. No. | Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 01 April, 2016 | Additions | Disposals/ Adjustments | Balance as at 31 March, 2017 | Balance as at 01 April, 2016 | Depreciation for the year | Disposals / Adjustments during the year | Balance as at 31 March, 2017 | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
| **Tangible Assets** | | | | | | | | | | | |
| (a) | Premises | 89,134,571 | — | — | **89,134,571** | 5,675,687 | **1,408,892** | — | **7,084,579** | **82,049,992** | 83,458,884 |
| | | *(89,134,571)* | — | — | *(89,134,571)* | *(4,216,838)* | *(1,458,849)* | — | *(5,675,687)* | *(83,458,884)* | *(84,917,733)* |
| (b) | Motor Cars | 10,615,427 | — | — | **10,615,427** | 5,391,712 | **1,170,188** | — | **6,561,900** | **4,053,527** | 5,223,715 |
| | | *(10,615,427)* | — | — | *(10,615,427)* | *(4,218,319)* | *(1,173,394)* | — | *(5,391,712)* | *(5,223,715)* | *(6,397,108)* |
| (c) | Furniture & fixtures | 8,487,115 | — | — | **8,487,115** | 3,129,207 | **813,965** | — | **3,943,172** | **4,543,943** | 5,357,908 |
| | | *(8,487,115)* | — | — | *(8,487,115)* | *(2,317,197)* | *(812,010)* | — | *(3,129,207)* | *(5,357,908)* | *(6,169,918)* |
| (d) | Air conditioners | 2,028,570 | — | — | **2,028,570** | 1,099,665 | **235,914** | — | **1,335,579** | **692,991** | 928,905 |
| | | *(2,028,570)* | — | — | *(2,028,570)* | *(764,976)* | *(334,689)* | — | *(1,099,665)* | *(928,905)* | *(1,263,594)* |
| (e) | Office equipments | 947,484 | — | — | **947,484** | 636,641 | **237,848** | — | **874,489** | **72,995** | 310,843 |
| | | *(935,955)* | (11,529) | — | *(947,484)* | *(366,566)* | *(270,074)* | — | *(636,641)* | *(310,843)* | *(569,389)* |
| (f) | Computers & peripherals | 3,413,851 | **222,364** | — | **3,636,215** | 3,151,242 | **103,965** | — | **3,255,207** | **381,008** | 262,609 |
| | | *(3,276,997)* | *(136,854)* | — | *(3,413,851)* | *(2,956,032)* | *(195,210)* | — | *(3,151,242)* | *(262,609)* | *(320,965)* |
| (g) | Electrical fittings | 1,337,699 | — | — | **1,337,699** | 410,245 | **142,517** | — | **552,762** | **784,937** | 927,454 |
| | | *(1,337,699)* | — | — | *(1,337,699)* | *(267,337)* | *(142,908)* | — | *(410,245)* | *(927,454)* | *(1,070,362)* |
| | | **115,964,717** | **222,364** | **—** | **116,187,081** | **19,494,399** | **4,113,289** | **—** | **23,607,688** | **92,579,393** | **96,470,317** |
| | | ***(115,816,334)*** | ***(148,383)*** | **—** | ***(115,964,717)*** | ***(15,107,265)*** | ***(4,387,134)*** | **—** | ***(19,494,399)*** | ***(96,470,318)*** | ***(100,709,068)*** |

**Note :**

1 Figures in brackets indicate previous year's figures.

**14. NON-CURRENT INVESTMENTS**
(Valued at cost, unless stated otherwise)

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **(A)** | **Investment property (at cost less depreciation)** | | | | | | | | |
| | Gross cost of property | | | | | | | **700,000** | 700,000 |
| | Less: Accumulated depreciation | | | | | | | **295,049** | 283,873 |
| | Net book value | | | | | | | **404,951** | 416,127 |
| **(B)** | **Investment in Equity Instruments** | | | | | | | | |
| | **Trade Investments** | | | | | | | | |
| 1 | Keynote Corporate Services Ltd (held by Keynote Trust) | Others | **1,451,702** | 1,451,702 | Quoted | Fully Paid up | 10 | **12,970,873** | 12,970,873 |
| 2 | Keynote Capitals Limited | Subsidiary | **11,266,667** | 11,266,667 | Unquoted | Fully Paid up | 10 | **175,500,010** | 175,500,010 |
| 3 | Keynote Fincorp Limited | Subsidiary | **2,000,000** | 2,000,000 | Unquoted | Fully Paid up | 10 | **37,500,000** | 37,500,000 |
| 4 | Investment in Keynote Trust (initial corpus fund) | Others | **—** | — | Unquoted | Fully Paid up | — | **20,000** | 20,000 |
| 5 | Indo Count India Limited | Others | **—** | 1,731 | Quoted | Fully Paid up | 10 | **—** | 39,961 |
| 6 | Coromandal Engineering Co Limited | Others | **—** | 20,100 | Quoted | Fully Paid up | 10 | **—** | 402,000 |
| 7 | Scana Point Limited | Others | **400** | 400 | Quoted | Fully Paid up | 2 | **1,156** | 1,156 |
| 8 | Mitcon Consultancy & Engineering Services Limited | Others | **40,000** | 40,000 | Quoted | Fully Paid up | 10 | **2,440,000** | 2,440,000 |
| 9 | Centerac Emarket Places Private Limited | Others | **1,130** | 1,130 | Unquoted | Fully Paid up | 10 | **1,000,294** | 1,000,294 |
| 10 | Dugar Finance Limited | Others | **700** | 700 | Unquoted | Fully Paid up | 10 | **2,870** | 2,870 |
| 11 | Dugar Housing Limited | Others | **800** | 800 | Unquoted | Fully Paid up | 10 | **9,520** | 9,520 |
| 12 | Stella Exports Limited | Others | **10,000** | 10,000 | Unquoted | Fully Paid up | 3 | **30,000** | 30,000 |
| 13 | Eagle Eye Research & Media Private Limited | Others | **9,600** | 9,600 | Unquoted | Fully Paid up | 10 | **3,240,000** | 3,240,000 |
| | | | | | | | | **232,714,723** | 233,156,684 |
| **(C)** | **Investment in Debentures** | | | | | | | | |
| | ECL Finance Limited | | 10,000 | 10,000 | Unquoted | Fully paid up | 1,000 | **10,000,000** | 10,000,000 |
| | | | | | | | | **10,000,000** | 10,000,000 |
| **Total Non-Current Investments (A+B+C)** | | | | | | | | **243,119,674** | 243,572,811 |

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Aggregate amount of quoted investments | **15,412,029** | 15,853,990 |
| Market Value of quoted investments | **39,994,390** | 42,788,620 |
| Aggregate amount of unquoted investments | **227,302,694** | 227,302,694 |
| Aggregate provision for diminution in value of investments | — | — |

| 15. LONG TERM LOANS & ADVANCES | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| (Unsecured, considered good) | | |
| Security deposits | **310,770** | 310,770 |
| Loans to employees | **61,856** | 85,956 |
| Prepaid expenses | **—** | — |
| Advance tax and tax deducted at source *(Net of provision for tax :₹ 71,720,035, Previous Year :₹ 68,207,684 )* | **282,397** | 1,181,635 |
| **Total** | **655,023** | 1,578,361 |

**16. CURRENT INVESTMENTS**
**(valued at lower of cost and market value)**

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| | **Trade Investments** | | | | | | | | |
| **(A)** | **Investment in Equity Instruments** | | | | | | | | |
| 1 | Capital First Limited | Others | **—** | 888 | Quoted | Fully Paid up | 10 | **—** | 285,095 |
| 2 | Godrej Properties Limited | Others | **2,186** | 2,600 | Quoted | Fully Paid up | 5 | **781,394** | 678,322 |
| 3 | Hatsun Agro Product Limited | Others | **2,520** | 1,576 | Quoted | Fully Paid up | 1 | **596,556** | 504,103 |
| 4 | HDFC Bank Limited | Others | **725** | 981 | Quoted | Fully Paid up | 2 | **729,084** | 986,527 |
| 5 | Heritage Foods (India) Limited | Others | **—** | 380 | Quoted | Fully Paid up | 10 | **—** | 149,838 |
| 6 | Indo Count Industries Limited | Others | **—** | 269 | Quoted | Fully Paid up | 10 | **—** | 155,903 |
| 7 | ITC Limited | Others | **3,600** | 1,200 | Quoted | Fully Paid up | 1 | **879,442** | 388,134 |
| 8 | Jenburkt Pharmaceuticals Limited | Others | **638** | 638 | Quoted | Fully Paid up | 10 | **125,415** | 125,415 |
| 9 | MoldTek Packaging Limited | Others | **3,180** | 3,180 | Quoted | Fully Paid up | 5 | **167,268** | 242,634 |
| 10 | Kotak Mahindra Bank Limited | Others | **951** | 1,488 | Quoted | Fully Paid up | 5 | **657,757** | 770,671 |
| 11 | Majesco Limited | Others | **—** | 632 | Quoted | Fully Paid up | 5 | **—** | 159,766 |
| 12 | Montecarlo Fashions Limited | Others | **—** | 403 | Quoted | Fully Paid up | 10 | **—** | 140,889 |
| 13 | Pokarnal Limited | Others | **—** | 185 | Quoted | Fully Paid up | 10 | **—** | 139,675 |
| 14 | Sarla Performance Fibres Limited | Others | **5,200** | 5,200 | Quoted | Fully Paid up | 1 | **172,371** | 172,371 |
| 15 | Sun Pharmaceuticals Industries Limited | Others | **465** | 610 | Quoted | Fully Paid up | 1 | **319,781** | 175,650 |
| 16 | Shemaroo Entertainment Limited | Others | **—** | 1,402 | Quoted | Fully Paid up | 10 | **—** | 331,973 |
| 17 | Sathavahana Ispat Limited | Others | **—** | 7,800 | Quoted | Fully Paid up | 10 | **—** | 299,075 |
| 18 | Info Edge (India) Limited | Others | **550** | 450 | Quoted | Fully Paid up | 10 | **439,725** | 346,230 |
| 19 | Granules India Limited | Others | **—** | 1,208 | Quoted | Fully Paid up | 1 | **—** | 144,900 |
| 20 | GRP Limited | Others | **325** | 325 | Quoted | Fully Paid up | 10 | **324,365** | 318,885 |
| 21 | Biologicals Corporation Limited | Others | **—** | 7,500 | Quoted | Fully Paid up | 10 | **—** | 138,375 |
| 22 | Aarti Industries Limited | Others | **—** | 217 | Quoted | Fully Paid up | 5 | **—** | 101,634 |
| 23 | SRF Limited | Others | **174** | 174 | Quoted | Fully Paid up | 10 | **184,831** | 184,831 |
| 24 | Shree Cement Limited | Others | **15** | 12 | Quoted | Fully Paid up | 10 | **196,690** | 145,387 |
| 25 | SQS India BFSI Limited | Others | **—** | 160 | Quoted | Fully Paid up | 10 | **—** | 145,440 |
| 26 | Page Industries Limited | Others | **22** | 22 | Quoted | Fully Paid up | 10 | **313,871** | 267,536 |
| 27 | Pidilite Industries Limited | Others | **330** | 446 | Quoted | Fully Paid up | 1 | **189,979** | 256,760 |
| 28 | P I Industries Limited | Others | **410** | 410 | Quoted | Fully Paid up | 1 | **278,041** | 232,634 |
| 29 | Motherson Sumi Sytems Limited | Others | **915** | 979 | Quoted | Fully Paid up | 1 | **232,409** | 247,750 |
| 30 | Mahindra Holidays & Resorts (I) Limited | Others | **545** | 438 | Quoted | Fully Paid up | 10 | **213,981** | 169,446 |
| 31 | Mahindra & Mahindra Financial Services Limited | Others | **918** | 1,148 | Quoted | Fully Paid up | 2 | **216,680** | 270,968 |
| 32 | Lupin Limited | Others | **205** | 184 | Quoted | Fully Paid up | 2 | **296,184** | 242,761 |
| 33 | Indusind Bank Limited | Others | **251** | 284 | Quoted | Fully Paid up | 10 | **237,758** | 269,017 |
| 34 | Havells India Limited | Others | **647** | 786 | Quoted | Fully Paid up | 1 | **168,126** | 204,246 |
| 35 | Godrej Properties Limited | Others | **764** | 414 | Quoted | Fully Paid up | 5 | **—** | 122,668 |
| 36 | Eicher Motors Limited | Others | **12** | 14 | Quoted | Fully Paid up | 10 | **214,148** | 249,839 |
| 37 | Dabur India Limited | Others | **—** | 818 | Quoted | Fully Paid up | 1 | **—** | 203,805 |
| 38 | Britannia Industries Limited | Others | **97** | 69 | Quoted | Fully Paid up | 2 | **298,331** | 184,613 |
| 39 | Bajaj Finance Limited | Others | **324** | 48 | Quoted | Fully Paid up | 10 | **143,338** | 238,913 |
| 40 | Bajaj Finserv Limited | Others | **104** | 160 | Quoted | Fully Paid up | 5 | **201,691** | 272,600 |
| 41 | Bharat Forge Limited | Others | **—** | 216 | Quoted | Fully Paid up | 2 | **—** | 188,525 |
| 42 | Ajanta Pharma Limited | Others | **124** | 155 | Quoted | Fully Paid up | 2 | **184,426** | 216,705 |
| 43 | Tasty Bite Eatable Limited | Others | **—** | 177 | Quoted | Fully Paid up | 10 | **—** | 284,368 |
| 44 | Shree Pushkar Chemicals Ltd | Others | **—** | 5,053 | Quoted | Fully Paid up | 10 | **—** | 569,609 |
| 45 | Poddar Housing and Development Limited | Others | **—** | 75 | Quoted | Fully Paid up | 10 | **—** | 85,125 |
| 46 | Dwarkesh Sugar Industries Limited | Others | **1749** | 2,512 | Quoted | Fully Paid up | 10 | **172,635** | 247,947 |
| 47 | City Union Bank Limited | Others | **8300** | 7,440 | Quoted | Fully Paid up | 1 | **768,340** | 685,591 |

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| 48 | Tokyo Plast International Limited | Others | — | 5,104 | Quoted | Fully Paid up | 10 | — | 223,300 |
| 49 | Torrent Power Limited | Others | — | 697 | Quoted | Fully Paid up | 10 | — | 160,415 |
| 50 | Steelcast Limited | Others | **4500** | 2,250 | Quoted | Fully Paid up | 5 | **296,342** | 131,507 |
| 51 | Piramal Enterprises Limited | Others | **203** | 351 | Quoted | Fully Paid up | 2 | **229,597** | 329,851 |
| 52 | Pearl Global Industries Limited | Others | — | 1,048 | Quoted | Fully Paid up | 10 | — | 238,597 |
| 53 | Manappuram Finance Limited | Others | — | 7,499 | Quoted | Fully Paid up | 2 | — | 240,807 |
| 54 | Hindustan Media Ventures Limited | Others | — | 674 | Quoted | Fully Paid up | 10 | — | 168,250 |
| 55 | Garware Wall Ropes Limited | Others | **373** | 256 | Quoted | Fully Paid up | 10 | **136,358** | 83,965 |
| 56 | Amara Raja Batteries Limited | Others | **315** | 252 | Quoted | Fully Paid up | 1 | **280,035** | 221,154 |
| 57 | Asian Paints Limited | Others | **257** | 324 | Quoted | Fully Paid up | 1 | **218,438** | 275,385 |
| 58 | Astral Poly Technik Limited | Others | **2,774** | 2,581 | Quoted | Fully Paid up | 1 | **1,147,033** | 1,071,836 |
| 59 | Plastiblends India Ltd. | Others | **286** | — | Quoted | Fully Paid up | 1 | **121,837** | — |
| 60 | Sudarshan Chemicals Industries Ltd. | Others | **770** | — | Quoted | Fully Paid up | 1 | **234,955** | — |
| 61 | Vardhman Textiles Ltd. | Others | **222** | — | Quoted | Fully Paid up | 10 | **222,628** | — |
| 62 | Shriram City Union Finance Ltd. | Others | **322** | — | Quoted | Fully Paid up | 10 | **581,500** | — |
| 63 | Phillips Carbon Black Ltd. | Others | **854** | — | Quoted | Fully Paid up | 10 | **200,236** | — |
| 64 | Allsec Technologies Ltd. | Others | **586** | — | Quoted | Fully Paid up | 10 | **215,873** | — |
| 65 | Balrampur Chini Mills Ltd. | Others | **2,587** | — | Quoted | Fully Paid up | 1 | **327,121** | — |
| 66 | Cholamandalam Inv & Fin Co Ltd. | Others | **239** | — | Quoted | Fully Paid up | 10 | **229,395** | — |
| 67 | Future Retail Ltd. | Others | **446** | — | Quoted | Fully Paid up | 2 | **57,140** | — |
| 68 | Koval Medical Center & Hospital Ltd. | Others | **81** | — | Quoted | Fully Paid up | 10 | **83,215** | — |
| 69 | Rajratan Global Wire Ltd. | Others | **1,388** | — | Quoted | Fully Paid up | 10 | **694,375** | — |
| 70 | RBL Bank Ltd. | Others | **768** | — | Quoted | Fully Paid up | 10 | **252,115** | — |
| 71 | Shilpa Medicare Ltd. | Others | **314** | — | Quoted | Fully Paid up | 1 | **199,641** | — |
| 72 | Steel Authority of India Ltd. | Others | **8,300** | — | Quoted | Fully Paid up | 10 | **449,664** | — |
| 73 | Vijaya Bank | Others | **10,500** | — | Quoted | Fully Paid up | 10 | **482,936** | — |
| 74 | Music Broadcast Ltd. | Others | **2,202** | — | Quoted | Fully Paid up | 10 | **733,266** | — |
| 75 | Ashok Leyland Ltd. | Others | **5,000** | — | Quoted | Fully Paid up | 1 | **422,750** | — |
| 76 | Bella Casa Fashion & Retail Ltd. | Others | **5,000** | — | Quoted | Fully Paid up | 10 | **372,200** | — |
| 77 | Bharti Infratel Ltd. | Others | **1,279** | — | Quoted | Fully Paid up | 10 | **399,406** | — |
| 78 | Datamatics Global Services Ltd. | Others | **1,015** | — | Quoted | Fully Paid up | 5 | **128,499** | — |
| 79 | Faze Three Ltd. | Others | **6,667** | — | Quoted | Fully Paid up | 10 | **416,003** | — |
| 80 | Insecticides (India) Ltd. | Others | **444** | — | Quoted | Fully Paid up | 10 | **235,809** | — |
| 81 | J K Tire & Industries Ltd. | Others | **1,787** | — | Quoted | Fully Paid up | 2 | **234,812** | — |
| 82 | M R F Ltd. | Others | **5** | — | Quoted | Fully Paid up | 10 | **271,723** | — |
| 83 | PNB Housing Finance Ltd. | Others | **317** | — | Quoted | Fully Paid up | 10 | **341,883** | — |
| 84 | Welspun India Ltd. | Others | **1,928** | — | Quoted | Fully Paid up | 1 | **168,797** | — |
| 85 | Yes Bank Ltd. | Others | **180** | — | Quoted | Fully Paid up | 10 | **240,907** | — |
| 86 | Wim Plast Limited | Others | **742** | 371 | Quoted | Fully Paid up | 10 | **434,276** | 434,276 |
| 87 | Fiem Industries Limited | Others | — | 463 | Quoted | Fully Paid up | 10 | — | 319,529 |
| 88 | Bharti Retail Ltd. | Others | **2,461** | — | Quoted | Fully Paid up | 2 | **180,467** | — |
| 89 | Control Print Limited | Others | **1,627** | 1,627 | Quoted | Fully Paid up | 10 | **259,483** | 259,483 |
| | | | | | | | | **21,205,332** | 17,101,501 |
| **(B)** | **Investment in Mutual Funds** | | | | | | | | |
| 1 | HDFC Liquid Fund - Post IPO Collection A/c | Others | **800** | 3,727 | Unquoted | Fully Paid up | 10 | **2,553,652** | 9,625,255 |
| 2 | HDFC Gilt Fund Long Term growth plan | Others | — | 181,948 | Unquoted | Fully Paid up | 10 | — | 5,000,000 |
| 3 | HDFC Liquid Fund | Others | — | 613 | Unquoted | Fully Paid up | 10 | — | 625,174 |
| 4 | Carpediem Capital Partners Fund | Others | **200** | 200 | Unquoted | Fully Paid up | 1,000 | **2,500,000** | 2,000,000 |
| 5 | Sundram Money Fund | Others | **29,997** | 3,003,392 | Unquoted | Fully Paid up | 10 | **1,006,192** | 94,600,000 |
| 6 | LIC MF Liquid Fund-Collection A/c | Others | **10,241** | — | Unquoted | Fully Paid up | — | **30,000,000** | — |
| 7 | Reliance Liquid Fund-Treasury-Growth plan option | Others | **3,048** | 1,566 | Unquoted | Fully Paid up | 10 | **12,000,000** | 5,645,317 |
| | | | | | | | | **48,059,844** | 117,495,746 |
| | **Total Current Investments (A+B)** | | | | | | | **69,265,176** | 134,597,248 |

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Aggregate amount of quoted investments | **21,205,332** | 17,101,501 |
| Market value of quoted investments | **29,934,679** | 6,150,657 |
| Aggregate amount of unquoted investments | **48,059,844** | 117,495,746 |
| Aggregate provision for diminution in value of investments | **—** | 128,621 |

| 17. TRADE RECEIVABLES | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| **a. Unsecured:** | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considerd good | **2,491,330** | 8,133,884 |
| Considered Doubtful | **1,950,480** | — |
| Less: Provision for Doubtful Debts | **(1,950,480)** | — |
| | **2,491,330** | 8,133,884 |
| **b. Others (Considered good)** | **6,698,565** | 1,625,650 |
| | **9,189,895** | 9,759,534 |

| 18. CASH AND BANK BALANCES | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| **Cash and cash equivalents** | | |
| – Cash on hand | **109,873** | 354,342 |
| – Balances with banks | | |
| – In current accounts | **1,204,747** | 6,623,352 |
| – In fixed deposits accounts (with original maturity of 3 months or less from the reporting date) | **11,597,319** | 470,345 |
| | **12,911,939** | 7,448,039 |
| **Other bank balances** | | |
| – In fixed deposits with maturity of more than 3 months but less than 12 months from the reporting date | **683,915** | 640,484 |
| – In unpaid dividend accounts | **1,240,449** | 1,214,368 |
| | **1,924,364** | 1,854,852 |
| | **14,836,303** | 9,302,891 |

| 19. SHORT-TERM LOANS AND ADVANCES | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| (Unsecured, considered good) | | |
| Short term loans and deposits : | | |
| – To related parties *(refer note 31)* | **51,553,845** | 14,318,428 |
| – To others | **60,000,000** | 10,000,000 |
| CENVAT credit | **263,251** | 148,418 |
| Prepaid expenses | **165,240** | 207,328 |
| Loans to employees | **87,500** | 130,000 |
| Advances to service providers | **889,440** | 1,609,162 |
| Other advances | **565,948** | 145,708 |
| | **113,525,224** | 26,559,044 |

| 20. OTHER CURRENT ASSETS | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| (Unsecured considered good) | | |
| Interest accrued on | | |
| – Short term loans and deposits | **1,898,819** | 1,611,311 |
| – Fixed deposits | **3,651** | 5,951 |
| – Deferrel Rent Asset | **71,676** | — |
| | **1,974,146** | 1,617,262 |

| 21. REVENUE FROM OPERATIONS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Sale of services** | | |
| – Income from Corporate Finance | **21,497,827** | 13,975,648 |
| – Income from ESOP Advisory | **2,225,000** | 4,290,000 |
| – Income from Merchant Banking | **25,706,555** | 52,804,791 |
| | **49,429,382** | 71,070,439 |
| **Other operating revenue** | | |
| – Reimbursement of expenses : | | |
| – Income from Corporate Finance | **170,000** | 60,000 |
| – Income from ESOP Advisory | **29,800** | 2,000 |
| – Income from Merchant Banking | **391,294** | 448,986 |
| | **591,094** | 510,986 |
| **Total Revenue from Operations** | **50,020,476** | 71,581,425 |

| 22. OTHER INCOME | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Interest income on | | |
| – Short term loans and deposits | **8,731,927** | 11,272,732 |
| – Fixed deposits | **74,974** | 221,981 |
| Dividend income from investments | | |
| – Current investments | **210,374** | 248,607 |
| – Non current investments | **1,491,702** | 1,491,702 |
| Net Profit on sale of investments | | |
| – Current investments | **12,655,970** | 2,332,324 |
| – Non current investments | **2,147,327** | 8,375,420 |
| *(net of loss₹ 401,473, previous year : ₹ 622,604)* | | |
| Rent income | **741,326** | 1,485,410 |
| Net profit on foreign exchange fluctuations | **12,549** | 40,790 |
| Sundry balances written back | **—** | 1,019,495 |
| Miscellaneous income | **312,178** | 1,717,331 |
| | **26,378,327** | 28,205,792 |

| 23. EMPLOYEE BENEFITS EXPENSE | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Salaries, bonus and allowances | **20,800,135** | 21,095,198 |
| Contribution to provident fund and other funds | **1,858,657** | 1,870,283 |
| Gratuity | **(956,814)** | 19,561 |
| Leave encashment | **431,330** | 456,828 |
| Staff welfare expenses | **1,025,607** | 931,245 |
| | **23,158,915** | 24,373,115 |

| 24. FINANCE COSTS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Interest Expenses | **120,055** | 253,957 |
| | **120,055** | 253,957 |

| 25. DEPRECIATION | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Depreciation on | | |
| – Tangible fixed assets | **4,113,289** | 4,387,133 |
| – Investment property | **11,176** | 15,660 |
| | **4,124,465** | 4,402,793 |

| 26. OTHER EXPENSES | 31- March- 2017 ₹ | | 31- March- 2016 ₹ | |
|---|---|---|---|---|
| Electricity charges | | **298,220** | | 349,422 |
| Donations | | **—** | | 48,000 |
| Advertisement and business promotion expenses | | **817,140** | | 648,738 |
| Motor car expenses | | **769,504** | | 770,579 |
| Net loss on foreign exchange fluctuations | | **25,909** | | — |
| Rates and taxes | | **1,822,575** | | 908,475 |
| Insurance | | **241,244** | | 221,080 |
| Repairs and maintenance | | | | |
| – Buildings | **1,754,335** | | 1,744,349 | |
| – Others | **656,334** | **2,410,669** | 898,481 | 2,642,830 |
| Travelling and conveyance | | **1,220,460** | | 1,311,317 |
| Office expenses | | **47,572** | | 140,540 |
| Communication expenses | | **620,509** | | 657,017 |

**26. OTHER EXPENSES** (Contd..)

| | | 31- March- 2017 ₹ | | 31- March- 2016 ₹ |
|---|---|---|---|---|
| Printing and stationery | | **354,939** | | 833,961 |
| Provision for diminution in value of current investments | | **—** | | 1,444,396 |
| Legal and professional fees | | **11,378,816** | | 9,730,352 |
| Portfolio management charges | | **1,161,302** | | 284,004 |
| Directors' sitting fees | | **85,000** | | 35,000 |
| Postage and telegraph | | **98,923** | | 151,934 |
| Auditors' Remuneration (excluding applicable taxes) | | | | |
| – Statutory audit fees | **200,000** | | 200,000 | |
| – Tax audit fees | **50,000** | | 50,000 | |
| – Other services | **150,000** | | 150,000 | |
| – Reimbursement of expenses | **—** | | 7,000 | |
| | | **400,000** | | 407,000 |
| Membership and subscription | | **710,944** | | 741,495 |
| Provision for Doubtful Debts-Exp | | **1,950,480** | | **—** |
| Bad debts | | **440,351** | | 970,996 |
| Miscellaneous expenses | | **455,719** | | 307,789 |
| | | **25,310,275** | | 22,604,925 |

**27 CONTINGENT LIABILITIES**
(to the extent not provided for)

(a) The Company has provided corporate guarantees aggregating to ₹ 220,000,000 (Previous Year : ₹ 220,000,000) to the bankers of its subsidiary, Keynote Capitals Limited towards BSE & NSE operations.

**28 SEGMENT REPORTING**

As per AS 17 para 4, segment has been disclosed in Consolidated Financial Statements, hence no separate disclosures have been given in standalone financial statements.

**29 EARNINGS PER SHARE**

The disclosure requirements with respect of Accounting Standard (AS) 20 on "Earnings Per Share" are as follows:

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Net profit after tax | **18,896,477** | 34,769,822 |
| Number of equity shares outstanding at the end of the year (Face value of ₹ 10/- each) | **7,018,339** | 7,018,339 |
| Earnings per share: Basic and diluted (₹ ) | **2.69** | 4.95 |

**30 LEASES**

The following are the disclosures in accordance with Accounting Standard (AS) 19 on "Leases" :

**Operating lease as lessor**

The Company has given a commercial property on non-cancellable operating lease. The corresponding lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period. Accordingly, lease rentals amounting to ₹ 6,69,650/- (Previous Year: ₹ 1,485,410/- ) has been recognised as income in the Statement of Profit and Loss as Other Income

There are no exceptional / restrictive covenants in the lease agreement.
The future minimum lease payments in respect of lease property is as follows:

| Lease payments | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Not later than one year | **780,000** | 1,607,160 |
| Later than one year but not later than 5 years | **—** | 1,205,370 |
| Later than 5 years | **—** | — |

**31. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 - RELATED PARTY DISCLOSURES :**

**(i) Category of related parties**

**(a) Enterprise where control exist**

**Subsidiaries:**

Keynote Capitals Limited
Keynote Fincorp Limited
Keynote Commodities Limited (step down subsidiary)

**(b) Key Management Personnel:**

Mr. B. Madhuprasad-Chairman
Mr. Vineet Suchanti-Managing Director *(untill 5 April 2017)*
Mrs. Rinku Suchanti-Director
Mr. Uday S. Patil-Director & Chief Financial Officer
Ms. Saloni Maru - Company Secretary *(upto 21 April 2017)*
Ms. Shruti Deshmukh - Company Secretary *(upto 11 February 2016)*
Mr. Sujeet More- Company Secretary *(from 25 May 2017)*

**(c) Relatives of Key Management Personnel:**

Mrs. Pushpa Suchanti
Mr. Vivek Suchanti
Mr. Nirmal Suchanti

**(d) Enterprise over which Key Management Personnel exercise significant influence:**

Concept Communication Limited
Concept Production Limited
Nirmal Suchanti - HUF
Keynote Trust
NSS Digital Media Limited
LKP Finance Ltd
Eagle Eye Research & Media Private Limited
VN Creative Chemicals Pvt Ltd

**31. Disclosures as required by Accounting Standard (AS) 18 - Related Party Disclosures** (Contd...):

**ii) Transactions with related parties:**

(Amount in ₹)

| Particulars | Name of the related Party | Subsidiary Company | | Key Management Personnel/Relatives of key managerial personnel | | Enterprise over which key Management personnel exercise Significant Influence | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | **31 March 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| Receiving of services | Keynote Capitals Limited | 1,800,000 | — | — | — | — | — | 1,800,000 | — |
| Receiving of services | Concept Communication Limited | — | — | — | — | 48,154 | 121,390 | 48,154 | 121,390 |
| | | **1,800,000** | **—** | **—** | **—** | **48,154** | **121,390** | **1,848,154** | **121,390** |
| Rendering of Services | LKP Finance Limited | — | — | — | — | 300,000 | — | 300,000 | — |
| | | **—** | **—** | **—** | **—** | **300,000** | **—** | **300,000** | **—** |
| Managerial Remuneration | Mr. Vineet Suchanti | — | — | 5,140,095 | 4,748,306 | — | — | 5,140,095 | 4,748,306 |
| Managerial Remuneration | Mr. Uday S. Patil | — | — | 4,512,696 | 3,901,366 | — | — | 4,512,696 | 3,901,366 |
| Remuneration | Ms. Saloni Maru | — | — | 414,220 | 39,179 | — | — | 414,220 | 39,179 |
| Remuneration | Ms. Shruti Deshmukh | — | — | — | 79,791 | — | — | — | 79,791 |
| | | **—** | **—** | **10,067,011** | **8,768,642** | **—** | **—** | **10,067,011** | **8,768,642** |
| Professional Fees | Mr. B. Madhuprasad | — | — | 900,000 | 1,050,000 | — | — | 900,000 | 1,050,000 |
| | | **—** | **—** | **900,000** | **1,050,000** | **—** | **—** | **900,000** | **1,050,000** |
| Recovery of excess managerial remuneration | Mr. B. Madhuprasad | — | — | — | 1,650,000 | — | — | — | 1,650,000 |
| | | — | — | **—** | **1,650,000** | — | — | **—** | **1,650,000** |
| Dividend paid | Keynote Trust | — | — | — | — | 1,451,702 | 1,451,702 | 1,451,702 | 1,451,702 |
| Dividend paid | Mrs. Pushpa Suchanti | — | — | 132,308 | 132,308 | — | — | 132,308 | 132,308 |
| Dividend paid | Mrs. Rinku Suchanti | — | — | 3,802 | 3,802 | — | — | 3,802 | 3,802 |
| Dividend paid | Mr. B. Madhuprasad | — | — | 48,550 | 48,550 | — | — | 48,550 | 48,550 |
| Dividend paid | Mr. Vineet Suchanti | — | — | 11,977 | 11,977 | — | — | 11,977 | 11,977 |
| Dividend paid | Mr. Vivek Suchanti | — | — | 49,440 | 49,440 | — | — | 49,440 | 49,440 |
| Dividend paid | Mr. Nirmal Suchanti | — | — | 117,647 | 117,647 | — | — | 117,647 | 117,647 |
| Dividend paid | Concept Production Limited | — | — | — | — | 241,600 | 241,600 | 241,600 | 241,600 |
| Dividend paid | NSS Digital Media Limited | — | — | — | — | 2,932,256 | 2,932,256 | 2,932,256 | 2,932,256 |
| Dividend paid | Nirmal Suchanti - HUF | — | — | — | — | 282,499 | 282,499 | 282,499 | 282,499 |
| | | **—** | **—** | **363,724** | **363,724** | **4,908,057** | **4,908,057** | **5,271,781** | **5,271,781** |
| Dividend received | Keynote Trust | — | — | — | — | 1,451,702 | 1,451,702 | 1,451,702 | 1,451,702 |
| | | **—** | **—** | **—** | **—** | **1,451,702** | **1,451,702** | **1,451,702** | **1,451,702** |
| Security deposit paid | Mr. B. Madhuprasad | — | — | 300,000 | 300,000 | — | — | 300,000 | 300,000 |
| | | **—** | **—** | **300,000** | **300,000** | **—** | **—** | **300,000** | **300,000** |
| Interest received | Eagle Eye Research & Media Private Limited | — | — | — | — | — | 21,087 | — | 21,087 |
| Interest received | Keynote Capitals Limited | 330,410 | — | — | — | — | — | 330,410 | — |
| Interest received | Keynote Fincorp Limited | 345,863 | — | — | — | — | — | 345,863 | — |
| Interest received | Concept Communication Limited | — | — | — | — | 4,495,191 | 8,247,145 | 4,495,191 | 8,247,145 |
| | | **676,273** | **—** | **—** | **—** | **4,495,191** | **8,268,232** | **5,171,464** | **8,268,232** |
| Loans and advances given | Eagle Eye Research & Media Private Limited | — | — | — | — | — | 172,000 | — | 172,000 |
| Loans given | Concept Communication Limited | — | — | — | — | 115,000,000 | — | 115,000,000 | — |
| Loans given | Keynote Capitals Limited | 30,000,000 | — | — | — | — | — | 30,000,000 | — |
| Loans given | Keynote Fincorp Limited | 19,000,000 | — | — | — | — | — | 19,000,000 | — |
| Advance received | VN Creative Chemicals Pvt Ltd | — | — | — | — | 11,100,000 | — | 11,100,000 | — |
| Advance given | Keynote Trust | — | — | — | — | 10,000 | 10,000 | 10,000 | 10,000 |
| | | **49,000,000** | **—** | **—** | **—** | **126,110,000** | **182,000** | **175,110,000** | **182,000** |
| Loans repaid by | Concept Communication Limited | — | — | — | — | 77,774,583 | 56,077,570 | 77,774,583 | 56,077,570 |
| Loans repaid by | Keynote Capitals Limited | 30,000,000 | — | — | — | — | — | 30,000,000 | — |
| Loans repaid by | Keynote Fincorp Limited | 19,000,000 | — | — | — | — | — | 19,000,000 | — |
| | | **49,000,000** | **—** | **—** | **—** | **77,774,583** | **56,077,570** | **126,774,583** | **56,077,570** |
| Reimbursement of expenses | Mr. Vineet Suchanti | — | — | 2,500 | 2,500 | — | — | 2,500 | 2,500 |
| Reimbursement of expenses | Mr. B. Madhuprasad | — | — | 2,500 | 19,401 | — | — | 2,500 | 19,401 |
| Reimbursement of expenses | Mr. Uday S. Patil | — | — | 2,500 | 2,500 | — | — | 2,500 | 2,500 |
| Reimbursement of expenses | Keynote Capitals Limited | 1,629,528 | 1,184,501 | — | — | — | — | 1,629,528 | 1,184,501 |
| | | **1,629,528** | **1,184,501** | **7,500** | **24,401** | **—** | **—** | **1,637,028** | **1,208,902** |
| Outstanding balances : | | | | | | | | | |
| Loans given | Concept Communication Limited | — | — | — | — | 51,147,847 | 13,922,430 | 51,147,847 | 13,922,430 |
| Loans and advances given | Eagle Eye Research & Media Private Limited | — | — | — | — | 237,000 | 237,000 | 237,000 | 237,000 |
| Loans and advances given | Keynote Trust | — | — | — | — | 168,998 | 158,998 | 168,998 | 158,998 |
| | | **—** | **—** | **—** | **—** | **51,553,845** | **14,318,428** | **51,553,845** | **14,318,428** |
| Corporate guarantee given | Keynote Capitals Limited | 220,000,000 | 220,000,000 | — | — | — | — | 220,000,000 | 220,000,000 |
| | | **220,000,000** | **220,000,000** | **—** | **—** | **—** | **—** | **220,000,000** | **220,000,000** |

**32. THE PROVISIONS MADE DURING THE YEAR ENDED 31 MARCH 2017 COMPRISES OF THE FOLLOWING :**

| Particulars | Balance as at 01 April , 2016 | Provisions made during the year | Reversal of provisions / payments during the year | Balance as at 31 March, 2017 |
|---|---|---|---|---|
| Bonus | 923,149 | 2,042,747 | 2,049,763 | 916,133 |
| | *(911,155)* | *(1,857,071)* | *(1,845,077)* | *(923,149)* |
| Gratuity | 2,376,502 | 600,000 | 1,917,112 | 1,059,390 |
| | *(2,714,754)* | *(60,360)* | *(277,892)* | *(2,376,502)* |
| Leave encashment | 161,277 | 431,330 | 440,752 | 151,855 |
| | *(154,713)* | *(456,828)* | *(450,264)* | *(161,277)* |
| Provision for Doubtful Debts | — | 1,950,480 | — | 1,950,480 |
| | — | — | — | — |

*(Figures in brackets indicate previous year's figures)*

**33. EXPENDITURE IN FOREIGN CURRENCY CHARGED TO STATEMENT OF PROFIT & LOSS:**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Travelling and conveyance | **106,583** | 81,696 |
| | **106,583** | 81,696 |

**34. EARNINGS IN FOREIGN CURRENCY**

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Income from Corporate Finance | **3,590,791** | 2,585,148 |
| | **3,590,791** | 2,585,148 |

**35. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES**

| Particulars | Foreign currency | Amount in foreign currency | | Amount in Indian Currency | |
|---|---|---|---|---|---|
| | | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Trade receivables | USD | **11,720** | 3,098,34 | **759,908** | 201,254 |
| Trade receivables | AED | **17,200** | — | **303,637** | — |

**36. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARY AS PER THE PROVISION OF REGULATIONS 34(3) OF SECURITIES EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015.**

**Keynote Capitals Limited**

Balance as at 31 March 2017 is Nil (P.Y. Nil). Maximum outstanding during the year is ₹ 30,000,000 (P.Y. Nil)

**Keynote Fincorp Limited**

Balance as at 31 March 2017 is Nil (P.Y. Nil). Maximum outstanding during the year is ₹ 19,000,000 (P.Y. Nil)

**37. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006 :**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | Nil | Nil |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |
| | Nil | Nil |

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**38. DEATAILS OF CASH TRANSACTION DURING THE DEMONETIZATION PERIOD**

| Particulars | SBNs | Other Denomination | Total |
|---|---|---|---|
| Closing Cash in Hand as at 8.11.2016 | 322,000 | 637 | 322,637 |
| Add: Permitted Receipts | — | 392,352 | 392,352 |
| **Total** | **322,000** | **392,989** | **714,989** |
| **Less:** | | | |
| Permitted Payments | — | 334,979 | 334,979 |
| Amount Deposited in Bank | 322,000 | — | 322,000 |
| **Total** | **322,000** | **334,979** | **656,979** |
| **Closing Cash in Hand as at 30 December 2016** | | | **58,010** |

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration
No: 110592W/W-100094

**For and on behalf of the Board of Directors of Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **Uliyar Balakrishna Bhat** | **Vineet Suchanti** | **Uday Patil** | **Sujeet More** |
| *Partner* | *Director* | *Director & CFO* | *Company Secretary* |
| Membership No : 019216 | DIN : 00004031 | DIN : 00003978 | |

Date : 25 May 2016
Place : Mumbai

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Particulars | Year Ended 31 March 2017 ₹ | Year Ended 31 March 2016 ₹ |
|---|---|---|---|
| **(A)** | **Cash Flow From Operating Activities** | | |
| | Profit before tax | **23,685,093** | 48,152,427 |
| | Adjustments for | | |
| | Depreciation | **4,124,465** | 4,402,793 |
| | Excess Provision of Gratuity written back | **(956,814)** | — |
| | Provision for Leave Encashment | **431,330** | 456,828 |
| | Provision for Dobutful Debts | **1,950,480** | — |
| | Provision/(Reversal of Provision) for diminution in value of current investment | **(170,737)** | 1,444,396 |
| | Interest expenses | **120,055** | 253,957 |
| | Sundry balances written off/(written back) | **440,351** | (232,835) |
| | – Non current investments | **(2,147,327)** | (2,332,324) |
| | – Current investments | **(12,655,970)** | (8,375,420) |
| | Dividend income | **(1,702,076)** | (1,740,309) |
| | Interest Income | **(8,806,901)** | (11,494,713) |
| | Rental Income | **(741,326)** | (1,485,410) |
| | Unrealised foreign exchange loss / (gain) | **15,233** | (15,872) |
| | **Operating profit before working capital changes** | **3,585,855** | 29,033,518 |
| | **Adjustment for working capital changes** | | |
| | (Increase)/decrease in trade and other receivables | **(1,836,424)** | 6,586,134 |
| | (Increase)/decrease in short-term loans and advances | **(89,652,380)** | 57,774,755 |
| | (Increase)/decrease in other current assets | **(356,884)** | 7,250,758 |
| | (Increase)/decrease in long-term loans and advances | **5,138,936** | (1,184) |
| | Increase/(decrease) in short-term borrowings | **50,894** | — |
| | Increase/(decrease) in long-term provisions | **(1,819,175)** | (207,222) |
| | Increase/(decrease) in short-term provisions | **(515,058)** | (581,294) |
| | Increase/(decrease) in trade payables | **788,619** | (2,979,028) |
| | Increase/(decrease) in other long-term liabilities | **(40,000)** | — |
| | Increase/(decrease) in other current liabilities | **12,617,193** | (4,655,290) |
| | **Cash generated from / (used) in operations** | **(72,038,424)** | 92,221,147 |
| | Taxes paid | **(4,934,018)** | (9,467,140) |
| | **Net cash generated from / (used) in operating activities (A)** | **(76,972,442)** | 82,754,007 |
| **(B)** | **Cash Flow From Investing Activities** | | |
| | Purchase of fixed assets | **(222,364)** | (148,383) |
| | Sale of investments (net) | **80,989,941** | (85,688,258) |
| | Bank deposits placed (net) | **(69,512)** | 1,081,643 |
| | Rent received | **669,650** | 1,485,410 |
| | Interest received | **8,450,017** | 11,494,713 |
| | Dividend received | **1,686,487** | 1,739,257 |
| | **Net cash generated from / (used) in investing activities (B)** | **91,504,219** | (70,035,619) |
| **(C)** | **Cash Flow From Financing Activities** | | |
| | Dividend paid | **(7,018,339)** | (7,018,339) |
| | Dividend distribution tax paid | **(1,214,453)** | (1,192,767) |
| | Interest paid | **(120,055)** | (252,637) |
| | Repayment of borrowings | **(715,030)** | (979,145) |
| | **Net cash generated from / (used) in financing activities (C)** | **(9,067,877)** | (9,442,888) |
| | **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **5,463,900** | 3,275,500 |
| | Cash and cash equivalents as at beginning of year *(refer note 18)* | **7,448,039** | 4,172,539 |
| | **Cash and cash equivalents as at the end of the year *(refer note 18)*** | **12,911,939** | 7,448,039 |

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 "Cash Flow Statement"

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

Date : 25 May 2017
Place : Mumbai

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Keynote Corporate Services Limited ("the Company"), and its subsidiaries and trust (the Company, its subsidiaries and trust together referred to as 'the Group') comprising of the consolidated Balance Sheet as at 31March 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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.

The respective Board of Directors of the companies and trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

**Other matters**

We did not audit the financial statements of three subsidiaries and one trust, whose financial statements reflect total assets of ₹ 1,284,894,440 as at 31 March 2017, total revenues of Rs 185,624,365 as at 31 March 2017 and net cash outflow amounting to ₹ 115,145,995 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to these subsidiaries and trust, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on reports of other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

   (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group are disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Group does not have any pending litigations which would impact its financial position.

      ii. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts. Refer Note 32 to the financial statements.

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies.

      iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 39 to the financial statements.

For **S M S R & Co LLP**
*Chartered Accountants*
Firm's Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No: 019216

Mumbai
Date: 25 May 2017

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KEYNOTE CORPORATE SERVICES LIMITED – 31 MARCH 2017

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Keynote Corporate Services Limited ('hereinafter referred to as "the Holding Company") and its subsidiary companies, which are incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering 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 respective 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 Act, 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company and its subsidiaries which are incorporated in India, have, 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 31 March 2017, 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.

**Other matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in this respect.

For **S M S R & Co LLP**
*Chartered Accountants*
Firm's Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No: 019216

Mumbai
Date: 25 May 2017

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | Note No. | As at 31-March -2017 | As at 31-March -2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share capital | 3 | **55,666,370** | 55,666,370 |
| Reserves and surplus | 4 | **665,486,605** | 607,836,196 |
| | | **721,152,975** | 663,502,566 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 5 | **870,678** | 2,360,167 |
| Deferred tax liabilities (net) | 6 | **14,371,385** | 13,464,144 |
| Other long term liabilities | 7 | **260,000** | 300,000 |
| Long-term provisions | 8 | **75,015** | 1,462,860 |
| | | **15,577,078** | 17,587,171 |
| **Current liabilities** | | | |
| Short-term borrowings | 9 | **89,515,461** | 114,088,678 |
| Trade payables | 10 | | |
| (a) Dues to micro and small enterprises (refer note - 41) | | | |
| (b) Dues to others | | **541,702,279** | 143,443,927 |
| Other current liabilities | 11 | **132,699,467** | 60,381,736 |
| Short-term provisions | 12 | **3,543,419** | 10,626,053 |
| | | **767,460,626** | 328,540,394 |
| **TOTAL** | | **1,504,190,679** | 1,009,630,131 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| – Tangible assets | 13 | **184,800,018** | 191,707,661 |
| – Intangible assets | 13 | **—** | 35,957,108 |
| Goodwill on consolidation (net) | | **1,041,615** | 1,041,615 |
| Non-current investments | 14 | **171,224,045** | 37,251,097 |
| Long-term loans and advances | 15 | **75,571,568** | 31,525,086 |
| Other non current assets | 16 | **6,000,000** | 12,100,000 |
| | | **438,637,246** | 309,582,567 |
| **Current assets** | | | |
| Current investments | 17 | **70,477,670** | 139,547,506 |
| Stock-in-trade | 18 | **—** | 19,923,933 |
| Trade receivables | 19 | **476,640,345** | 61,822,375 |
| Cash and bank balances | 20 | **224,585,950** | 334,250,548 |
| Short-term loans and advances | 21 | **289,405,515** | 141,135,654 |
| Other current assets | 22 | **4,443,953** | 3,367,548 |
| | | **1,065,553,433** | 700,047,565 |
| **TOTAL** | | **1,504,190,679** | 1,009,630,131 |
| Significant accounting policies | 2 | | |

The accompanying notes referred above form an integral part of the financial statements

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

Date : 25 May 2017
Place : Mumbai

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| PARTICULARS | NOTE No. | For The Year Ended 31-March -2017 | For The Year Ended 31-March -2016 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 23 | **138,954,963** | 177,390,568 |
| Other Income | 24 | **109,683,573** | 55,052,459 |
| **Total Income** | | **248,638,536** | 232,443,027 |
| **Expenses:** | | | |
| Employee benefits expense | 25 | **43,835,025** | 43,853,938 |
| Finance costs | 26 | **26,761,903** | 25,338,954 |
| Depreciation and amortisation | 27 | **43,660,819** | 9,424,627 |
| Other expenses | 28 | **59,856,462** | 88,905,436 |
| **Total Expenses** | | **174,114,209** | 167,522,955 |
| **Profit before tax and exceptional items** | | **74,524,327** | 64,920,072 |
| Exceptional items | | **—** | — |
| **Profit before tax** | | **74,524,327** | 64,920,072 |
| **Tax Expense** | | | |
| – Current tax | | **15,682,670** | 16,294,859 |
| – Deferred tax charge | | **907,242** | 3,199,855 |
| – Taxation for earlier years | | **284,006** | 392,634 |
| **Total Tax Expenses** | | **16,873,918** | 19,887,348 |
| **Profit after tax** | | **57,650,409** | 45,032,724 |
| Earnings per share (Face value of ₹ 10 /- (P.Y.₹ 10/-each) | | | |
| Basic & diluted | 31 | **10.36** | 8.09 |
| Significant accounting policies | 2 | | |

The accompanying notes referred above form an integral part of the financial statements

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

Date : 25 May 2017
Place : Mumbai

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

**Notes to financial statements for the year ended 31st March 2017**

**1) CORPORATE INFORMATION**

Keynote Corporate Services Limited ("Keynote/the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Keynote together with its subsidiaries and trust, is herein after referred to as ' the Group' having its registered office in Mumbai. Its shares are listed on two stock exchanges in India. i.e., BSE Limited (BSE) & National Stock Exchange of India Limited (NSE). The Group is engaged in providing services of investment banking, corporate advisory services, ESOP advisory, broking business in commodities and trading in securities

**2) SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation of Consolidated Financial Statements**

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

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

Further, where applicable the Group follows prudential norms for income recognition, assets classification and provisioning for Non-performing assets (NPA), as well as contingency provisions for standard assets, prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC). The accounting standards are followed in so far, as they are not inconsistent with the Prudential Norms, prescribed by the RBI.

**b) Principles and assumptions used for Consolidated Financial Statements**

i) The consolidated financial statements have been prepared applying the principles laid in the Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by Companies (Accounting Standards), Rules 2006 (as amended). The consolidated financial statements comprise the financial statements of the Company, its trust and its subsidiaries.

ii) The financial statements have been consolidated on a line-by-line basis by adding together the book value of the assets, liabilities, income and expenses, after eliminating intra-group transactions and unrealized profits or unrealized losses.

iii) The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated.

iv) The excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is treated as goodwill & recognized as an asset in the Consolidated Financial Statements. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is treated as a capital reserve in the Consolidated Financial Statements.

v) Following are the Companies / Enterprises whose standalone financial statements have been considered for the Consolidated Financial Statements.

| Name of the Company | Country of Incorporation | Proportion of ownership / Beneficial Interest as on 31-March - 2017 | Proportion of ownership / Beneficial Interest 31-March - 2016 |
|---|---|---|---|
| Keynote Capitals Limited | India | 100% | 100% |
| Keynote Commodities Limited | India | 100% | 100% |
| Keynote Fincorp Limited | India | 100% | 100% |
| Keynote Trust | India | 100% | 100% |

**c) Use of estimates**

Preparation of the consolidated financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reported period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known.

**d) Current/Non-current classification of assets and liabilities**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of resources for delivery and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

**e) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**f) Property Plant &Equipment**

Tangible assets and intangible assets are stated at cost less accumulated depreciation / amortization and impairments, if any. Cost includes expenses related to purchases, borrowing costs and any directly attributable cost for bringing the assets to its working condition for its intended use and excludes any duties and taxes recoverable, net of adjustments arising from the exchange rate variations attributable to the assets. Subsequent expenditure related to an item of tangible and intangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance and / or life. The advances given for acquiring for fixed assets are shown under loans and advances (capital advances). The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and resultant gains or losses are recognised in the Statement of Profit and Loss. Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss. Tangible assets and Intangible assets not ready for the intended use on the date of Balance Sheet are stated at Cost as "Capital work-in-progress" and "Intangible Assets under Development" respectively.

Depreciation is provided on pro rata basis under Straight Line Method, as per the useful life of the assets, on all the tangible fixed assets (including property held as investment) which were in use during the year. Residual value for the assets is considered to be at five percent of the original cost of the asset. If the assets are purchased during the year, depreciation is provided on pro – rata basis from the date the assets are installed. In case the assets are sold, depreciation is provided on the same up to the date of sale on pro – rata basis.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition.

Estimated useful lives of the tangible assets is as prescribed in Schedule II of the Companies Act, 2013, except in case of Investment Property.

**g) Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors except in case of intangibles under development which are reviewed at every reporting date. An impairment loss is recognized in the Statement of Profit & Loss, wherever the carrying amount of an

asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specifics to the asset.

An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimates of the recoverable amount and such loss either no longer exists or has decreased.

**h) Assets acquired under lease**

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

**i) Operating lease**

**Where the group is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease expenses are charged to the statement of profit and loss on straight line basis over lease term.

**Where the group is the lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on straight line basis over lease term.

**ii) Finance lease**

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability. The finance expenses is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**i) Borrowing costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, interest and other financial charges incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

**j) Stock-in-trade**

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

**k) Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as "Current Investments". On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as "Non-Current Investments".

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

Stock in trade changed/Transferred to Non-Current Investment w.e.f. 01.04.2016. Accordingly, all stock in trade has been transferred to Non-Current Investment. W.e.f. 01.04.2016.

**l) Investment property**

Property given on lease is shown as Investment in property under "Non-Current Investments" and is depreciated using Straight Line method.

**m) Revenue recognition**

i) Revenue is recognized to the extent that it can be reliably measured and there is no uncertainty about ultimate collection. Income from services is recognized with reference to achievement of milestones defined in the corresponding engagement letters or mandate letters entered with counter party which reflects the proportionate stage of completion method.

ii) Initial acceptance fees is recorded as income after the achievement of the first milestone. In situations where there is no further progress on the mandate, the initial acceptance fees received, is recorded as income after 12 months of its receipt.

iii) Brokerage income, including brokerage on commodity transactions, is recognised on trade date basis and is exclusive of service tax and Securities Transaction Tax (STT)/Commodities transaction Tax (CDT), wherever applicable.

iv) Advisory and transactional processing fees income is accounted on an accrual basis, in accordance with the terms of contracts, entered into between the Group and the counter party.

v) Income from investment in Mutual Funds is accounted when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.

vi) Profit / loss on sale of securities held as stock in trade is calculated on first-in-first-out (FIFO) basis.

vii) Profit/loss on equity derivative transactions is accounted for as explained below:

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

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

c) On final settlement or squaring-up of contracts for equity index / stock futures, the realized profit or loss is recognized in the Profit and Loss Account. On settlement or squaring-up of equity index / stock options before expiry, the premium prevailing in "Equity Index/Stock Option Premium Account" on that date is recognized in the 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 (AS) - 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 Profit & Loss account and net unrealized gains are ignored.

viii) Account opening charges are recognized on accrual basis.

ix) Income, including interest / discount or any other charges on Non-Performing Assets (NPA) are recognised as income, only when it is actually realised. However, any unrealisable income which is earned on Non- Performing Assets (NPA) would be adjusted / reversed during the year of classification. Dividend from investments is accounted for as income when the right to receive the dividend is established.

x) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

xi) Income from depository operations etc. is recognized on accrual basis.

xii) Other income is recognized on accrual basis.

**n) Foreign currency transactions**

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions or that approximates the actual rate at the date of transaction. Exchange differences arising on foreign currency transactions, settled during the year, are recognised in the statement of profit and loss. The premium or discount on foreign exchange forward contracts is amortized as income or expense over the life of the contract.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reported using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognised in the Statement of Profit & Loss. Non monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

**o) Retirement and other employee benefits**

**i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. Retirement benefits in the form of provident fund and ESIC is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**ii) Defined benefit plans**

The liability in respect of defined benefit plans and other- post employee benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

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

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the Group subsequent to the calendar year end.

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

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

**p) Taxes on income**

Income tax expense comprises of current and deferred nature. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act of 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in Balance Sheet if there is convincing evidence that the Company will pay normal tax after tax holiday period and the resultant asset can be measured reliably.

**q) Earnings per share**

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

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

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issue including for changes effected prior to the approval of financial statements by the Board of Directors.

**r) Segment reporting**

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further, segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment revenue, expenses, assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income.

**s) Provisions, Contingent liabilities & Contingent assets**

i) Provision is recognized in the consolidated financial statements when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

ii) Provisioning on Receivables from Financing Business:

a) Provision for standard assets is made on the basis of prudential norms prescribed for NBFCs by Reserve Bank of India.

b) Provision for non-performing asset is based on the management's assessment of the degree of impairment of the loan asset the level of provisioning required as per the prudential norms prescribed for NBFCs by Reserve Bank of India.

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

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

| 3. SHARE CAPITAL | 31-March -2017 ₹ | 31-March -2016 ₹ |
|---|---|---|
| **Authorised :** | | |
| 15,000,000 (P.Y : 15,000,000) equity shares of ₹ 10/- each | **150,000,000** | 150,000,000 |
| | **150,000,000** | 150,000,000 |
| **Issued :** | | |
| 11,274,417 (P.Y: 11,274,417) equity shares of ₹ 10/- each | **112,744,170** | 112,744,170 |
| | **112,744,170** | 112,744,170 |
| **Subscribed and fully paid-up shares:** | | |
| 7,018,339 (P.Y : 7,018,339) equity shares of ₹ 10/- each* | **55,666,370** | 55,666,370 |
| | **55,666,370** | 55,666,370 |

*Keynote Trust has been consolidated. Consequently, the shares held by Keynote Trust in Keynote Corporate Services Limited (Current Year :1,451,702 shares ; Previous Year :1,451,702 shares) have been eliminated, on consolidation.

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :**

| Particulars | 31-March -2017 | | 31-March -2016 | |
|---|---|---|---|---|
| | No. of Shares | Amount ₹ | No. of Shares | Amount ₹ |
| Equity shares at the beginning of the year | **5,566,637** | **55,666,370** | 5,566,637 | 55,666,370 |
| Equity shares outstanding at the end of the year | **5,566,637** | **55,666,370** | 5,566,637 | 55,666,370 |

**(b) Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend & repayment of capital. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31st March 2017, the Company has proposed final dividend of ₹ 1/- per share (P.Y: ₹ 1/- per share) to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining net assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

| Name of the shareholder | 31-March -2017 | | 31-March -2016 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| NSS Digital Media Limited | **3,112,256** | **44.34** | 2,932,256 | 41.78 |
| India Max Investment Fund Limited | **561,348** | **8.00** | 561,348 | 8.00 |

| 4. RESERVES AND SURPLUS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Statutory reserve*** | | |
| At the commencement of the year | **2,282,761** | 1,583,282 |
| Add: Transfer from the Consolidated Statement of Profit & Loss | **1,680,380** | 699,479 |
| At the end of the year | **3,963,141** | 2,282,761 |
| * Created by Keynote Fincorp Limited (subsidiary) as required under section 45IC of the Reserve Bank of India Act, 1934. | | |
| **Securities premium account** | **230,648,293** | 230,648,293 |
| **General reserve** | **13,391,679** | 13,391,679 |
| **Surplus in the consolidated statement of profit & loss** | | |
| At the commencement of the year | **361,513,463** | 324,060,320 |
| Add : Profit for the year | **57,650,409** | 45,032,724 |
| Less: Appropriations: | | |
| – Transfer to Statutory reserve | **(1,680,380)** | (699,479) |
| – Adjustments in respect of earlier years | **—** | (99,012) |
| – Proposed equity dividend | **—** | (7,018,339) |
| – Tax on proposed equity dividend | **—** | (1,214,453) |
| Add: Dividend adjustment on account of consolidation of trust | **—** | 1,451,702 |
| | **417,483,492** | 361,513,463 |
| | **665,486,605** | 607,836,196 |

| 5 Long-term borrowings | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Secured** | | |
| – Term loans from parties other than banks | **870,678** | 2,360,167 |
| | **870,678** | 2,360,167 |

**Notes :**

(a) The Company had taken vehicle loan from the financial institution during F.Y. 2011-12, carrying interest @ 8.82% p.a. and 11.36% p.a repayable in 59 monthly installments of ₹ 90,085/-and ₹ 36,660/- respectively. The said loans has been repaid during the year.

(b) During the F.Y. 2013-14, the company had further obtained additional vehicle loan from a financial institution carrying interest @10.72% p.a, repayable in 59 monthly installments of ₹ 63,100/- each.

(c) During the F.Y. 2014-15 company has obtained additional vehicle loan from a financial institution carrying interest @ 10.75% p.a. repayable in 36 monthly installments of ₹ 29,939/- each.

(d) During the F.Y. 2015-16, the company had further obtained additional vehicle loan from a financial institution carrying interest @ 8.778% p.a, repayable in 48 monthly installments of ₹ 61,500/- each.

(e) All the above loans are secured by hypothecation of respective assets of the company.

| 6 DEFERRED TAX LIABILITIES (NET) | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Deferred tax liabilities** | | |
| – Depreciation and amortisation on fixed assets | **15,731,227** | 15,007,309 |
| – Deferred Rent Assets | **19,748** | — |
| | **15,750,975** | 15,007,309 |
| **Deferred tax assets** | | |
| – Provision for leave encashment | **131,299** | 53,323 |
| – Provision for Dobutful Debts | **537,406** | — |
| – Provision for gratuity | **210,495** | 785,742 |
| – Provision for bonus | **500,390** | 704,100 |
| | **1,379,590** | 1,543,165 |
| | **14,371,385** | 13,464,144 |

| 7 OTHER LONG TERM LIABILITIES | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Interest free security deposits towards lease | **260,000** | 300,000 |
| | **260,000** | 300,000 |

| 8 LONG-TERM PROVISIONS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Provision for employee benefits** | | |
| – Provision for gratuity | — | 1,379,102 |
| – Provision for leave encashment | **75,015** | 83,758 |
| | **75,015** | 1,462,860 |

| 9 SHORT-TERM BORROWINGS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Secured** | | |
| – Bank overdraft * | **15,059,995** | 79,026,932 |
| **Unsecured** | | |
| Loans from parties other than banks (repayable on demand) | **74,455,466** | 35,061,746 |
| | **89,515,461** | 114,088,678 |

* Bank overdraft is secured against pledge of fixed deposits with banks.

| 10 TRADE PAYABLES | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Dues to micro and small enterprises (refer note - 41) | — | — |
| Dues to others | **541,702,279** | 143,443,927 |
| | **541,702,279** | 143,443,927 |

| 11 OTHER CURRENT LIABILITIES | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Current maturities of long-term debts *(refer note 5)* | **1,489,488** | 1,991,124 |
| Advance received from customers | **16,035,000** | 3,898,036 |
| Security deposits received from customers | **3,275,229** | 45,044,214 |
| Unpaid dividend *(refer note below)* | **1,240,449** | 1,214,368 |
| Interest accrued but not due on borrowings | — | 1,319 |
| Statutory dues payable | **3,503,475** | 6,549,526 |
| Other Payable | **105,432,013** | — |
| Provision for bonus | **1,723,813** | 1,683,149 |
| | **132,699,467** | 60,381,736 |

**Note :**

During the current year, the Company had transferred ₹ 1,12,393/- (P.Y : ₹ 1,02,890) to Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

| 12 SHORT-TERM PROVISIONS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Provision for employee benefits** | | |
| – Provision for gratuity *(refer notes below)* | **2,856,115** | 3,312,669 |
| – Provision for leave encashment *(refer notes below)* | **275,859** | 262,609 |
| **Other provisions** | | |
| – Proposed equity dividend | — | 5,566,637 |
| – Tax on proposed equity dividend | — | 1,214,453 |
| Provision Against Standard Assets | **411,445** | 269,685 |
| | **3,543,419** | 10,626,053 |

**Notes:**

**Disclosures as required by Accounting Standard (AS) 15 Employee Benefits:**

**(A) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as an expense and included in "Employee benefits expenses "

Note 22 in the Statement of Profit and Loss are as under :

- Employers contribution to Provident Fund and Family Pension Scheme ₹ 3,159,048/- (Previous year ₹ 3,081,079/-)
- Employers contribution to Employees State Insurance Scheme ₹ 66,237/- (Previous year: ₹ 52,798/-)
- Employers contribution to Gratuity Fund ₹ (1,202,990)/- (Previous year ₹ 283,043/-)

**(B) Defined Benefit Plans**

**(i) Gratuity**

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **I** | **Change in the present value obligation during the year** | | |
| | Liability at the beginning of the year | 10,630,084 | 10,004,663 |
| | Interest cost | 833,398 | 796,395 |
| | Current service cost | 481,308 | 492,354 |
| | Past service cost | — | — |
| | Benefits paid | (290,769) | (277,892) |
| | Actuarial gains / (losses) | (2,020,084) | (385,436) |
| | Liability at the end of the year | 9,633,937 | 10,630,084 |
| **II** | **Change in fair value of plan assets during the year** | | |
| | Fair value of plan assets at the beginning of the year | 5,938,314 | 4,983,709 |
| | Expected return of plan assets | 465,564 | 396,512 |
| | Contributions | 632,666 | 612,227 |
| | Benefits paid | (290,769) | (277,892) |
| | Actuarial gains / (losses) | 32,048 | 223,758 |
| | Fair value of plan assets at the end of the year | 6,777,823 | 5,938,314 |
| | Total actuarial gains/(loss) to be recognised | 2,052,132 | 609,194 |
| **III** | **Recognition of Actuarial gains / (losses)** | | |
| | Actuarial gains/(losses) to be recognised on obligation for the period | (2,020,084) | (385,436) |
| | Actuarial gains/(losses) to be recognised on assets for the period | (31,958) | (223,758) |
| | Total actuarial gain/(loss) to be recognised in statement of profit and loss | (2,052,042) | (609,194) |
| **IV** | **Actual return on plan assets** | | |
| | Expected return on plan assets | 465,564 | 396,512 |
| | Actuarial gains / (losses) | (32,048) | (223,758) |
| | Actual return on plan assets | 497,612 | 620,270 |
| **V** | **Net asset / (liability) recognised in the balance sheet** | | |
| | Fair value of plan assets at the end of the year | 6,777,823 | 5,938,314 |
| | Present value of benefit obligation as at the end of the year | (9,633,937) | (10,630,084) |
| | Funded status | (2,856,114) | (4,691,770) |
| | Unrecognised past service cost at the end of the year | — | — |
| | Unrecognised transitional liability at the end of the year | — | — |
| | Net asset / (liability) recognised in the balance sheet | (2,856,114) | (4,691,770) |
| **VI** | **Expenses recognised in the statement of profit and loss for the year** | | |
| | Current service cost | 481,308 | 492,354 |
| | Interest cost | 833,398 | 399,883 |
| | Expected return on plan assets | (465,564) | — |
| | Actuarial (gain) / losses | (2,052,132) | (609,194) |

| | | |
|---|---|---|
| Past service cost (non vested benefit) recognised during the year | — | — |
| Past service cost (vested benefit) recognised during the year | — | — |
| Transitional liability recognised during the year | — | — |
| Total expenses as per actuarial valuation recognised in the Statement of Profit & Loss | (1,202,990) | 283,043 |
| **VII Balance Sheet Reconciliation** | | |
| Opening net liability | 4,691,770 | 5,020,954 |
| Expenses recognised in the statement of profit and loss for the year | (1,202,990) | 283,043 |
| Employer's contribution | (632,666) | (612,227) |
| Net asset / (liability) recognised in the balance sheet | 2,856,114 | 4,691,770 |
| **VIII Other details** | | |
| Number of members | 42 | 42 |
| Salary per month | 1,954,402 | 1,813,298 |
| Prescribed contribution for next year (12 months) | 1,954,402 | 1,813,298 |
| **IX Actuarial assumptions:** | | |
| 1 Discount rate | 6.81% | 7.84% |
| 2 Rate of return on plan assets | 6.81% | 7.84% |
| 3 Salary escalation | 8.00% | 8.00% |
| 4 Attrition rate | 13.00% | 13.00% |
| **X Category of assets** | | |
| Government of India assets | — | — |
| Corporate bonds | — | — |
| Equity shares of listed companies property | — | — |
| Insurer managed funds | 6,442,643 | 5,938,314 |
| Others | | |
| Total | 6,442,643 | 5,938,314 |

| | | |
|---|---|---|
| **XI Classification as per schedule III of the Companies Act,2013** | | |
| Current liability *(refer note 11)* | 2,193,878 | 3,312,669 |
| Non-current liability *(refer note 8)* | — | 1,379,102 |
| | 2,193,878 | 4,691,771 |

| **XII. Particulars** | **31 March 2017** | 31 March 2016 | 31 March 2015 | 31 March 2014 | 31 March 2013 |
|---|---|---|---|---|---|
| Present value of benefit obligation | **9,633,937** | 10,630,084 | 10,004,663 | 9,724,901 | 13,380,109 |
| Fair value of plan assets | **6,777,823** | 5,938,314 | 4,983,709 | 4,467,867 | 9,561,157 |
| Surplus / (Deficit) | **(2,856,114)** | (4,691,770) | (5,020,954) | (5,257,034) | (3,818,952) |
| Experience adjustment on plan liability (gains)/ losses | **(1,188,140)** | (436,659) | (710,994) | 290,586 | (1,302,109) |
| Experience adjustment on plan assets (losses)/gains | **32,048** | 223,758 | 167,580 | (402,746) | 64,737 |

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

**Note: Disclosures of plan assets**

The Company has group plan with LIC of India and has not been provided with the details of the planned assets. As a result, no disclosures for the same has been made.

**(ii) Leave encashment**

As per the Company's policy, a sum of ₹ 625,842/- (Previous year : ₹ 598,988/-) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year, the Company has provided to the extent of ₹ 354,874/- (Previous Year: ₹ 346,367/-) as per actuarial valuation done by independent actuary.

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

**13. FIXED ASSETS** (₹)

| Sr. No. | Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 01 April, 2016 | Additions | Disposals/ Adjustments | Balance as at 31 March, 2017 | Balance as at 01 April, 2016 | Depreciation for the year | Disposals / Adjustments during the year | Balance as at 31 March, 2017 | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
| **Tangible Assets** | | | | | | | | | | | |
| (a) | Premises | 177,441,939 | — | — | **177,441,939** | 11,218,689 | **2,807,092** | — | **14,025,781** | **163,416,158** | 166,223,250 |
| | | *(177,441,939)* | — | — | *(177,441,939)* | *(8,361,640)* | *(2,938,001)* | *80,952* | *(11,218,689)* | *(166,223,250)* | *(169,080,299)* |
| (b) | Motor Cars | 23,586,950 | — | — | **23,586,950** | 11,713,731 | **2,457,928** | — | **14,171,659** | **9,415,291** | 11,873,218 |
| | | *(21,268,048)* | (4,445,500) | (2,126,598) | *(23,586,950)* | *(9,513,124)* | *(2,553,097)* | *352,489* | *(11,713,732)* | *(11,873,218)* | *(11,754,924)* |
| (c) | Furniture & fixtures | 15,784,593 | **522,538** | — | **16,307,131** | 5,744,300 | **1,524,402** | — | **7,268,702** | **9,038,429** | 10,040,292 |
| | | *(15,237,093)* | (547,500) | — | *(15,784,593)* | *(4,282,371)* | *(2,418,376)* | 956,447 | *(5,744,300)* | *(10,040,292)* | *(10,954,721)* |
| (d) | Air conditioners | 2,028,570 | — | — | **2,028,570** | 1,099,665 | **235,914** | — | **1,335,579** | **692,991** | 928,905 |
| | | *(2,028,570)* | — | — | *(2,028,570)* | *(764,976)* | *(334,689)* | — | *(1,099,665)* | *(928,905)* | *(1,263,594)* |
| (e) | Office equipments | 2,842,881 | — | — | **2,842,881** | 2,437,268 | **237,848** | — | **2,675,116** | **167,765** | 405,613 |
| | | *(2,831,352)* | (11,529) | — | *(2,842,881)* | *(2,167,193)* | *(270,074)* | — | *(2,437,267)* | *(405,613)* | *(664,159)* |
| (f) | Computers & peripherals | 17,448,059 | **262,354** | — | **17,710,413** | 16,139,132 | **286,835** | — | **16,425,967** | **1,284,446** | 1,308,927 |
| | | *(17,252,894)* | *(195,165)* | — | *(17,448,059)* | *(15,512,825)* | *(751,823)* | *125,516* | *(16,139,132)* | *(1,308,927)* | *(1,740,069)* |
| (g) | Electrical fittings | 1,337,699 | — | — | **1,337,699** | 410,244 | **142,517** | — | **552,761** | **784,938** | 927,455 |
| | | *(1,337,699)* | — | — | *(1,337,699)* | *(267,337)* | *(142,908)* | — | *(410,244)* | *(927,455)* | *(1,070,362)* |
| **Intangible Assets:** | | | | | | | | | | | |
| 1 | Computer Software | — | — | — | — | — | — | — | — | — | — |
| | | *(3,491,250)* | — | — | *(3,491,250)* | (3,491,250) | — | — | *(3,491,250)* | — | — |
| 2 | Stock Exchange Membership Card | 35,957,108 | — | — | **35,957,108** | — | **35,957,108** | — | **35,957,108** | — | 35,957,108 |
| | | *(35,957,108)* | — | — | *(35,957,108)* | — | — | — | — | *(35,957,108)* | *(35,957,108)* |
| | | **276,427,799** | **784,892** | — | **277,212,691** | **48,763,029** | **43,649,644** | — | **92,412,673** | **184,800,018** | **227,664,769** |
| | | ***(276,845,953)*** | ***(5,199,694)*** | ***(2,126,598)*** | ***(279,919,049)*** | ***(44,360,716)*** | ***(9,408,968)*** | ***1,515,404*** | ***(52,254,279)*** | ***(227,664,769)*** | ***(232,485,236)*** |

***Note:***

1 Figures in brackets indicate previous year's figures

**14. NON-CURRENT INVESTMENTS**
(Valued at cost, unless stated otherwise)

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **(A)** | **Investment property (at cost less depreciation)** | | | | | | | | |
| | Gross cost of property | | | | | | | **700,000** | 700,000 |
| | Less: Accumulated depreciation | | | | | | | **295,049** | 283,873 |
| | Net book value | | | | | | | **404,951** | 416,127 |
| | Rights in financial assets | | | | | | | **11,369,780** | — |
| | | | | | | | | **11,774,731** | 416,127 |
| **(B)** | **Investment in Equity Instruments** | | | | | | | | |
| | **Trade Investments** | | | | | | | | |
| 1 | S H Kelkar & Company Ltd | Others | **100,109** | 100,109 | Quoted | Fully Paid up | 10 | **18,019,620** | 18,019,620 |
| 2 | Music Broadcast Ltd | Others | **137** | — | Quoted | Fully Paid up | 10 | **45,621** | — |
| 3 | ABB Ltd | Others | **437** | — | Quoted | Fully Paid up | 2 | **525,084** | — |
| 4 | Aegis Logistics Ltd | Others | **2,432** | — | Quoted | Fully Paid up | 1 | **396,130** | — |
| 5 | Ajanta Pharma Ltd | Others | **11** | — | Quoted | Fully Paid up | 2 | **22,893** | — |
| 6 | Alkem Laboratory Ltd | Others | **178** | — | Quoted | Fully Paid up | 2 | **274,047** | — |
| 7 | APL Apollo Tubes Ltd | Others | **450** | — | Quoted | Fully Paid up | 10 | **414,547** | — |
| 8 | Aptech Ltd | Others | **3,320** | 3,320 | Quoted | Fully Paid up | 10 | **257,300** | 257,300 |
| 9 | Balarampur Chini Ltd | Others | **7,298** | — | Quoted | Fully Paid up | 1 | **881,937** | — |
| 10 | Bharat Forge Ltd | Others | **239** | — | Quoted | Fully Paid up | 2 | **201,739** | — |
| 11 | Birla Corporation Ltd | Others | **414** | — | Quoted | Fully Paid up | 10 | **300,225** | — |
| 12 | Bosch Ltd | Others | **20** | — | Quoted | Fully Paid up | 10 | **354,087** | — |
| 13 | Canfin Homes Ltd | Others | **72** | — | Quoted | Fully Paid up | 10 | **119,074** | — |
| 14 | CESC LTD | Others | **627** | — | Quoted | Fully Paid up | 10 | **513,063** | — |
| 15 | City Union Bank Ltd | Others | **2,096** | — | Quoted | Fully Paid up | 1 | **186,684** | — |
| 16 | Colgate Palmolive Ltd | Others | **170** | — | Quoted | Fully Paid up | 1 | **144,769** | — |
| 17 | Container Corpn. Ltd | Others | **84** | — | Quoted | Fully Paid up | 10 | **98,116** | — |
| 18 | Coromandel International Ltd. | Others | **2,075** | — | Quoted | Fully Paid up | 1 | **574,194** | — |
| 19 | Cummins India Ltd | Others | **285** | — | Quoted | Fully Paid up | 2 | **250,616** | — |
| 20 | Dalmia Bharat Sugars Ltd | Others | **1,844** | — | Quoted | Fully Paid up | 2 | **222,297** | — |
| 21 | DCB Bank Ltd | Others | **2,256** | — | Quoted | Fully Paid up | 10 | **284,910** | — |
| 22 | Dhanuka Agri Tech Ltd | Others | **124** | — | Quoted | Fully Paid up | 2 | **84,133** | — |
| 23 | Dishman Pharmaceuticals Ltd | Others | **298** | — | Quoted | Fully Paid up | 2 | **88,374** | — |
| 24 | Dr. Lal Path Laboratories Ltd | Others | **112** | — | Quoted | Fully Paid up | 10 | **123,570** | — |
| 25 | Eicher Motors Ltd | Others | **19** | — | Quoted | Fully Paid up | 10 | **361,843** | — |
| 26 | Emami Ltd | Others | **257** | — | Quoted | Fully Paid up | 1 | **262,145** | — |
| 27 | Engineers India Ltd | Others | **710** | — | Quoted | Fully Paid up | 5 | **53,807** | — |
| 28 | Entertainment Network India Ltd | Others | **965** | — | Quoted | Fully Paid up | 10 | **703,297** | — |
| 29 | Gabriel Inida Ltd | Others | **1,343** | — | Quoted | Fully Paid up | 1 | **160,380** | — |
| 30 | Glaxosmithkline Ltd | Others | **31** | — | Quoted | Fully Paid up | 10 | **176,710** | — |
| 31 | Godrej Industries Ltd | Others | **286** | — | Quoted | Fully Paid up | 1 | **136,981** | — |
| 32 | Grathite India Ltd | Others | **1,989** | — | Quoted | Fully Paid up | 2 | **221,192** | — |
| 33 | Hindustan Petroleum Ltd | Others | **2,307** | — | Quoted | Fully Paid up | 10 | **522,379** | — |
| 34 | IDFC Ltd | Others | **10** | — | Quoted | Fully Paid up | 10 | **576** | — |
| 35 | IDFC Bank Ltd | Others | **10** | — | Quoted | Fully Paid up | 10 | **683** | — |
| 36 | Indian Oil Corporation Ltd | Others | **2,000** | — | Quoted | Fully Paid up | 10 | **789,080** | — |
| 37 | Innovative Tech Pack Ltd | Others | **18,000** | — | Quoted | Fully Paid up | 1 | **1,011,717** | — |
| 38 | Ipca Laboratories Ltd | Others | **292** | — | Quoted | Fully Paid up | 2 | **184,844** | — |
| 39 | ITD Cementation Ltd | Others | **600** | — | Quoted | Fully Paid up | 1 | **87,180** | — |
| 40 | J & K Bank Ltd | Others | **1,210** | — | Quoted | Fully Paid up | 1 | **81,312** | — |
| 41 | Jagran Prakashan Ltd | Others | **2,598** | — | Quoted | Fully Paid up | 2 | **452,794** | — |
| 42 | Kajaria Ceramics Ltd | Others | **240** | — | Quoted | Fully Paid up | 1 | **167,033** | — |
| 43 | Kaveri Seeds Ltd | Others | **1,077** | — | Quoted | Fully Paid up | 2 | **512,596** | — |
| 44 | Kotak Mahindra Bank Ltd | Others | **630** | — | Quoted | Fully Paid up | 5 | **430,384** | — |
| 45 | L & T Technologies Ltd | Others | **243** | — | Quoted | Fully Paid up | 10 | **206,351** | — |
| 46 | Lakshmi Vilas Bank Ltd | Others | **797** | — | Quoted | Fully Paid up | 2 | **126,811** | — |
| 47 | Linde India Ltd | Others | **531** | — | Quoted | Fully Paid up | 10 | **202,566** | — |
| 48 | Mahanagar Gas Ltd | Others | **163** | — | Quoted | Fully Paid up | 10 | **107,476** | — |
| 49 | Max Financial Services Ltd | Others | **768** | — | Quoted | Fully Paid up | 2 | **267,924** | — |
| 50 | Mitcon Consultancy Ltd | Others | **102,000** | — | Quoted | Fully Paid up | 10 | **7,031,600** | — |
| 51 | Music Broadcast Ltd | Others | **963** | — | Quoted | Fully Paid up | 10 | **320,679** | — |
| 52 | Nitiraj Industries Ltd | Others | **9,600** | — | Quoted | Fully Paid up | 10 | **960,000** | — |

**14. NON-CURRENT INVESTMENTS** (Continued)
(Valued at cost, unless stated otherwise)

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| 53 | O K Play Ltd | Others | **71,189** | — | Quoted | Fully Paid up | 10 | **9,999,919** | — |
| 54 | Page Industries Ltd | Others | **34** | — | Quoted | Fully Paid up | 10 | **368,516** | — |
| 55 | Perfect Infraengineers Ltd | Others | **342,000** | — | Quoted | Fully Paid up | 10 | **5,491,800** | — |
| 56 | Phoenix Lamps Ltd | Others | **519** | — | Quoted | Fully Paid up | 10 | **87,886** | — |
| 57 | Powermech Projects Ltd | Others | **615** | — | Quoted | Fully Paid up | 10 | **317,764** | — |
| 58 | Quess Corp. Ltd | Others | **253** | — | Quoted | Fully Paid up | 10 | **141,011** | — |
| 59 | R Shares Nifty Beeseach | Others | **1,120** | — | Quoted | Fully Paid up | 10 | **1,025,048** | — |
| 60 | Shree Pushkar Chemicals Ltd | Others | **4,650** | — | Quoted | Fully Paid up | 10 | **614,213** | — |
| 61 | Siddha Real Estates Ltd | Others | **490,000** | 490,000 | Quoted | Fully Paid up | 1 | **490,000** | 490,000 |
| 62 | Steel City Securities Ltd. | Others | **200,000** | — | Quoted | Fully Paid up | 10 | **11,000,000** | — |
| 63 | TTK Prestige Ltd | Others | **29** | — | Quoted | Fully Paid up | 10 | **143,571** | — |
| 64 | United Spirits Ltd | Others | **231** | — | Quoted | Fully Paid up | 10 | **523,798** | — |
| 65 | Voltas Ltd | Others | **1,372** | — | Quoted | Fully Paid up | 1 | **346,084** | — |
| 66 | Zensar Technologies Ltd | Others | **360** | — | Quoted | Fully Paid up | 10 | **338,300** | — |
| 67 | Zuari Agro Chemicals Ltd | Others | **393** | — | Quoted | Fully Paid up | 10 | **93,233** | — |
| 68 | Bharat Wires Ltd | Others | **9,532** | — | Quoted | Fully Paid up | 10 | **428,940** | — |
| 69 | Navin Flourine Ltd | Others | **10** | — | Quoted | Fully Paid up | 10 | **2,135** | — |
| 70 | Radio Music Ltd | Others | **2,615** | — | Quoted | Fully Paid up | 10 | **870,795** | — |
| 71 | Indo Count India Limited | Others | **—** | 1,731 | Quoted | Fully Paid up | 10 | **—** | 39,961 |
| 72 | Bombay Stock Exchange Limited | Others | **—** | 171,054 | Unquoted | Fully Paid up | 1 | **—** | 13,158 |
| 73 | Coromandal Engineering Co Limited | Others | **—** | 20,100 | Quoted | Fully Paid up | 10 | **—** | 402,000 |
| 74 | Scana Point Limited | Others | **400** | 400 | Quoted | Fully Paid up | 2 | **1,156** | 1,156 |
| 75 | Mitcon Consultancy & Engineering Services Limited | Others | **40,000** | 40,000 | Quoted | Fully Paid up | 10 | **2,440,000** | 2,440,000 |
| 76 | Centerac Emarketplaces Private Limited | Others | **1,130** | 1,130 | Unquoted | Fully Paid up | 10 | **1,000,294** | 1,000,294 |
| 77 | Dugar Finance Limited | Others | **700** | 700 | Unquoted | Fully Paid up | 10 | **2,870** | 2,870 |
| 78 | Dugar Housing Limited | Others | **800** | 800 | Unquoted | Fully Paid up | 10 | **9,520** | 9,520 |
| 79 | Stella Exports Limited | Others | **10,000** | 10,000 | Unquoted | Fully Paid up | 3 | **30,000** | 30,000 |
| 80 | Eagle Eye Research & Media Private Limited | Others | **9,600** | 9,600 | Unquoted | Fully Paid up | 10 | **3,240,000** | 3,240,000 |
| | | | | | | | | **78,930,223** | 25,945,879 |
| **(C)** | **Investment in Debentures** | | | | | | | | |
| 1 | ECL Finance Limited | Others | **10,000** | 10,000 | Unquoted | Fully Paid up | 1,000 | **10,000,000** | 10,000,000 |
| 2 | 9.50 % SBI 2025 | Others | **37** | 37 | Unquoted | Fully Paid up | 10,000 | **—** | 370,000 |
| | | | | | | | | **10,000,000** | 10,370,000 |
| **(D)** | **Investment in Mutual Funds** | | | | | | | | |
| 1 | Sundaram Mutual Fund | Others | **2,053,731** | — | Unquoted | Fully Paid up | 10 | **70,000,000** | — |
| 2 | ICICI Mutual Fund | Others | **10,980** | 10,980 | Unquoted | Fully Paid up | 10 | **519,091** | 519,091 |
| | | | | | | | | **70,519,091** | 519,091 |
| | **Total Non-Current Investments (A+B+C)** | | | | | | | **171,224,045** | 37,251,097 |

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Aggregate amount of quoted investments | **74,647,538** | 21,650,037 |
| Market Value of quoted investments | **39,994,390** | 42,788,620 |
| Aggregate amount of unquoted investments | **14,282,684** | 14,295,842 |
| Aggregate provision for diminution in value of investments | **—** | — |

| **15. LONG TERM LOANS & ADVANCES** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| (Unsecured, considered good) | | |
| Security deposits | **65,971,370** | 11,544,101 |
| Loans to employees | **61,856** | 85,956 |
| Capital Advance | **—** | 11,369,780 |
| Advance tax and tax deducted at source *(Net of provision for tax:₹ 11,73,19,318, previous year:₹ 68,207,684 )* | **9,538,342** | 8,525,249 |
| | **75,571,568** | 31,525,086 |

| **16 OTHER NON CURRENT ASSETS** | **31- March- 2017 ₹** | 31- March- 2016 ₹ |
|---|---|---|
| (Unsecured considered good) | | |
| Security deposits with stock exchanges | **6,000,000** | 12,100,000 |
| | **6,000,000** | 12,100,000 |

**17. CURRENT INVESTMENTS**
**(valued at lower of cost and market value)**

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **Trade Investments** | | | | | | | | | |
| **(A)** | **Investment in Equity Instruments** | | | | | | | | |
| 1 | Capital First Limited | Others | — | 888 | Quoted | Fully Paid up | 10 | — | 285,095 |
| 2 | Godrej Properties Limited | Others | **2,186** | 2,600 | Quoted | Fully Paid up | 5 | **781,394** | 678,322 |
| 3 | Hatsun Agro Product Limited | Others | **2,520** | 1,576 | Quoted | Fully Paid up | 1 | **596,556** | 504,103 |
| 4 | HDFC Bank Limited | Others | **725** | 981 | Quoted | Fully Paid up | 2 | **729,084** | 986,527 |
| 5 | Heritage Foods (India) Limited | Others | — | 380 | Quoted | Fully Paid up | 10 | — | 149,838 |
| 6 | Indo Count Industries Limited | Others | — | 269 | Quoted | Fully Paid up | 10 | — | 155,903 |
| 7 | ITC Limited | Others | **3,600** | 1,200 | Quoted | Fully Paid up | 1 | **879,442** | 388,134 |
| 8 | Jenburkt Pharmaceuticals Limited | Others | **638** | 638 | Quoted | Fully Paid up | 10 | **125,415** | 125,415 |
| 9 | MoldTek Packaging Limited | Others | **3,180** | 3,180 | Quoted | Fully Paid up | 5 | **167,268** | 242,634 |
| 10 | Kotak Mahindra Bank Limited | Others | **438** | 1,100 | Quoted | Fully Paid up | 5 | **452,079** | 513,034 |
| 11 | Majesco Limited | Others | — | 632 | Quoted | Fully Paid up | 5 | — | 159,766 |
| 12 | Montecarlo Fashions Limited | Others | — | 403 | Quoted | Fully Paid up | 10 | — | 140,889 |
| 13 | Pokarnal Limited | Others | — | 185 | Quoted | Fully Paid up | 10 | — | 139,675 |
| 14 | Sarla Performance Fibres Limited | Others | **5,200** | 5,200 | Quoted | Fully Paid up | 1 | **172,371** | 172,371 |
| 15 | Sun Pharmaceuticals Industries Limited | Others | **465** | 610 | Quoted | Fully Paid up | 1 | **319,781** | 175,650 |
| 16 | Shemaroo Entertainment Limited | Others | — | 1,402 | Quoted | Fully Paid up | 10 | — | 331,973 |
| 17 | Sathavahana Ispat Limited | Others | — | 7,800 | Quoted | Fully Paid up | 10 | — | 299,075 |
| 18 | Info Edge (India) Limited | Others | **550** | 450 | Quoted | Fully Paid up | 10 | **439,725** | 346,230 |
| 19 | Granules India Limited | Others | — | 1,208 | Quoted | Fully Paid up | 1 | — | 144,900 |
| 20 | GRP Limited | Others | **325** | 325 | Quoted | Fully Paid up | 10 | **324,365** | 318,885 |
| 21 | Biologicals Corporation Limited | Others | — | 7,500 | Quoted | Fully Paid up | 10 | — | 138,375 |
| 22 | Aarti Industries Limited | Others | — | 217 | Quoted | Fully Paid up | 5 | — | 101,634 |
| 23 | SRF Limited | Others | **174** | 174 | Quoted | Fully Paid up | 10 | **184,831** | 184,831 |
| 24 | Shree Cement Limited | Others | **15** | 12 | Quoted | Fully Paid up | 10 | **196,690** | 145,387 |
| 25 | SQS India BFSI Limited | Others | — | 160 | Quoted | Fully Paid up | 10 | — | 145,440 |
| 26 | Page Industries Limited | Others | **22** | 22 | Quoted | Fully Paid up | 10 | **313,871** | 267,536 |
| 27 | Pidilite Industries Limited | Others | **330** | 446 | Quoted | Fully Paid up | 1 | **189,979** | 256,760 |
| 28 | P I Industries Limited | Others | **410** | 410 | Quoted | Fully Paid up | 1 | **278,041** | 232,634 |
| 29 | Motherson Sumi Sytems Limited | Others | **915** | 979 | Quoted | Fully Paid up | 1 | **232,409** | 247,750 |
| 30 | Mahindra Holidays & Resorts (I) Limited | Others | **545** | 438 | Quoted | Fully Paid up | 10 | **213,981** | 169,446 |
| 31 | Mahindra & Mahindra Financial Services Limited | Others | **918** | 1,148 | Quoted | Fully Paid up | 2 | **216,680** | 270,968 |
| 32 | Lupin Limited | Others | **205** | 184 | Quoted | Fully Paid up | 2 | **296,184** | 242,761 |
| 33 | Kotak Mahindra Bank Limited | Others | **513** | 388 | Quoted | Fully Paid up | 5 | **205,678** | 257,637 |
| 34 | Indusind Bank Limited | Others | **251** | 284 | Quoted | Fully Paid up | 10 | **237,758** | 269,017 |
| 35 | Havells India Limited | Others | **647** | 786 | Quoted | Fully Paid up | 1 | **168,126** | 204,246 |
| 36 | Godrej Properties Limited | Others | **764** | 414 | Quoted | Fully Paid up | 5 | — | 122,668 |
| 37 | Eicher Motors Limited | Others | **12** | 14 | Quoted | Fully Paid up | 10 | **214,148** | 249,839 |
| 38 | Dabur India Limited | Others | — | 818 | Quoted | Fully Paid up | 1 | — | 203,805 |
| 39 | Britannia Industries Limited | Others | **97** | 69 | Quoted | Fully Paid up | 2 | **298,331** | 184,613 |
| 40 | Bajaj Finance Limited | Others | **324** | 48 | Quoted | Fully Paid up | 10 | **143,338** | 238,913 |
| 41 | Bajaj Finserv Limited | Others | **104** | 160 | Quoted | Fully Paid up | 5 | **201,691** | 272,600 |
| 42 | Bharat Forge Limited | Others | — | 216 | Quoted | Fully Paid up | 2 | — | 188,525 |
| 43 | Ajanta Pharma Limited | Others | **124** | 155 | Quoted | Fully Paid up | 2 | **184,426** | 216,705 |
| 44 | Tasty Bite Eatable Limited | Others | — | 177 | Quoted | Fully Paid up | 10 | — | 284,368 |
| 45 | Shree Pushkar Chemicals Ltd | Others | — | 5,053 | Quoted | Fully Paid up | 10 | — | 569,609 |
| 46 | Poddar Housing and Development Limited | Others | — | 75 | Quoted | Fully Paid up | 10 | — | 85,125 |
| 47 | Dwarkesh Sugar Industries Limited | Others | **1749** | 2,512 | Quoted | Fully Paid up | 10 | **172,635** | 247,947 |
| 48 | City Union Bank Limited | Others | **8300** | 7,440 | Quoted | Fully Paid up | 1 | **768,340** | 685,591 |
| 49 | Tokyo Plast International Limited | Others | — | 5,104 | Quoted | Fully Paid up | 10 | — | 223,300 |
| 50 | Torrent Power Limited | Others | — | 697 | Quoted | Fully Paid up | 10 | — | 160,415 |
| 51 | Steelcast Limited | Others | **4500** | 2,250 | Quoted | Fully Paid up | 5 | **296,342** | 131,507 |
| 52 | Piramal Enterprises Limited | Others | **203** | 351 | Quoted | Fully Paid up | 2 | **229,597** | 329,851 |
| 53 | Pearl Global Industries Limited | Others | — | 1,048 | Quoted | Fully Paid up | 10 | — | 238,597 |
| 54 | Manappuram Finance Limited | Others | — | 7,499 | Quoted | Fully Paid up | 2 | — | 240,807 |
| 55 | Hindustan Media Ventures Limited | Others | — | 674 | Quoted | Fully Paid up | 10 | — | 168,250 |
| 56 | Garware Wall Ropes Limited | Others | **373** | 256 | Quoted | Fully Paid up | 10 | **136,358** | 83,965 |
| 57 | Amara Raja Batteries Limited | Others | **315** | 252 | Quoted | Fully Paid up | 1 | **280,035** | 221,154 |
| 58 | Asian Paints Limited | Others | **257** | 324 | Quoted | Fully Paid up | 1 | **218,438** | 275,385 |
| 59 | Astral Poly Technik Limited | Others | **531** | 531 | Quoted | Fully Paid up | 1 | **184,463** | 222,754 |
| 60 | Astral Polytechnik Limited | Others | **2,243** | 2,050 | Quoted | Fully Paid up | 1 | **962,570** | 849,082 |
| 64 | Plastiblends India Ltd. | Others | **286** | — | Quoted | Fully Paid up | 1 | **121,837** | — |
| 65 | Sudarshan Chemicals Industries Ltd. | Others | **770** | — | Quoted | Fully Paid up | 1 | **234,955** | — |
| 68 | Vardhman Textiles Ltd. | Others | **222** | — | Quoted | Fully Paid up | 10 | **222,628** | — |
| 70 | Shriram City Union Finance Ltd. | Others | **322** | — | Quoted | Fully Paid up | 10 | **581,500** | — |
| 71 | Phillips Carbon Black Ltd. | Others | **854** | — | Quoted | Fully Paid up | 10 | **200,236** | — |
| 77 | Allsec Technologies Ltd. | Others | **586** | — | Quoted | Fully Paid up | 10 | **215,873** | — |

| Sr. No. | Particulars | Relationship with company | No. of Shares / Units 31 March, 2017 | 31 March, 2016 | Classification | Status | Face Value | Amount 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| 79 | Balrampur Chini Mills Ltd. | Others | **2,587** | — | Quoted | Fully Paid up | 1 | **327,121** | — |
| 80 | Cholamandalam Inv & Fin Co Ltd. | Others | **239** | — | Quoted | Fully Paid up | 10 | **229,395** | — |
| 81 | Future Retail Ltd. | Others | **446** | — | Quoted | Fully Paid up | 2 | **57,140** | — |
| 82 | Koval Medical Center & Hospital Ltd. | Others | **81** | — | Quoted | Fully Paid up | 10 | **83,215** | — |
| 84 | Rajratan Global Wire Ltd. | Others | **1,388** | — | Quoted | Fully Paid up | 10 | **694,375** | — |
| 85 | RBL Bank Ltd. | Others | **768** | — | Quoted | Fully Paid up | 10 | **252,115** | — |
| 86 | Shilpa Medicare Ltd. | Others | **314** | — | Quoted | Fully Paid up | 1 | **199,641** | — |
| 87 | Steel Authority of India Ltd. | Others | **8,300** | — | Quoted | Fully Paid up | 10 | **449,664** | — |
| 88 | Vijaya Bank. | Others | **10,500** | — | Quoted | Fully Paid up | 10 | **482,936** | — |
| 89 | Music Broadcast Ltd. | Others | **2,202** | — | Quoted | Fully Paid up | 10 | **733,266** | — |
| 90 | Ashok Leyland Ltd. | Others | **5,000** | — | Quoted | Fully Paid up | 1 | **422,750** | — |
| 91 | Bella Casa Fashion & Retail Ltd. | Others | **5,000** | — | Quoted | Fully Paid up | 10 | **372,200** | — |
| 92 | Bharti Infratel Ltd. | Others | **1,279** | — | Quoted | Fully Paid up | 10 | **399,406** | — |
| 93 | Datamatics Global Services Ltd. | Others | **1,015** | — | Quoted | Fully Paid up | 5 | **128,499** | — |
| 94 | Faze Three Ltd. | Others | **6,667** | — | Quoted | Fully Paid up | 10 | **416,003** | — |
| 95 | Insecticides (India) Ltd. | Others | **444** | — | Quoted | Fully Paid up | 10 | **235,809** | — |
| 96 | J K Tire & Industries Ltd. | Others | **1,787** | — | Quoted | Fully Paid up | 2 | **234,812** | — |
| 97 | M R F Ltd. | Others | **5** | — | Quoted | Fully Paid up | 10 | **271,723** | — |
| 98 | PNB Housing Finance Ltd. | Others | **317** | — | Quoted | Fully Paid up | 10 | **341,883** | — |
| 99 | Welspun India Ltd. | Others | **1,928** | — | Quoted | Fully Paid up | 1 | **168,797** | — |
| 100 | Yes Bank Ltd. | Others | **180** | — | Quoted | Fully Paid up | 10 | **240,907** | — |
| 101 | Wim Plast Limited | Others | **742** | 371 | Quoted | Fully Paid up | 10 | **434,276** | 434,276 |
| 104 | Alkem Laboratory Limited | Others | **—** | 97 | Quoted | Fully Paid up | 2 | **—** | 124,433 |
| 105 | Bajaj Finance Limited | Others | **—** | 114 | Quoted | Fully Paid up | 10 | **—** | 686,174 |
| 106 | Bharat Forge Limited | Others | **—** | 163 | Quoted | Fully Paid up | 2 | **—** | 128,905 |
| 107 | Bosch Limited | Others | **—** | 19 | Quoted | Fully Paid up | 10 | **—** | 331,380 |
| 108 | City Union Bank Limited | Others | **—** | 1,907 | Quoted | Fully Paid up | 1 | **—** | 161,523 |
| 109 | Colgate Palmolive Limited | Others | **—** | 123 | Quoted | Fully Paid up | 1 | **—** | 102,534 |
| 110 | Container Corp Limited | Others | **—** | 84 | Quoted | Fully Paid up | 10 | **—** | 98,116 |
| 111 | Cummins India Limited | Others | **—** | 285 | Quoted | Fully Paid up | 2 | **—** | 250,616 |
| 112 | Eicher Motors Limited | Others | **—** | 34 | Quoted | Fully Paid up | 10 | **—** | 647,386 |
| 113 | Emami Limited | Others | **—** | 180 | Quoted | Fully Paid up | 1 | **—** | 179,024 |
| 114 | Engineers (I) Limited | Others | **—** | 355 | Quoted | Fully Paid up | 5 | **—** | 53,807 |
| 115 | Glaxosmithkline Limited | Others | **—** | 28 | Quoted | Fully Paid up | 10 | **—** | 158,514 |
| 116 | Hindustan Petroleum Chemicals Limited | Others | **—** | 769 | Quoted | Fully Paid up | 10 | **—** | 522,379 |
| 117 | Ipca Limited | Others | **—** | 268 | Quoted | Fully Paid up | 2 | **—** | 170,290 |
| 118 | J & K Bank Limited | Others | **—** | 1,210 | Quoted | Fully Paid up | 1 | **—** | 81,312 |
| 119 | Kotak Mahindra Bank | Others | **—** | 444 | Quoted | Fully Paid up | 5 | **—** | 284,548 |
| 120 | Max Financial Services Limited | Others | **—** | 849 | Quoted | Fully Paid up | 2 | **—** | 296,316 |
| 121 | Page Industries Limited | Others | **—** | 36 | Quoted | Fully Paid up | 10 | **—** | 381,960 |
| 122 | Voltas Limited | Others | **—** | 1,223 | Quoted | Fully Paid up | 1 | **—** | 291,041 |
| 123 | Fiem Industries Limited | Others | **—** | 463 | Quoted | Fully Paid up | 10 | **—** | 319,529 |
| 124 | Bharti Retail Ltd. | Others | **2,461** | — | Quoted | Fully Paid up | 10 | **180,465** | — |
| 125 | Control Print Limited | Others | **1,627** | 1,627 | Quoted | Fully Paid up | 10 | **259,483** | 259,483 |
| | | | | | | | | **21,205,330** | **22,051,760** |
| **(B)** | **Investment in Mutual Funds** | | | | | | | | |
| 1 | HDFC Liquid Fund - Post IPO Collection A/c | Others | **800** | 3,727 | Unquoted | Fully Paid up | 10 | **2,553,652** | 9,625,255 |
| 2 | HDFC Gilt Fund Long Term growth plan | Others | **—** | 181,948 | Unquoted | Fully Paid up | 10 | **—** | 5,000,000 |
| 3 | HDFC Liquid Fund | Others | **—** | 613 | Unquoted | Fully Paid up | 10 | **—** | 625,174 |
| 4 | Carpediem Capital Partners Fund | Others | **200** | 200 | Unquoted | Fully Paid up | 1,000 | **2,500,000** | 2,000,000 |
| 5 | Sundram Money Fund | Others | **29,997** | 3,003,392 | Unquoted | Fully Paid up | 10 | **1,006,192** | 94,600,000 |
| 6 | LIC MF Liquid Fund-Collection A/c | Others | **10,241** | — | Unquoted | Fully Paid up | 1,000 | **30,000,000** | — |
| 7 | Kotak Liquid plan | Others | **992** | — | Unquoted | Fully Paid up | 1,000 | **1,212,496** | — |
| 8 | Reliance Liquid Fund-Treasury - Growth plan option | Others | **3,048** | 1,566 | Unquoted | Fully Paid up | 10 | **12,000,000** | 5,645,317 |
| | | | | | | | | **49,272,340** | **117,495,746** |
| **Total Current Investments (A+B)** | | | | | | | | **70,477,670** | **139,547,506** |

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Aggregate amount of quoted investments | **21,205,330** | 22,051,760 |
| Market value of quoted investments | **29,934,679** | 6,150,657 |
| Aggregate amount of unquoted investments | **49,272,340** | 117,495,746 |
| Aggregate provision for diminution in value of investments | **—** | 128,621 |

**18 STOCK-IN-TRADE**

(valued at lower of weighted average cost or market value)

| Sr. No | Particulars | Quantity 31 March 2017 | Quantity 31 March 2016 | Face Value | Amount 31 March 2017 | Amount 31 March 2016 |
|---|---|---|---|---|---|---|
| (A) | **Equity Shares (Quoted)** | | | | | |
| | 1 Mitcon Engineering & Consultancy Limited | — | **110,000** | 10 | — | 7,700,000 |
| | 2 Sanco Industries Limited | — | **224,000** | 10 | — | 5,600,000 |
| | 3 Perfect Infraengineers Limited | — | **342,000** | 10 | — | 5,557,500 |
| | 4 Swelect Energy Systems Limited | — | **2** | 10 | — | 624 |
| | 5 Navin Flourine Limited | — | **10** | 10 | — | 2,135 |
| | | | | | — | 18,860,259 |
| (B) | **Equity Shares (Unquoted)** | | | | | |
| | 1 J M Financial Limited | — | **98** | 1 | — | 3,734 |
| | 2 Bharat Wire Ropes Limited | — | **23,532** | 10 | — | **1,058,940** |
| | | | | | — | **1,062,674** |
| (C) | **Mutual Funds (Quoted)** | | | | | |
| | 1 Goldman Sachs Liquid Exchange Traded Scheme | — | 1 | 1000 | — | 1000 |
| | | | | | — | **1000** |
| | **(A+B+C)** | | | | — | **19,923,933** |

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Aggregate value of stock-in-trade | | |
| At book value | — | 19,923,933 |
| At market value | — | 20,406,345 |

**19 TRADE RECEIVABLES**

| | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| **a. Unsecured :** | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | **2,661,097** | 8,303,650 |
| Considered doubtful | **1,950,480** | — |
| Less: Provision for doubtful debts | **(1,950,480)** | — |
| | **2,661,097** | 8,303,650 |
| **b. Others (considered good)** | **473,979,248** | 53,518,725 |
| | **476,640,345** | 61,822,375 |

**20 CASH AND BANK BALANCES**

| | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| **Cash and cash equivalents** | | |
| – Cash on hand | **644,587** | 1,771,316 |
| – Balances with banks | | |
| – In current accounts | **15,846,345** | 98,342,546 |
| – In fixed deposits accounts (with original maturity of 3 months or less from the reporting date) | **206,170,654** | 8,289,887 |
| | **222,661,586** | 108,403,749 |
| **Other bank balances** | | |
| – In fixed deposits with maturity of more than 3 months but less than 12 months from the reporting date* | **683,915** | 224,632,431 |
| – In unpaid dividend accounts | **1,240,449** | 1,214,368 |
| | **1,924,364** | 225,846,799 |
| | **224,585,950** | 334,250,548 |

*Includes fixed deposit of ₹ 40,000,000 (previous year ₹ 40,000,000) pledged againts overdraft facility from banks.

**21 SHORT-TERM LOANS AND ADVANCES**

| | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| (Unsecured, considered good) | | |
| Short term loans and deposits : | | |
| – To related parties *(refer note 30)* | **63,914,626** | 27,350,616 |
| – To others | **217,692,703** | 104,131,776 |
| CENVAT credit | **2,534,541** | 5,051,598 |
| Prepaid expenses | **875,240** | 1,243,260 |
| Loans to employees | **366,010** | 253,405 |
| Advances to service providers | **889,440** | 2,942,614 |
| Other advances | **3,132,955** | 162,385 |
| | **289,405,515** | 141,135,654 |

**22 OTHER CURRENT ASSETS**

| | 31 March 2017 ₹ | 31 March 2016 ₹ |
|---|---|---|
| (Unsecured considered good) | | |
| Interest accrued on | | |
| – Short term loans and deposits | **4,368,626** | 3,361,597 |
| – Fixed deposits | **3,651** | 5,951 |
| – Deferred Rent Asset | **71,676** | — |
| | **4,443,953** | 3,367,548 |

**23 REVENUE FROM OPERATIONS**

| | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| **Sale of services** | | |
| – Income from advisory services | **61,618,128** | 119,710,606 |
| – Income from broking and other related activities | **30,554,787** | 31,592,260 |
| – Interest income on loans | **22,445,555** | 25,576,716 |
| – Net profit from trading in securities | **23,745,399** | — |
| | **138,363,869** | **176,879,582** |
| **Other operating revenue** | | |
| – Reimbursement of expenses : | | |
| – Income from Corporate Finance | **170,000** | 60,000 |
| – Income from ESOP Advisory | **29,800** | 2,000 |
| – Income from Merchant Banking | **391,294** | 448,986 |
| | **591,094** | 510,986 |
| **Total revenue from operations** | **138,954,963** | 177,390,568 |

| 24 OTHER INCOME | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Interest income on | | |
| – Short term loans and deposits | **4,893,136** | 11,281,732 |
| – Fixed deposits | **13,392,347** | 21,135,211 |
| Dividend income from investments | | |
| – Current investments | **273,042** | 398,770 |
| – Non current investments | **1,644,900** | 1,587,004 |
| Net Profit on sale of investments *(net of loss₹ 591,624, previous year : ₹ 622,604)* | **87,935,963** | 15,512,256 |
| Provision for contingencies on standard assets | **—** | 338,360 |
| Rent income | **741,326** | 1,485,410 |
| Net profit on foreign exchange fluctuations | **12,549** | 40,790 |
| Sundry balances written back | **246,176** | 1,023,982 |
| Miscellaneous income | **544,134** | 2,248,944 |
| | **109,683,573** | 55,052,459 |

| 25 EMPLOYEE BENEFITS EXPENSE | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Salaries, bonus and allowances | **39,307,320** | 38,000,508 |
| Contribution to provident fund and other funds | **3,225,325** | 3,133,877 |
| Gratuity | **(956,814)** | 283,043 |
| Leave encashment | **861,763** | 764,952 |
| Staff welfare expenses | **1,397,431** | 1,671,558 |
| | **43,835,025** | 43,853,938 |

| 26 FINANCE COSTS | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Interest Expenses | | |
| – Vehicle loans | **315,654** | 492,626 |
| – Bank overdraft | **2,876,490** | 2666266 |
| – Term loans from other parties | **23,569,759** | 22,180,062 |
| | **26,761,903** | 25,338,954 |

| 27 DEPRECIATION AND AMORTISATION | 31- March- 2017 ₹ | 31- March- 2016 ₹ |
|---|---|---|
| Depreciation on | | |
| – Tangible fixed assets | **43,649,644** | 9,408,967 |
| – Investment property | **11,176** | 15,660 |
| | **43,660,819** | 9,424,627 |

| 28 OTHER EXPENSES | | 31- March- 2017 ₹ | | 31- March- 2016 ₹ |
|---|---|---|---|---|
| Electricity charges | | **495,496** | | 582,789 |
| Donations | | **510,000** | | 118,000 |
| Advertisement and business promotion expenses | | **2,136,912** | | 1,549,305 |
| Motor car expenses | | **1,445,691** | | 1,301,515 |
| Net loss on foreign exchange fluctuations | | **25,909** | | — |
| Rent | | **—** | | 24,000 |
| Rates and taxes | | **4,324,792** | | 1,711,115 |
| Commission and brokerage | | **2,500,000** | | 33,344,373 |
| Computer Expenses | | **286,191** | | — |
| Insurance | | **532,760** | | 434,598 |
| Repairs and maintenance | | | | |
| – Buildings | **1,754,335** | | 3,388,762 | |
| – Others | **4,124,933** | **5,879,268** | 1,378,004 | 4,766,765 |
| Travelling and conveyance | | **5,485,980** | | 4,620,074 |
| Office expenses | | **553,866** | | 1,381,266 |
| Communication expenses | | **1,195,525** | | 1,147,153 |
| Printing and stationery | | **452,042** | | 906,348 |
| Provision for diminution in value of current investments | | **—** | | 1,444,396 |
| Provision for contingencies on Standard Assets | | **141,760** | | — |

| 28 OTHER EXPENSES (Contd.) | | 31- March- 2017 ₹ | | 31- March- 2016 ₹ |
|---|---|---|---|---|
| Legal and professional fees | | **24,821,695** | | 21,749,856 |
| Directors' sitting fees | | **85,000** | | 35,000 |
| Postage and telegraph | | **143,282** | | 219,177 |
| Auditors' Remuneration (excluding applicable taxes) | | | | |
| – Statutory audit fees | **690,000** | | 722,500 | |
| – Tax audit fees | **100,000** | | 125,000 | |
| – Other services | **150,000** | | 200,000 | |
| – Reimbursement of expenses | **—** | | 7,000 | |
| | | **940,000** | | 1,054,500 |
| Membership and subscription | | **1,252,118** | | 2,254,557 |
| Provision for Doubtful Debts-Exp | | **1,950,480** | | — |
| Net loss from trading in securities | | **—** | | 5,202,331 |
| Loss on sale of fixed assets | | **—** | | 250,361 |
| Bad debts | | **440,351** | | 1,109,889 |
| Bank charges | | **27,612** | | 878,910 |
| Stock exchange expenses | | **669,978** | | 1,451,936 |
| Sundry balances written back | | **13,658** | | — |
| Miscellaneous expenses | | **3,546,096** | | 1,367,221 |
| | | **59,856,462** | | 88,905,436 |

**29 CONTINGENT LIABILITIES**

(to the extent not provided for)

**(I) Keynote Corporate Services Limited**

(a) The Company has provided corporate guarantees aggregating to ₹ 220,000,000 (Previous year : ₹ 220,000,000) to the bankers of its subsidiary, Keynote Capitals Limited towards BSE & NSE operations.

**(II) Keynote Capitals Limited**

(a) The Company had filed an appeal for Assessment Year 2011-12 before the Commissioner of Income Tax (Appeals), against the total disputed liability of ₹ 742,946.

(b) The company had filed an appeal for Assessment Year 2012-13 before the Commissioner of Income Tax (Appeals) against the total disputed liability of ₹ 221,950.The company expects no liability in the appeal.

(c) The Company has filed an Arbitration Petition in the High Court, Mumbai against arbitrary order of Appellate bench of National Stock Exchange of India Limited amounting to ₹ 23,516,348 in the matter of "Eco Recycling Limited v Keynote Capitals Limited" 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.

**(III) Keynote Fincorp Limited**

Contingent liability not provided for in respect of disputed income tax demand of ₹ 53,836,990 for Assessment Year 2012-13 & ₹ 56,461,650/-, Assessment Year 2013-14 & ₹2,88,320/- respectively, as the company has contested the entire demand before first Appellant Authority.

The Management of the Company 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.

**30 SEGMENT INFORMATION**

**(I) Primary Segment**

(a) The business segment has been considered as the primary segment for disclosure. The Company's primary business comprises of Merchant Banking & related activities, Broking & related activities, Trading in securities and Financing Activities. Further, the identified business segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting".

(b) The business segments have been identified based on the dominant source, the nature of services, the differing risks and returns, the organisational structure and the internal financial reporting system. The accounting policies and principles adopted for segment reporting are in conformity with the significant accounting policies of the Company.

(c) Broking and other related activities include broking services to clients, advisory services, depository services etc.

(d) Investment banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities.

(e) Income and expenses have been specifically identified to a segment, based upon the relationship with the operating activities for each segment. Further, income and expenses which relate to enterprise as a whole and are not allocable to any segment, on reasonable basis have been disclosed as "Unallocable".

(g) Segment Assets and liabilities represents the assets and liabilities in respective segments. Further, investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

The following table gives information as required under the Accounting Standard (AS) - 17 "Segment Reporting" **(Amount in ₹)**

| | Income from Adivosory Seervices | | Broking & related activities | | Trading in Securities | | Investment Activities | | Unallocated | | Elimination | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| **Segment Revenue** | | | | | | | | | | | | | | |
| Sale of services | 62,209,222 | 119,637,207 | 30,554,787 | 31,290,589 | 111,681,362 | 16,434,981 | 30,831,619 | 36,849,448 | 4,913,829 | 10,356,699 | 1,451,702 | 1,451,702 | 238,739,117 | 213,117,222 |
| Inter-segment revenue | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Income | 62,209,222 | 119,637,207 | 30,554,787 | 31,290,589 | 111,681,362 | 16,434,981 | 30,831,619 | 36,849,448 | 4,913,829 | 10,356,699 | 1,451,702 | 1,451,702 | 238,739,117 | 213,117,222 |
| **Segment Results** | | | | | | | | | | | | | | |
| Segment Results | (6,575,083) | 69,506,100 | (9,145,547) | (36,826,106) | 84,074,756 | 3,466,508 | 18,744,535 | 15,190,503 | (4,535,878) | 2,390,435 | 1,451,702 | 1,451,702 | 81,111,081 | 53,727,441 |
| Un-allocated expenses | | | | | | | | | | | | | — | — |
| Operating profit | | | | | | | | | | | | | 81,111,081 | 53,727,441 |
| Interest Expenses | | | | | | | | | | | | | 16,486,172 | 6,681,470 |
| Interest Income | | | | | | | | | | | | | 9,899,419 | 19,325,805 |
| Profit before exceptional items and tax | | | | | | | | | | | | | 74,524,327 | 66,371,776 |
| Exceptional items | | | | | | | | | | | | | — | — |
| Profit before tax | | | | | | | | | | | | | 74,524,327 | 66,371,776 |
| Tax expense | | | | | | | | | | | | | 16,873,918 | 19,887,348 |
| Profit after tax and exceptional items | | | | | | | | | | | | | 57,650,409 | 45,032,724 |
| **Other Information** | | | | | | | | | | | | | | |
| Segment Assets | 117,907,636 | 118,671,326 | 776,095,072 | 519,938,357 | 70,484,483 | 159,478,289 | 287,844,544 | 134,955,494 | 251,858,942 | 76,586,666 | — | — | 1,009,630,132 | 1,009,630,132 |
| Segment Liabilities | 19,690,989 | 6,810,859 | 668,829,163 | 270,552,420 | — | 269,685 | 75,874,108 | 35,832,863 | 18,643,444 | 32,661,738 | — | — | 783,037,703 | 346,127,565 |
| Capital Expenditure | 222,364 | 148,383 | 562,528 | 5,051,311 | — | — | — | — | — | — | — | — | 784,892 | 5,199,694 |
| Depreciation & amortisation | 4,124,464 | 4,402,795 | 39,536,355 | 5,021,832 | — | — | — | — | — | — | — | — | 43,660,819 | 9,424,627 |
| Non-cash expenses other than depreciation | 2,390,831 | 970,995 | 13,658 | 389,255 | (170,737) | 1,444,396 | — | — | — | — | — | — | 2,233,751 | 2,804,646 |

**(II) Geographical Segment**

| Particulars | Year | In India | Outside India | Total |
|---|---|---|---|---|
| Revenue (excluding other income) | 31 March 2017 | 135,364,172 | 3,590,791 | 138,954,963 |
| | 31 March 2016 | 174,805,420 | 2,585,148 | 177,390,568 |
| Carring amount of Segment Assets | 31 March 2017 | 1,504,190,678 | — | 1,504,190,678 |
| | 31 March 2016 | 1,009,630,132 | — | 1,009,630,132 |

**Addition to Fixed Assets**

| | | | | |
|---|---|---|---|---|
| Cost aquired for Tangible and Intangible Assets | 31 March 2017 | 784,892 | — | 784,892 |
| | 31 March 2016 | 5,199,694 | — | 5,199,694 |

**31 EARNINGS PER SHARE**

The disclosure requirements with respect of Accounting Standard (AS) 20 on "Earnings per share" are as follows:

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Net profit after tax | 57,650,409 | 45,032,724 |
| Number of equity shares outstanding at the end of the year (Face value of ₹ 10/- each) | 5,566,637 | 5,566,637 |
| Earnings per share: Basic and diluted (₹ ) | 10.36 | 8.09 |

**Note :** Keynote trust has been consolidated. Consequently, the shares held by Keynote trust in Keynote Corporate Services Limited i.e.1,451,702 shares (P.Y 1,451,702) have been eliminated while computing the earning per share.

**32 The provisions made during the year ended 31 March 2017 comprises of the following :**

| Particulars | Balance as at 01 April , 2016 | Provisions made during the year | Reversal of provisions / payments during the year | Balance as at 31 March, 2017 |
|---|---|---|---|---|
| Bonus | 1,683,149<br>(1,658,755) | 2,850,427<br>(2,603,454) | 2,809,763<br>(2,579,060) | 1,723,813<br>(1,683,149) |
| Gratuity | 4,691,771<br>(5,020,954) | —<br>(283,043) | 1,835,656<br>(612,226) | 2,856,115<br>(4,691,771) |
| Leave encashment | 346,367<br>(288,187) | 630,349<br>(641,918) | 625,842<br>(583,738) | 350,874<br>(346,367) |
| Provision for<br>Doubtful Debts | —<br>— | 1,950,480<br>— | —<br>— | 1,950,480<br>— |

*(Figures in brackets indicate previous year's figures)*

**33 LEASES**

The following are the disclosures in accordance with Accounting Standard (AS) 19 on "Leases" :

**Operating lease as lessor**

The Company has given a commercial property on non-cancellable operating lease. The corresponding lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period. Accordingly, lease rentals amounting to ₹ 6,69,650 (Previous Year : ₹ 1,485,410) has been recognised as income in the Statement of Profit and Loss as Other Income

There are no exceptional / restrictive covenants in the lease agreement.

The future minimum lease payments in respect of lease property is as follows:

| Lease payments | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Not later than one year | 780,000 | 1,607,160 |
| Later than one year but not later than 5 years | — | 1,205,370 |
| Later than 5 years | — | — |

**34 Disclosures as required by Accounting Standard (AS) 18 - Related Party Disclosures**

**(i) Category of related parties**

**(a) Key Management Personnel:**

Mr. B. Madhuprasad - Chairman

Mr. Vineet Suchanti - Managing Director, Keynote Corporate Services Limited *(untill 5 April 2017)*

Mrs. Rinku Suchanti - Director

Mr. Rakesh Choudhari - Managing Director, Keynote Capitals Limited

Mr. Uday Patil - Director & Chief Financial Officer

Mr. Devin Joshi - Chief Financial Officer, Keynote Capitals Limited

Ms. Saloni Maru - Company Secretary *(upto 21 April 2017)*

Ms. Shruti Deshmukh - Company Secretary *(upto 11 February 2016)*

Mr. Manish Desai - Director, Keynote Commodities Limited

**(b) Relatives of Key Management Personnel:**

Mrs. Pushpa Suchanti

Mr. Nirmal Suchanti

Mr. Vivek Suchanti

**(c) Enterprise over which Key Management Personnel exercise significant influence:**

Concept Communication Limited

Concept Production Limited

Nirmal Suchanti - HUF

NSS Digital Media Limited

Eagle Eye Research & Media Private Limited

Akshara Advertising Limited

Concept Public Relation India Limited

Liqvd Digital India Private Limited

ITSA Brand Innovations Limited

VN Creative Chemicals Pvt Ltd

LKP Finance Ltd

**34 Disclosures as required by Accounting Standard (AS) 18 - Related Party Disclosures** (Contd.)**:**

**ii) Transactions with related parties:** (Amount in ₹)

| Particulars | Name of the related Party | Key Management Personnel/Relatives of Key Managerial personnal | | Enterprise over which Key Management Personnel exercise significant influence | | Total | |
|---|---|---|---|---|---|---|---|
| | | 31 March 2017 | 31 Mach 2016 | 31 March 2017 | 31 Mach 2016 | 31 March 2017 | 31 Mach 2016 |
| Receiving of services | Concept Communication Limited | — | — | 48,154 | 121,390 | 48,154 | 121,390 |
| | | **—** | **—** | **48,154** | **121,390** | **48,154** | **121,390** |
| Rendering of Services | LKP Finance Limited | — | — | 300,000 | — | 300,000 | — |
| | | **—** | **—** | **300,000** | **—** | **300,000** | **—** |
| Managerial Remuneration | Mr. Vineet Suchanti | 5,140,095 | 4,748,306 | — | — | 5,140,095 | 4,748,306 |
| Managerial Remuneration | Mr. Uday S. Patil | 4,512,696 | 3,901,366 | — | — | 4,512,696 | 3,901,366 |
| Managerial Remuneration | Mr. Rakesh Choudhari | 3,883,950 | 3,537,000 | — | — | 3,883,950 | 3,537,000 |
| Remuneration | Mr. Devin Joshi | 1,210,825 | 1,113,500 | — | — | 1,210,825 | 1,113,500 |
| Remuneration | Ms.Saloni Maru | 414,220 | 39,179 | — | — | 414,220 | 39,179 |
| Remuneration | Ms.Shruti Deshmukh | — | 79,791 | — | — | — | 79,791 |
| | | — | — | — | — | — | — |
| | | **15,161,786** | **13,419,142** | **—** | **—** | **15,161,786** | **13,419,142** |
| Professional Fees | Mr. B.Madhuprasad | 900,000 | 1,050,000 | — | — | 900,000 | 1,050,000 |
| | | **900,000** | **1,050,000** | **—** | **—** | **900,000** | **1,050,000** |
| Recovery of excess managerial remuneration | Mr. B.Madhuprasad | — | 1,650,000 | — | — | — | 1,650,000 |
| | | **—** | **1,650,000** | — | — | **—** | **1,650,000** |
| Dividend paid | Mrs. Pushpa Suchanti | 132,308 | 132,308 | — | — | 132,308 | 132,308 |
| Dividend paid | Mrs. Rinku Suchanti | 3,802 | 3,802 | — | — | 3,802 | 3,802 |
| Dividend paid | Mr. B.Madhuprasad | 48,550 | 48,550 | — | — | 48,550 | 48,550 |
| Dividend paid | Mr. Vineet Suchanti | 11,977 | 11,977 | — | — | 11,977 | 11,977 |
| Dividend paid | Mr. Vivek Suchanti | 49,440 | 49,440 | — | — | 49,440 | 49,440 |
| Dividend paid | Mr.Nirmal Suchanti | 117,647 | 117,647 | — | — | 117,647 | 117,647 |
| Dividend paid | Concept Production Limited | — | — | 241,600 | 241,600 | 241,600 | 241,600 |
| Dividend paid | NSS Digital Media Limited | — | — | 2,932,256 | 2,932,256 | 2,932,256 | 2,932,256 |
| Dividend paid | Nirmal Suchanti - HUF | — | — | 282,499 | 282,499 | 282,499 | 282,499 |
| | | **363,724** | **363,724** | **3,456,355** | **3,456,355** | **3,820,079** | **3,820,079** |
| Security deposit paid | Mr. B.Madhuprasad | 300,000 | 300,000 | — | — | 300,000 | 300,000 |
| | | **300,000** | **300,000** | **—** | **—** | **300,000** | **300,000** |
| Interest received | Eagle Eye Research & Media Private Limited | — | — | — | 21,087 | — | 21,087 |
| Interest received | Concept Communication Limited | — | — | 4,495,191 | 8,247,145 | 4,495,191 | 8,247,145 |
| Interest received | Concept Public Relation India Ltd | — | — | 18,148 | 18,000 | 18,148 | 18,000 |
| Interest received | Akshara Advertising Ltd | — | — | 5,753 | 4,303 | 5,753 | 4,303 |
| Interest received | Liqvd Digital India Pvt Ltd | — | — | 984,766 | 541,866 | 984,766 | 541,866 |
| Interest received | ITSA Brand Innovations Limited | — | — | — | 3,507 | — | 3,507 |
| Interest received | VN Creative Chemicals Pvt Ltd | — | — | 4,562 | — | 4,562 | — |
| | | **—** | **—** | **5,508,420** | **8,835,908** | **5,508,420** | **8,835,908** |
| Loans and advances given | Eagle Eye Research & Media Private Limited | — | — | — | 172,000 | — | 172,000 |
| Loans given | Concept Communication Limited | — | — | 120,000,000 | — | 120,000,000 | — |
| Loans and advances given | Akshara Advertising Ltd | — | — | — | 3,500,000 | — | 3,500,000 |
| Loans and advances given | Concept Public Relation India Ltd | — | — | — | 4,200,000 | — | 4,200,000 |
| Loans and advances given | Liqvd Digital India Pvt Ltd | — | — | — | 8,000,000 | — | 8,000,000 |
| Loans and advances given | ITSA Brand Innovations Limited | — | — | — | 1,000,000 | — | 1,000,000 |
| Advance received | VN Creative Chemicals Pvt Ltd | — | — | — | 11,100,000 | — | 11,100,000 |
| | | **—** | **—** | **120,000,000** | **27,972,000** | **120,000,000** | **27,972,000** |
| Loans repaid by | Concept Communication Limited | — | — | 77,774,583 | 56,077,570 | 77,774,583 | 56,077,570 |
| Loans repaid by | Concept Public Relation India Ltd | — | — | — | 3,000,000 | — | 3,000,000 |
| Loans repaid by | ITSA Brand Innovations Limited | — | — | — | 1,000,000 | — | 1,000,000 |
| | | **—** | **—** | **77,774,583** | **60,077,570** | **77,774,583** | **60,077,570** |
| Reimbursement of expenses | Mr. Vineet Suchanti | 2,500 | 2,500 | — | — | 2,500 | 2,500 |
| Reimbursement of expenses | Mr. B.Madhuprasad | 2,500 | 19,401 | — | — | 2,500 | 19,401 |
| Reimbursement of expenses | Mr. Uday S. Patil | 2,500 | 2,500 | — | — | 2,500 | 2,500 |
| | | **7,500** | **24,401** | **—** | **—** | **7,500** | **24,401** |
| Outstanding balances : | | | | | | | |
| Loans given | Concept Communication Limited | — | — | 56,147,847 | 13,922,430 | 56,147,847 | 13,922,430 |
| Loans and advances given | Eagle Eye Research & Media Private Limited | — | — | — | 237,000 | — | 237,000 |
| Loans and advances given | Akshara Advertising Ltd | — | — | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| Loans and advances given | Concept Public Relation India Ltd | — | — | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Loans and advances given | Liqvd Digital India Pvt Ltd | — | — | 1,425,318 | 8,487,679 | 1,425,318 | 8,487,679 |
| Loans and advances given | ITSA Brand Innovations Limited | — | — | — | 3,507 | — | 3,507 |
| Loans and advances given | VN Creative Chemicals Pvt Ltd | — | — | 11,104,562 | — | 11,104,562 | — |
| | | **—** | **—** | **73,377,727** | **27,350,616** | **73,377,727** | **27,350,616** |

**35 DETAILS OF SCHEME OF AMALGAMATION APPROVED BY THE HON'BLE HIGH COURT**

As per the scheme of amalgamation approved by the Allahabad, Bombay, and Gawahati High court vide order dated 21 December 2006, 09 March, 2007 and 19 March, 2007 respectively, ₹ 1,451,702 equity shares of ₹ 10/- each fully paid up is held by Keynote trust as a beneficiary of the Company. Due to such cross holding the dividend of ₹ 1,451,702 (Previous year ₹ 1,451,702) has been paid & received back from the trust. With respect to the proposed dividend of ₹ 1/- per share for March 31, 2016, the Company has adjusted its liability of proposed dividend towards shares held by the Trust.

**36 EXPENDITURE IN FOREIGN CURRENCY CHARGED TO STATEMENT OF PROFIT & LOSS:**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Travelling and conveyance | 2,718,732 | 2,209,621 |
| | **2,718,732** | 2,209,621 |

**37 EARNINGS IN FOREIGN CURRENCY:**

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Income from Corporate Finance | 3,590,791 | 2,585,148 |
| | **3,590,791** | 2,585,148 |

**38 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES :**

| Particulars | Foreign currency | Amount in foreign currency | | Amount in Indian Currency | |
|---|---|---|---|---|---|
| | | **31 March 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| Trade receivables | USD | 11,720 | 3,098.34 | 759,908 | 201,254 |
| Trade receivables | AED | 17,200 | — | 303,367 | — |

**39 DEATAILS OF CASH TRANSACTION DURING THE DEMONETIZATION PERIOD**

| Particulars | SBNs | Other Denomination | Total |
|---|---|---|---|
| Closing Cash in Hand as at 8.11.2016 | 806,500 | 152,099 | 958,599 |
| Add: Permitted Receipts | — | 521,352 | 521,352 |
| **Total** | **806,500** | **673,451** | **1,479,951** |
| **Less:** | | | |
| Permitted Payments | — | 426,970 | 426,970 |
| Amount Deposited in Bank | 806,500 | — | 806,500 |
| **Total** | **806,500** | **426,970** | **1,233,470** |
| **Closing Cash in Hand as at 30.12.2016** | | | **246,481** |

**40 Additional information as required, under Schedule III of Companies Act,2013, of enterprises consolidated as subsidiaries:**

| Sr. No. | Name of Entity | Share of Net Assets 31 March 2017 | | Share of Profit and Loss 31 March 2017 | |
|---|---|---|---|---|---|
| | | As% of consolidated Net Assets | Amount (In ₹) | As% of consolidated Profit/(Loss) | Amount (In ₹) |
| | **Parent Company** | | | | |
| 1 | Keynote Corporate Services Limited | 71.61% | 516,415,965 | 32.78% | 18,896,476 |
| | **Indian Subsidiaries** | | | | |
| 2 | Keynote Capitals Ltd | 48.94% | 352,917,215 | 48.49% | 27,952,084 |
| 3 | Keynote Commodities Limited | 3.57% | 25,757,112 | 6.75% | 3,891,191 |
| 4 | Keynote Fincorp Limited | 11.75% | 84,713,938 | 14.57% | 8,401,902 |
| | **Indian Trust** | | | | |
| 5 | Keynote Trust | 1.82% | 13,159,871 | (0.07%) | (39,540) |
| | **Total** | 137.69% | 992,964,101 | 102.52% | 59,102,113 |
| | Elimination Adjusted | (37.69%) | (271,811,127) | (2.52%) | (1,451,703) |
| | **Net Total** | 100.00% | 721,152,975 | 100.00% | 57,650,409 |
| | Minority Interest in all subsidiaries | — | — | — | — |
| | **Grand Total** | **100.00%** | **721,152,975** | **100.00%** | **57,650,409** |

| Sr. No. | Name of Entity | Share of Net Assets 31 March 2016 | | Share of Profit and Loss 31 March 2016 | |
|---|---|---|---|---|---|
| | | As% of consolidated Net Assets | Amount (In ₹) | As% of consolidated Profit/(Loss) | Amount (In ₹) |
| | **Parent Company** | | | | |
| 1 | Keynote Corporate Services Limited | 74.98% | 497,519,490 | 77.21% | 34,769,822 |
| | **Indian Subsidiaries** | | | | |
| 2 | Keynote Capitals Ltd | 48.98% | 324,965,131 | 19.14% | 8,618,672 |
| 3 | Keynote Commodities Limited | 3.30% | 21,865,920 | 2.12% | 952,814 |
| 4 | Keynote Fincorp Limited | 11.50% | 76,312,036 | 7.77% | 3,497,395 |
| | **Indian Trust** | | | | |
| 5 | Keynote Trust | 1.98% | 13,149,871 | (0.07%) | (33,530) |
| | **Total** | 140.74% | 933,812,448 | 106.16% | 47,805,173 |
| | Elimination Adjusted | (40.74%) | (270,309,882) | (6.16%) | (2,772,449) |
| | **Net Total** | 100.00% | 663,502,566 | 100.00% | 45,032,724 |
| | Minority Interest in all subsidiaries | — | — | — | — |
| | **Grand Total** | **100.00%** | **663,502,566** | **100.00%** | **45,032,724** |

**41 Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006 :**

| Particulars | 31-Mar-17 | 31-Mar-16 |
|---|---|---|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | Nil | Nil |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**42) DERIVATIVE TRANSACTIONS**

**Open long position in currency futures :**

| Name of the Future | 31 March 2017 | | | 31 March 2016 | | |
|---|---|---|---|---|---|---|
| | No.of contracts | Units | Expiry date | No.of contracts | Units | Expiry date |
| Future IRC 2025 | — | — | — | 1 | 1,446 | 28-Apr-16 |

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration
No: 110592W/W-100094

**For and on behalf of the Board of Directors of Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

Date : 25 May 2017
Place : Mumbai

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Particulars | Year Ended 31 March 2017 ₹ | Year Ended 31 March 2016 ₹ |
|---|---|---|---|
| (A) | **Cash Flow From Operating Activities** | | |
| | Profit before tax | **74,524,327** | 64,920,072 |
| | **Adjustments for** | | |
| | Depreciation and amortisation | **43,660,819** | 9,424,627 |
| | Provision for diminution in value of current investments | **(170,737)** | 1,444,396 |
| | Provision for Dobutful Debts | **1,950,480** | — |
| | Provision for contingencies on Standard Assets | **141,760** | (338,360) |
| | Interest expenses | **26,761,903** | 4,954,616 |
| | Loss on Sale of Fixed Assets | — | 250,361 |
| | Sundry balances written off/(written back) | **13,658** | (655,702) |
| | Net Profit on sale of investments | **(87,935,963)** | (15,512,256) |
| | Dividend income | **(1,917,942)** | (1,985,774) |
| | Interest Income | **(18,285,483)** | (32,416,943) |
| | Rental Income | **(741,326)** | (1,485,410) |
| | Unrealised foreign exchange gain | **25,909** | (15,873) |
| | **Operating profit before working capital changes** | **38,027,405** | 28,583,754 |
| | **Adjustment for working capital changes** | | |
| | (Increase)/decrease in trade and other receivables | **(416,808,017)** | (11,402,102) |
| | (Increase)/decrease in short-term loans and advances | **(148,269,861)** | 191,867,810 |
| | (Increase)/decrease in other current assets | **(1,004,729)** | 7,322,597 |
| | (Increase)/decrease in long-term loans and advances | **(43,033,389)** | 11,924,582 |
| | (Increase)/decrease in Stock in trade | **19,923,933** | (13,590,307) |
| | (Increase)/Decrease In Other non-current assets | **6,100,000** | (6,017,117) |
| | Increase/(decrease) in long-term provisions | **(1,387,845)** | (207,222) |
| | Increase/(decrease) in short-term provisions | **(301,544)** | (912,068) |
| | Increase/(decrease) in short-term borrowings | **(24,573,217)** | (87,793,300) |
| | Increase/(decrease) in trade payables | **398,258,352** | 29,060,471 |
| | Increase/(decrease) in other long-term liabilities | **(40,000)** | — |
| | Increase/(decrease) in other current liabilities | **72,317,731** | 44,030,697 |
| | **Cash generated from / (used) in operations** | **(100,791,181)** | 192,867,795 |
| | Taxes paid | **(16,961,970)** | (18,543,094) |
| | **Net cash generated from / (used) in operating activities (A)** | **(117,753,152)** | 174,324,701 |
| (B) | **Cash Flow From Investing Activities** | | |
| | Purchase of fixed assets | **(784,892)** | (5,199,694) |
| | Bank deposits placed (net) | **223,922,435** | (1,168,477) |
| | Sale of fixed assets | — | 620,000 |
| | Sale of investments (net) | **23,032,852** | (99,029,840) |
| | Rent received | **669,650** | 1,485,410 |
| | Interest received | **18,285,483** | 32,416,943 |
| | Dividend received | **1,917,942** | 1,985,774 |
| | **Net cash generated from / (used) in investing activities (B)** | **267,043,470** | (68,889,884) |
| (C) | **Cash Flow From Financing Activities** | | |
| | Dividend paid | **(5,566,637)** | (5,566,637) |
| | Dividend distribution tax paid | **(1,214,453)** | (1,192,767) |
| | Interest paid | **(26,761,903)** | (4,954,616) |
| | Loan Taken | — | 2,438,500 |
| | Repayment of borrowings | **(1,489,489)** | (4,623,974) |
| | **Net cash generated from / (used) in financing activities (C)** | **(35,032,482)** | (13,899,494) |
| | **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **114,257,836** | 91,535,323 |
| | Cash and cash equivalents as at beginning of year *(refer note 17)* | **108,403,749** | 16,868,426 |
| | **Cash and cash equivalents as at the end of the year *(refer note 17)*** | **222,661,586** | 108,403,749 |

**Note :** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 "Cash Flow Statement"

**As per our report of even date attached**

**For S M S R & Co LLP**
*Chartered Accountants*
Firm Registration No: 110592W/W-100094

**Sd/-**
**Uliyar Balakrishna Bhat**
*Partner*
Membership No : 019216

Date : 25 May 2017
Place : Mumbai

**For and on behalf of the Board of Directors of**
**Keynote Corporate Services Limited**
**CIN L67120MH1993PLC072407**

**Sd/-**
**Vineet Suchanti**
*Director*
DIN : 00004031

**Sd/-**
**Uday Patil**
*Director & CFO*
DIN : 00003978

**Sd/-**
**Sujeet More**
*Company Secretary*

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

**Details of Subsidiary Companies** (₹)

| Particulars | Name of Subsidiaries | | |
|---|---|---|---|
| | Keynote Capitals Limited | Keynote Commodities Limited | Keynote Fincorp Limited |
| Share Capital | 112,666,670 | 3,500,000 | 35,000,000 |
| Reserves & Surplus | 240,250,545 | 22,257,112 | 49,713,938 |
| Total Assets | 906,555,968 | 152,764,294 | 212,381,407 |
| Total Liabilities | 906,555,968 | 152,764,294 | 212,381,407 |
| Investment (Except investment in subsidiaries) | 54,570,859 | 71,301,870 | 29,435,021 |
| Turnover | 148,405,276 | 7,129,762 | 30,089,327 |
| Profit/(Loss) before Taxation | 36,418,633 | 5,384,210 | 10,527,636 |
| Add Excess Provision | — | — | 24,266 |
| Provision for Taxation | 7,203,315 | 1,497,550 | 2,150,000 |
| Deferred Tax (Asset) / Liability | 1,263,234 | (4,531) | — |
| Profit/(Loss) after Taxation | 27,952,084 | 3,891,191 | 8,401,902 |
| Proposed Dividend | — | — | — |
| Percentage (%) of Shareholding | 100.00 | 100.00 | 100.00 |

**For on behalf of the Board of Directors of**
**KEYNOTE CORPORATE SERVICES LTD**
**CIN L67120MH1993PLC072407**

**Place :** Mumbai
**Date :** 25 May, 2017

Sd/-
**Vineet Suchanti**
Director
DIN: 00004031

Sd/-
**Uday Patil**
Director & CFO
DIN: 00003978

Sd/-
**Sujeet More**
Company Secretary

**KEYNOTE CORPORATE SERVICES LIMITED**

CIN: L67120MH1993PLC072407

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

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

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

## CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

1. Name(s) of Shareholder(s) (including joint holders, if any) : _____

2. Registered Address of the sole/ First name shareholder : _____

_____

_____

_____

3. Registered folio No.DP ID No./Client ID No. [*Applicable to investor holding share in Dematerialized form] : _____

4. No. of Shares held : _____

5. I/We hereby exercise my/our option to receive the documents such as Notice of Annual General Meeting, Audited Financial Statement, Balance Sheet, Profit & Loss Account, Director's Report, Auditor's Report; Explanatory Statement etc. in electronic mode pursuant to the **"Green Initiative"** by the Ministry of Corporate Affairs vide circular dated 29th April, 2011.

6. My email ID is : _____

Place:

Date:

_____

(Name and Signature of the Member)

**KEYNOTE CORPORATE SERVICES LIMITED**

CIN: L67120MH1993PLC072407

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

**PROXY FORM – MGT - 11**

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

Name and Address of the Member(s) : _____

Registered Address : _____

_____

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

1. Name : _____
   Email ID : _____
   Address : _____
   Signature _____

   or failing her/him

2. Name : _____
   Email ID : _____
   Address : _____
   Signature _____

   or failing her/him

3. Name : _____
   Email ID : _____
   Address : _____
   Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Wednesday, 23rd August, 2017 at 10.00 a.m. at Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall Compound), Fort, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

| | Resolution | For | Against |
|---|---|---|---|
| 1. | Adoption of the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial year ended 31st March, 2017 and the Reports of Directors and the Auditors thereon. | | |
| 2. | Approval for dividend of ₹ 1/- per Equity Shares of the Company for the Financial Year ended 31st March, 2017. | | |
| 3. | R-appointment of Shri Uday Patil (DIN- 00003978), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 4. | Ratification of appointment of M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094), as Statutory Auditors of the Company. | | |
| 5. | Appointment of Smt. Rinku Suchantil, (DIN - 00012903) as Whole Time Director of the Company. | | |

Signed this _____ day of _____ 2017.

Affix a Re.1/- Revenue Stamp

_____ Signature of Shareholder

_____ Signature of proxy holder(s)

**Note:**

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

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

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

*(4) This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "FOR or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**KEYNOTE CORPORATE SERVICES LIMITED**
CIN: L67120MH1993PLC072407
Registered Office: The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028
Tel : (022) 3026 6000 Fax : (022) 3026 6088
Website: www.keynoteindia.net E-mail investors@keynoteindia.net

## ATTENDANCE SLIP

**Serial No.:**

| | | |
|---|---|---|
| Registered Folio/<br>DP ID & Client ID | : | |
| Name and Address of the Shareholder(s) | : | |
| Joint Holder 1<br>Joint Holder 2 | | |
| No. of Shares held | : | |

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company being held on Wednesday, 23rd August, 2017 at 10.00 a.m. at Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall Compound), Fort, Mumbai – 400 001

Signature of the Shareholder/Proxy/Authorized Representative: _____

Please fill in the attendance slip and hand it over at the entrance of the meeting hall. Please bring your copy of the annual report for reference at the Meeting.

(To be retained with the members)

**ELECTRONIC VOTING PARTICULARS**

The Company is providing facility for remote e-voting (i.e. voting from a place other than venue of Annual General Meeting) and the business as set out in the notice of Annual General Meeting (AGM) dated 25th May, 2017 may be transacted by the members through such voting. The remote e-voting facility is provided through e-voting platform of Central Depository Services (India) Limited (CDSL)

The detailed instructions for remote e-voting are given in the AGM notice. The particulars for Remote e-voting are as under:

| EVSN<br>Electronic Voting Sequence Number | User ID | PASSWORD/ SEQUENCE NO * |
|---|---|---|
| 170614003 | | Read Note No. 2 |

1. * To be used in the PAN field for password creation after logging on to www.evotingindia.com **only by the members** who are first time users and who have not updated their PAN with the Company Depository Participant.
2. The members who have not earlier created their password for CDSL platform for e-voting but have furnished their PAN to the Company/ Depository Participant need to use their PAN for password creation. Existing users can login using their existing password.

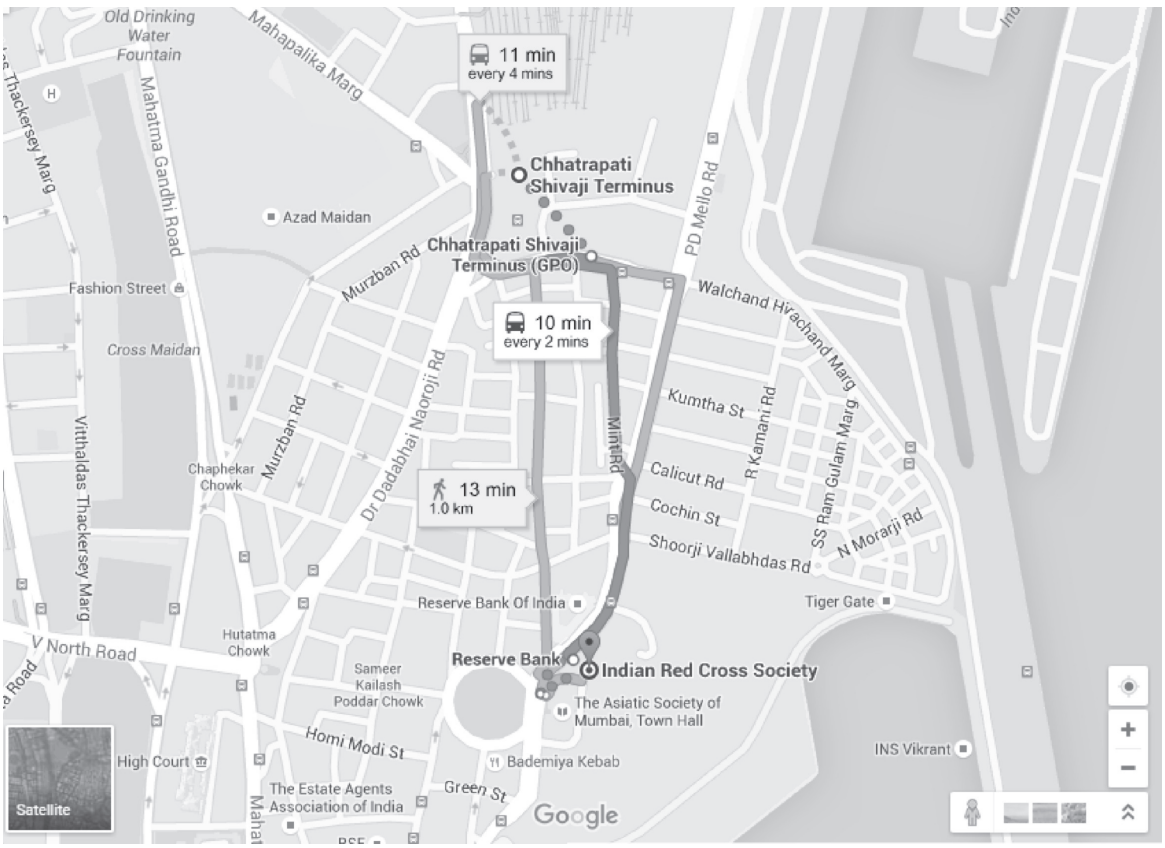
Please read the detailed instructions for remote-e-voting given in the AGM notice before voting.

The e-voting facility will be available during the following voting period.

| Commencement of e-voting | | End of e-voting |
|---|---|---|
| 20th August, 2017 at 10.00 a.m. | : | 22nd August, 2017 at 5.00 p.m. |

The above details form an integral part of the AGM notice.

**ROUTE MAP FROM CHHATRAPATI SHIVAJI MAHARAJ TERMINUS (CST) TO THE VENUE OF THE ANNUAL GENERAL MEETING OF THE COMPANY DATED 23RD AUGUST, 2017**



**BY COURIER**

If undelivered, please return to:

**KEYNOTE CORPORATE SERVICES LIMITED**

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