KEYNOTE

20th Annual Report 2012-2013

KEYNOTE CORPORATE SERVICES LTD.

KEYNOTE CORPORATE SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

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BOARD OF DIRECTORS

Shri B. Madhuprasad
Chairman
(w.e.f. 1st May, 2013)

Shri Uday S. Patil
Director - Investment Banking

Shri Hitesh Shah
Director

Shri Anish Malhotra
Director

Shri Vineet Suchanti
Managing Director

Shri Sujal Shah
Director

Shri Manish Desai
Director

BOARD COMMITTEES

Audit Committee			Shareholder/Investors Grievance Committee		
Shri Sujal Shah	–	Chairman	Shri Hitesh Shah	–	Chairman
Shri Hitesh Shah	–	Member	Shri Uday S. Patil	–	Member
Shri Manish Desai	–	Member			
Management Committee			**Remuneration Committee**		
Shri Vineet Suchanti	–	Chairman	Shri Anish Malhotra	–	Chairman
Shri B. Madhuprasad	–	Member	Shri Hitesh Shah	–	Member
Shri Uday S. Patil	–	Member	Shri Manish Desai	–	Member

Company Secretary
Shri Yatin Sangani
(w.e.f. 1st August, 2013)

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

REGISTERED OFFICE
Keynote Corporate Services Limited
The Ruby, 9th floor,
Senapati Bapat Marg, Dadar (West),
Mumbai - 400 028.

SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.
Tel : (022) 2596 3838
Fax : (022) 2594 6969
www.linkintime.co.in

AUDITORS
Haribhakti & Co.
Chartered Accountants,
701, Leela Business Park,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059.
www.dhc.co.in

Twentieth Annual General Meeting
On Wednesday, 25th September, 2013 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 TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF KEYNOTE CORPORATE SERVICES LIMITED WILL BE HELD ON WEDNESDAY, 25TH OF SEPTEMBER, 2013 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 Balance Sheet as of 31st March, 2013 and the profit and loss account for the year ended on that date together with the reports of the Directors and Auditors thereon.

2. To declare dividend for the financial year ended 31st March, 2013.

3. To appoint a Director in place of Shri B. Madhuprasad, who retires by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Shri Hitesh Shah, who retires by rotation and being eligible offers himself for reappointment.

5. To reappoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. In this connection, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Haribhakti & Co. Chartered Accountants, Mumbai [Firm Registration No.103523W], be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be decided between the Auditors and the Board of Directors."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provision of Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Central Government, consent of the company be and is hereby accorded for payment of monthly professional fees of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand only) and reimbursement of other expenses to Shri B. Madhuprasad, Chairman-Non Executive of the Company on such terms and conditions as may be decided by Board of Directors.

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

sd/-
B. Maduprasad
Chairman

Date: 7th August, 2013
Place: Mumbai

NOTES:

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

b) The Register of Members and share transfer books of the Company will remain closed from Saturday, 21st September, 2013 to Wednesday, 25th September, 2013 (both days inclusive).

c) If dividend on Equity Shares as recommended by the Board of Directors is declared at the Meeting, the Dividend will be paid to those Members whose names appear in the Company's Register of Members i.e. for those holding Shares in the Physical Form and those holding Shares in Demat Form as Beneficial Owners in the record of the Depositories as on Friday, 20th September, 2013.

d) 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.

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

f) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.

g) Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years is required to be transferred as per provisions of Section 205A of the Companies Act, 1956, by the Company to "The Investor Education & Protection Fund" constituted by the Central Government under Section 205C of the Companies Act, 1956.

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

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

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 by the Company on website of MCA (i.e. www.mca.gov.in). Said information for the period upto 27th September, 2012 has been made available and will be updated as per the requirements. All the members may check the details for unclaimed dividend if any and approach the Company and Registrar for getting the same paid.

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

h) 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.

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.

j) 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-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, for the purpose of service of documents under Section 53 of the Companies Act, 1956. 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.

k) (i) Pursuant to the General Exemption granted by the Central Government, Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956 vide Circular No.2/2011 dated 8th February, 2011, the Board of Directors at its meeting held on 6th September, 2011 granted its consent not to attach the Director's Report, Auditors Report, Balance Sheet, Profit and Loss Accounts and Schedules and Annexures thereto of the subsidiaries and step down subsidiaries with the Annual Accounts of the company subject to the Company fulfilling the conditions prescribed therein.

(ii) The Company has fulfilled the conditions (i) to (vii) of the said Circular by attaching the consolidated Financial Statement of the Holding, subsidiaries and step down subsidiary duly audited by the Statutory Auditors.

(iii) The Company undertakes that the Annual Accounts of the subsidiaries and step down subsidiary and the related detailed information shall be made available to the Shareholders of the Company and that of subsidiaries and step down subsidiary companies, free of cost. A copy of the Annual Accounts of the subsidiaries and step down subsidiary shall also be given to Shareholders free of cost on demand.

(iv) The Annual Accounts of the Company and its subsidiaries and step down subsidiary shall be kept for inspection by any shareholder in the Registered office of the Company at The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 between 11.00 a.m. to 1.00 p.m. on any working day (Except Saturdays and Sundays).

(v) The Annual Accounts of the Company, subsidiaries and step down subsidiary have also been posted on the Company's website www.keynoteindia.net. Any shareholder may access the Company's website for the Annual Accounts of the Company, its subsidiaries and step down subsidiary.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Shri B. Madhuprasad is the Founder Promoter and Whole Time Director of the Company since 1993. After a long stint with the company he wishes to be a Non-Executive Member on the Board of the company since May, 2013. He requested the Board to take on record his letter dated 2nd May, 2013 and take an appropriate decision in this regard.

He has been the Founder Promoter of Keynote Corporate Services Limited and has provided immense contribution for development of Keynote Corporate Services Limited as a well respected intermediary in the capital market. He is a Mentor and Guide for the Company and the Board of Directors requested him to continue to provide his guidance to grow the company further.

While placing the appreciation for his contribution to the growth of Keynote Corporate Services Limited on record the Board suggested that Shri B. Madhuprasad be elevated as "Chairman-Non Executive". Shri B. Madhuprasad expressed his gratitude and accepted the said proposal.

The Board suggested that monthly professional fees and reimbursement of other expenses as mentioned in the resolution be paid to him initially for a period of five years and accordingly relevant formalities and compliances shall be completed by the company.

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

Except Shri B. Madhuprasad, none of the other directors are concerned or interested in the said resolution.

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

sd/-
B. Maduprasad
Chairman

Date: 7th August, 2013
Place: Mumbai

DIRECTORS' REPORT

To
The Members of **Keynote Corporate Services Limited (Keynote)**

Dear Shareholders,

Your Directors have pleasure in presenting their 20th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013.

(₹ in lacs)

Details	**Year Ended 31-03-2013**	Year Ended 31-03-2012
Total Income	**1,069.05**	1,039.98
Gross Operating Profit	**480.59**	471.71
Depreciation	**28.06**	11.37
Profit Before Tax	**452.53**	460.34
Provision for :		
Current Tax	**84.21**	142.19
Deferred Tax Liability/(Assets)	**29.10**	5.35
Profit After Tax	**339.21**	312.80
Add : Excess Provision	**3.37**	—-
Profit/(Loss) brought forward from Previous year	**1,300.35**	1,130.44
Surplus available for appropriations	**1,642.93**	1,443.24
Proposed Dividend	**105.28**	105.28
Tax on Dividend	**17.89**	17.08
Transferred to General Reserve	**25.69**	20.55
Balance carried forward	**1,494.07**	1,300.35

Dividend

In the Board Meeting held on 28th May, 2013, your Board was pleased to recommend a dividend of ₹ 1.50 per Equity Shares (i.e. 15%) on 70,18,339 fully paid-up Equity Shares of ₹ 10/- each for the financial year ended on 31st March, 2013.

Operations

The Financial year 2012-13 continued to remain uncertain as far as capital market activities are concerned. There has been a fall in resource raising mainly through primary market issuances. The financial year 2012-13 witnessed about 33 IPOs and 35 Offer for Sales predominantly by Public Sector Undertakings (PSUs). 24 public issues were listed on SME platform of NSE & BSE raising only about ₹ 200.00 crores. Only 2 IPOs were oversubscribed more than 3 times and 3 IPOs had to be withdrawn due to inadequate response from public indicating the state of primary market conditions. Your company was successful in making an IPO on newly formed NSE platform-EMERGE for SME companies. This happen to be only the second SME IPO completed on NSE and first from the state of Rajasthan where corporate office of the company is located. It has been the endeavor of the management to explore newer areas of operations in the capital market. Besides making a successful IPO, the company was able to complete few Rights Issues, Delisting Offers and other allied activities. Company was able to complete few large transactions in M&A space and could complete few Private Equity Deals. Your company has been able to provide corporate advisory services to some of the large corporate

groups consistently and has been able to maintain its level of operations. The company posted a total income of ₹ 1069.95 lacs during the financial year with Profit After Tax of ₹ 339.00 lacs. The company has been continuously striving to strengthen and maintain the team of professionals with good execution capabilities across the Board. The overall contribution of the team has been on increase during the financial year. We are pleased to inform that inspite of subdued market conditions your company has been able to maintain its position in the market and earned profits. As a Merchant Banker with permanent registration & large experience in all the capital market related activities the company is confident of moving forward strategically.

Operations of Subsidiary

Keynote Capitals Ltd. (KCL) is a 100% subsidiary of your company which is an integrated broking house. It is a member of BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and has a subsidiary namely Keynote Commodities Ltd. which is a member of Multi-Commodity Exchange of India Ltd. (MCX). In November, 2012 your company has acquired ownership of Non Banking Finance Company (NBFC), Keynote Fincorp Ltd. which was hitherto a subsidiary of KCL.

As the retail operations were not yielding the desired results, management decided to realign the retail business through structuring to stem the loss. The process was the part of restructuring plan approved by the Board of Directors to streamline the business and concentrate on core activities of Investment Banking and integrated broking services with a focus on large and institutional clients with a synergy of NBFC. KCL posted a total income of ₹ 2,215.66 lacs for 31st March 2013 as compared to ₹ 1,520.10 lacs for 31st March, 2012. Profit After Tax stood at ₹ 98.35 lacs as compared to ₹ 55.57 lacs for the previous year.

Subsidiary Companies and Consolidated Financial Statements.

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

The Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's subsidiary and step down subsidiaries is annexed to this Report.

The Audited Accounts of the aforesaid Companies along with the report of the Board of Directors and the Auditors Report thereon which are required to be attached with the Annual Report of the Company have not been attached as the Board of Directors have given consent not to attach the Annual Accounts of the Company's subsidiary and step down subsidiaries with the Annual Accounts of the Company in accordance with the Ministry of Corporate Affairs, Government of India Circular No.2/2011 dated 8th February, 2011 under Section 212 of the Companies Act, 1956.

Tax Provisions

The Company has made adequate tax provisions under the provisions of Income Tax Act, 1961.

Listing

The Equity Shares of the Company continued to be listed and traded on the BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE). The scrip code number of the Equity Shares of the Company on BSE is 512597 and on NSE symbol is KEYCORPSER. The scrip of the Company is classified as illiquid scrip and hence trading in equity shares of your Company is presently conducted through periodic call auction sessions. The Company has paid up-to-date listing fees to both the 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 96.32% of equity shares capital of the company is in dematerialized mode.

Directors Responsibility Statement

In compliance with Section 217(2AA) of the Companies (Amendment) Act 2000, the Directors state that:

(a) In the preparation of annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been furnished.

(b) Accounting policies as listed in note no. 1 and 2 to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2013 and of the Profit or Loss of the Company for the Accounting Year ended on that day.

(c) Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the said act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

(d) The annual accounts have been prepared on a going concern basis.

Corporate Governance

The Companies Act, 1956 & the listing agreement with the Stock exchanges require compliances with specified Corporate Governance practices. These practices have been fully implemented and a certificate from the Practicing Company Secretary as well as a detailed report on Corporate Governance, approved by the Board of Directors of the Company is set out in the annual report. The Company is regularly filing of reports including uploading of information in Corporate Filing & Dissemination System (corpfiling). Your Company has also been enlisted in the new SEBI complaint redressal system (SCORES) enabling the investors to register their complaint if any for speedy redressal.

Human Resources

Your Directors acknowledge and appreciate the sincere efforts and effective services rendered by the committed officers and staff of the company.

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended, regarding employees and forming part of this Report are not applicable to the Company as per notification dated 31st March, 2011 issued by the Ministry of Corporate Affairs, New Delhi.

Auditors Observations

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

Conservation of Energy and Technology Absorption

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 require disclosure of particulars regarding conservation of energy in Form A and Technology Absorption in Form B prescribed by the rules. The Company not being a manufacturing Company is advised that Form A and B are not applicable to it.

Foreign Exchange Earnings & Expenditure

During the year the Company has earned an Income of ₹ 454.88 lacs in Foreign Exchange and has incurred an expenditure of ₹ 18.14 lacs in Foreign Exchange.

Fixed Deposits

During the year ended 31st March, 2013 the Company has not accepted any Fixed Deposits from the Public under Section 58-A of the Companies Act, 1956. The Company does not hold any Fixed Deposits from the public.

Directors

Shri B. Madhuprasad and Shri Hitesh Shah, Directors are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their re-appointment.

Auditors

M/s. Haribhakti & Company, Chartered Accountants, Mumbai, Statutory Auditors will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year ended 31st March, 2014.

Acknowledgment

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

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

Sd/-
B. Madhuprasad
Chairman

Date : 7th August, 2013
Place: Mumbai

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Company firmly believes in and continues to practice Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

BOARD OF DIRECTORS

Board Meetings held during the financial year 2012-2013.

The Board of Directors had met 4 times during the financial year 2012-2013. These meetings were held on 10th May, 2012, 9th August, 2012, 9th November, 2012 and 7th February, 2013. Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31st March, 2013, as applicable, is tabulated hereunder:

Name of the Director	No. of Board Meetings attended	Attendance at previous AGM on 27/09/2012	No. of outside Directorship held (Excluding Keynote Corporate Services Limited)	No. of Membership/ Chairmanship in other Board Committees (Excluding Keynote Corporate Services Limited)		Executive/ Non Executive
				Member	Chairman	
Shri Nirmal Suchanti *	2	No	2	Nil	Nil	Non Executive
Shri B. Madhuprasad	4	Yes	2	1**	Nil	Executive
Shri Vineet Suchanti	4	Yes	5	5 #	1 ##	Executive
Shri Uday S. Patil	4	Yes	1	Nil	Nil	Executive
Shri Hitesh Shah	3	No	1	2@	Nil	Non Executive (Independent)
Shri Sujal Shah	4	Yes	12	6 $	6 $$	Non Executive (Independent)
Shri Anish Malhotra	1	No	2	Nil	Nil	Non Executive (Independent)
Shri Manish Desai	4	Yes	2	Nil	Nil	Non Executive (Independent)

* Resigned wef 9th August, 2012.

** Member of Audit Committee of Association of Investment Bankers of India.

Member of Shareholders/Investors Grievance Committee, Compensation Committee, Share Transfer Committee and Buy-back Committee of LKP Finance Limited and Member of Remuneration Committee of Keynote Capitals Limited.

Chairman of Audit Committee of LKP Finance Limited.

@ Member of Audit Committee and Remuneration Committee of Keynote Capitals Limited.

$ Member of Remuneration Committee of Reliance MediaWorks Limited, Hindoostan Mills Limited, Sabero Organics Gujarat Limited and member of Audit Committee of Amal Limited, Amrit Banaspati Company Limited and Rudolf Atul Chemicals Limited.

$$ Chairman of Audit Committee of Reliance MediaWorks Limited, Gitanjali Gems Limited, Reliance Asset Reconstruction Company Limited, Hindoostan Mills Limited and Chairman of Remuneration Committee of Gitanjali Gems Limited and Amal Limited.

AUDIT COMMITTEE

The Audit Committee comprises of 3 members namely, Shri Sujal Shah, Shri Hitesh Shah and Shri Manish Desai all being Non Executive 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, 2013.

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship	No. of Meeting Attended upto 31st March, 2013
1.	Shri Sujal Shah	Chairman	Non-Executive (Independent)	4
2.	Shri Hitesh Shah	Member	Non-Executive (Independent)	3
3.	Shri Manish Desai	Member	Non-Executive (Independent)	4

REMUNERATION COMMITTEE

The Company has a remuneration committee to determine, the company's policy on specified remuneration packages for executive directors including pension rights and any compensation payment.

The Remuneration Committee of the Company comprises of Non-Executive Independent Directors. The details of the Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
1.	Shri Anish Malhotra	Chairman	Non Executive (Independent)
2.	Shri Hitesh Shah	Member	Non Executive (Independent)
3.	Shri Manish Desai	Member	Non Executive (Independent)

The Managing Director and Whole-time Director are in service contract with the Company. The remuneration payable to them is in terms of the said contract. The matters of remuneration of Directors are considered by the Board of Directors of the Company from time to time.

Remuneration of Directors for the financial year 2012-2013.

Sitting fees is paid only to Independent Directors for Board Meetings attended by them. Presentaly the Company has two Whole-time Directors to whom monthly remuneration is being paid as approved by the Members.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

SHAREHOLDER/INVESTOR'S GRIEVANCE COMMITTEE

The Company has constituted a "Shareholders/Investors Grievance Committee" of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The Company has also been enlisted in the new SEBI complaint redressal system (SCORES) enabling the investors to register their complaint if any for speedy redressal. Shri Hitesh Shah, a Non Executive (Independent) Director is Chairman of the Shareholder/Investors Grievance Committee. Shri Uday S. Patil is the Compliance Officer.

The composition of the Shareholders/Investors Grievance Committee:

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

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

During the financial year 2012-2013, total 21 communications were received from shareholders and investors. These communications were of routine nature regarding duplicate share certificates, corrections/change in address, issuance of demand draft against dividend warrant due to expiry of date etc and were addressed promptly.

All valid requests for share transfer received during 2012-2013 have been acted upon by the Company and no transfer is pending.

MANAGEMENT COMMITTEE

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

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
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 activates.

Further, the Board Meeting held on 6th September, 2011 (Adjourned meeting of 5th September, 2011) had delegated powers to Managing Committee to place the 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 corporate. The Management Committee was reconstituted in the Board Meeting held on 28th May, 2013 (Adjourned Board Meeting of 27th May, 2013). Management Committee met 22 times in the financial year 2012-2013.

GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2009-2010	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai - 400 001	29th September, 2010	10.00 a.m.
2010-2011	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai - 400 001	30th September, 2011	10.00 a.m.
2011-2012	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai - 400 001	27th September, 2012	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
29th September, 2010	2	1. Appointment of M/s. Haribhakti & Company, Chartered Accountants, Mumbai as Statutory Auditors of the Company. 2. Re-appointment and remuneration of Shri Uday S. Patil as a Whole-Time Director of the Company.
30th September, 2011	3	1. Appointment of Shri Manish Desai as an Additional Director of the Company. 2. Re-appointment of Shri B. Madhuprasad as Vice-Chairman of the Company for a period of 3 years wef. 5th May, 2011. 3. Re-appointment of Shri Vineet Suchanti as Managing Director of the Company for a period of 3 years wef. 5th May, 2011.
27th September, 2012	1	1. Re-appointment of Shri Uday S. Patil, as Whole-Time Director of the Company for a period of 3 years wef. 13th November, 2012.

PASSING OF RESOLUTIONS THROUGH POSTAL BALLOT:

The Company received approval of the members for passing Special Resolutions with regard to:

(1) For approval of variation in the terms of remuneration of Shri Vineet Suchanti, Managing Director of the Company.

(2) For approval of variation in the terms of remuneration of Shri Uday S. Patil, Whole-Time Director of the Company.

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes were sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart is filed with Ministry of Corporate Affairs, (MCA). After the last date for receipt of ballots, the Scrutinizer, after due verification, submitted the Postal Ballot Results to the Company.

In the Board Meeting held on 7th February, 2013 Mrs. Uma Lodha of M/s. Uma Lodha and Company, Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot process. The results of the Postal on the basis of valid Ballots are as under:

Particulars	Resolution No.1 Special Resolution for approval of Variation in the terms of remuneration of Shri Vineet Suchanti, Managing Director of the Company.	Resolution No.2 Special Resolution for approval of Variation in the terms of remuneration of Shri Uday S. Patil, Whole-Time Director of the Company.
Total Postal Ballots received	65	65
Postal Ballots-Invalid	5	5
Postal Ballots-Valid	60	60
Total valid votes polled and % to the Total Paid-up Capital as on cut of date	40,36,465 (57.51%)	40,45,942 (57.65%)
Votes in favour & % to Total valid votes polled	40,35,465 (99.98%)	40,44,742 (99.97%)
Votes against & % to Total valid votes polled	1,000 (0.02%)	1,200 (0.03%)

The above Resolutions were carried with requisite majority.

Shri B. Madhuprasad, Vice-Chairman of the Company, declared the Postal Ballot Results based on the report as submitted by Scrutinizer Mrs. Uma Lodha of M/s. Uma Lodha & Co. dated 12th April, 2013 as required under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 read with Section 192A of the Companies Act, 1956 and the same is published in the Newspapers.

DISCLOSURES

During the financial year 2012-2013, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large.

MEANS OF COMMUNICATION

The quarterly, half yearly & annual results are published by the Company in the Free Press Journal and Navshakti, Mumbai and uploaded on the company's website (i.e. www.keynoteindia.net). "Limited Review" by the Auditors of the Company of the quarterly results is sent to BSE Limited and National Stock Exchange of India Ltd., where the shares of the company are listed. Shareholders can also access the quarterly results on website of these exchanges where the equity shares of the company are listed (i.e. www.bseindia.com, www.nseindia.com)

Tentative Financial Calendar for Financial Results: 2013 - 2014:

Particulars	
1st Quarter (June, 2013)	Considered in the Board Meeting held on 7th August, 2013
2nd Quarter (September, 2013)	Third week of November, 2013
3rd Quarter (December, 2013)	Second week of February, 2014
4th Quarter (March, 2013) Audited Financial Results for the year ended 31st March, 2014	Last week of May, 2014

GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting

Date and time : Wednesday, 25th September, 2013, 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, 2013

Date of Book Closure : From Saturday, 21st September, 2013 to Wednesday 25th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, subject to approval of 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).

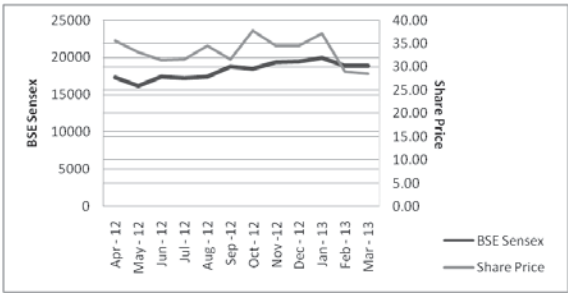
Face Value of Equity Shares : ₹ 10/- each.

Monthly High/Low price of Equity Shares of the Company during the financial year 2012-2013 on BSE Ltd. 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, 2012	37.45	31.65	38.35	30.00
May, 2012	39.90	33.10	28.60	26.60
June, 2012	34.75	28.55	28.20	25.25
July, 2012	32.90	25.25	24.00	22.00
August, 2012	37.80	28.65	29.60	23.10
September, 2012	38.00	31.65	N.T.	N.T.
October, 2012	37.80	30.55	38.60	32.55
November, 2012	38.85	34.50	33.10	33.10
December, 2012	39.80	32.55	38.20	31.35
January, 2013	37.90	33.25	42.10	31.50
February, 2013	38.00	29.00	N.T.	N.T.
March, 2013	28.80	22.00	35.40	28.30

NT: No Trading

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

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel : (022) 2596 3838 Fax : (022) 2594 6969
www.linkintime.co.in

SHARE TRANSFER SYSTEM

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

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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013.

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	2,233	91.22	3,11,624	4.44
501 to 1000	97	3.96	78,242	1.11
1001 to 2000	47	1.92	71,599	1.02
2001 to 3000	27	1.10	68,523	0.98
3001 to 4000	8	0.33	29,048	0.42
4001 to 5000	6	0.25	28,938	0.42
5001 to 10000	6	0.24	41,018	0.59
10001 and above	24	0.98	63,89,347	91.02
TOTAL	2,448	100.00	70,18,339	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

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	33,89,136	48.29
	Sub Total :	40,40,188	57.57
(B)	**Public Shareholding :**		
	1. Institutions		
	(a) Mutual Funds/UTI	20,800	0.30
	(b) Financial Institutions/Banks	300	0.00
	(c) Foreign Institutional Investors	5,79,469	8.26
	2. Non-Institutions		
	(a) Bodies Corporate	1,41,926	2.02
	(b) Individuals	7,55,751	10.77
	(c) Non-Resident Indians	4,776	0.07
	(d) Trust(s)	14,51,902	20.69
	(e) Hindu Undivided Family	1,350	0.02
	(f) Clearing Members	21,877	0.30
	Sub Total :		
	GRAND TOTAL	**70,18,339**	**100.00**

Dematerialization of Shares: 67,59,753 Equity Shares of ₹ 10/- each (i.e. 96.32%) of the total capital of the Company have been dematerialized as on 31st March, 2013..

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 web-site of the company i.e. www.keynoteindia.net. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2013.

A declaration to this effect, duly signed by Managing Director, is annexed and form part of this report.

ADDRESS FOR CORRESPONDENCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The financial year 2012-13 remained volatile as far as capital market operations are concerned. Various economic factors and global conditions affected the market considerably. The uncertainty loomed large on the economic front which has reflected in the stock market activity. Resource raising through primary market have drastically fallen on account of erosion of investors' confidence. Very few IPOs were floated in the market and the response to the issues was abysmally low barring a few transactions. There was spate of offer for sale transactions to comply with minimum public shareholding requirements and few delisting offers were completed in the market. Inspite of adverse market conditions Keynote has been able to achieve the income from operations of ₹ 1069.05 lacs for the financial year 2012-13. Keynote has been able to maintain PAT of ₹ 339.21 lacs similar to the level of ₹ 312.80 lacs for the previous financial year 2011-12.

Keynote Capitals Limited (KCL), a 100% subsidiary posted a total income of ₹ 2,215.66 lacs for 31st March 2013 as compared to ₹ 1520.10 lacs for 31st March, 2012. Profit After Tax stood at ₹ 98.35 lacs as compared to ₹ 55.57 lacs for the previous year.

It has been the endeavor of the management to focus on specific areas and transactions to earn the revenues. Multiple transaction execution capabilities are yielding result for the company to remain competitive and maintain its position in the capital market.

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

Sd/-
B. Madhuprasad
Chairman

Date : 7th August, 2013
Place: Mumbai

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting.

Name, Age, Qualification and Address of Director	Experience/Expertise in specific functional area	Directorship held in other companies
Shri B. Madhuprasad (Director due to retire by rotation seeking re-appointment) Age : 62 years Qualification: B.Com, A.C.A. Address : Flat No. B-1/12, Technocrat Co-Operative Housing Society Ltd., Twin Tower Lane, Prabhadevi, Mumbai - 400 025	**Shri B. Madhuprasad,** is rank holder from the Institute of Chartered Accountants of India having rich experience in Merchant Banking. He has to his credit the experience of handling more than 600 public issues of various corporates during his stint with PNB Capital Services Limited and Keynote Corporate Services Limited. He is a guest faculty in various prominent capital market institutions such as Indian Institute of Capital Markets, IFCI and academic institutions such as Narsee Monjee Institute of Management studies. He was a member of the Board of Studies at SIES College of Management Studies. He is also a regular guest lecturer on BSE Training Institute. He is with the Company since inception.	• Naga Accounts Managements Co. Pvt. Ltd., • Association of Investment Bankers of India
Shri Hitesh Shah (Director due to retire by rotation seeking re-appointment) Age : 46 years Qualification: B.Com. FCA Address : 2/2A-203, Rewa Chambers, Sir Vithaldas Thakersey Marg, Mumbai - 400 020**.**	**Hitesh Shah,** is a Chartered Accountants, having 18 years experience in Audits, Demerger, Business reorganization, Business Valuation, Due Diligence Reporting, Management Consulting, Transfer Pricing, Handling Joint venture Problems, Accounting Standards, Advisor to the Companies to overseas joint venture operations and FEMA matters etc.	• Keynote Capitals Limited

Declaration by Managing Director

I, Vineet Suchanti, Managing Director of Keynote Corporate Services Limited, hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Clause 49 (1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended March 31, 2013.

For **Keynote Corporate Services Limited**

Sd/-

Vineet Suchanti
Managing Director

Place: Mumbai
Date: 7th August, 2013

Managing Director Certification

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

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 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 are aware and the steps taken or propose to take to rectify these deficiencies.

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

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

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

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

For **Keynote Corporate Services Limited**

Sd/-

Vineet Suchanti
Managing Director

Place: Mumbai
Date: 28th May, 2013

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Keynote Corporate Services Limited

We have examined the compliance of conditions of Corporate Governance by Keynote Corporate Services Limited (the Company) for the year ended 31st March, 2013 at stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

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

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

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

For Uma Lodha & Co.
Practising Company Secretaries

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

Place: Mumbai
Date: 7th August, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of Keynote Corporate Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Keynote Corporate Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

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

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; except that the disclosures with respect to plan assets required under Accounting Standard-15 (Revised) "Employee Benefit" is not provided.

   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No.103523W

Sd/-
Rakesh Rathi
Partner
Membership No.45228

Place: Mumbai
Date: 28th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Keynote Corporate Services Limited on the financial statements for the year ended 31st March 2013]

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

(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) The Company did not have any inventories during the year therefore, the provisions of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended are not applicable to the Company.

(iii) (a) The Company has granted unsecured loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 5,24,56,333/- and the year end balance of loans granted to such parties was ₹ 2,16,56,333/-.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(c) The loans are repayable on demand and whenever loans are called for the company has received the principal amount and interest accordingly.

(d) Since there is no stipulation as regards repayment schedule, clause 4(iii)(d) is not applicable.

(e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of service. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, one transaction made in pursuance of such contracts or arrangements exceeding value of rupees five *lakhs has not been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time*.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

(vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the company.

(ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with appropriate authorities *except advance payment of income tax and amount payable for investor education and protection fund, which has not been paid and outstanding at the balance sheet date*.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except as mentioned below:

Name of the statute	Nature of the dues	(₹) Amount	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance payment of Income Tax	14,07,873	F.Y. 2012-13	15th September 2012	—
Income Tax Act, 1961	Interest on delayed payment of advance tax	42,273	F.Y. 2012-13	15th September 2012	—

(c) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, service tax, customs duty, and cess which have not been deposited on account of any dispute.

(x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, generally the Company did not deal or trade in it. However, on short term basis, surplus funds were invested in mutual funds for which proper records for the transactions and contracts have been maintained and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.

(xvi) The Company has not obtained any term loans during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.

(xx) The Company has not raised money by way of public issue during the year.

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

For **Haribhakti & Co.**
Chartered Accountants
Firm's Registration No.103523W

Sd/-
Rakesh Rathi
Partner
Membership No.45228

Place: Mumbai
Date: 28th May, 2013

BALANCE SHEET AS ON 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE NO.	AS ON 31-March -2013	AS ON 31-March -2012
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds:			
(a) Share Capital	**3**	**70,183,390**	70,183,390
(b) Reserves & Surplus	**4**	**391,384,256**	369,442,484
		461,567,646	439,625,874
2. Non Current Liabilities:			
(a) Long-term borrowings	**5**	**2,257,746**	3,098,907
(b) Deferred tax liabilities (Net)	**12**	**2,198,072**	—
(c) Other Long term liabilities	**6**	**4,678,000**	4,590,662
(d) Long-term provisions	**7**	**260,537**	298,667
		9,394,356	7,988,236
3. Current liabilities			
(a) Other current liabilities	**8**	**7,042,583**	3,981,967
(b) Short-term provisions	**9**	**19,444,297**	20,512,461
		26,486,880	24,494,428
TOTAL		**497,448,882**	472,108,538
II. ASSETS:			
1. Non Current assets:			
(a) Fixed assets			
(i) Tangible assets	**10**	**105,848,162**	7,459,834
(ii) Capital Work-in-Progress		**—**	96,760,271
(b) Non-current investments	**11**	**199,950,392**	195,333,532
(c) Deferred tax assets (net)	**12**	**—**	712,286
(d) Long-term loans and advances	**13**	**1,132,556**	1,220,686
(e) Other non-current assets	**14**	**1,908,495**	4,599,125
		308,839,605	306,085,734
2. Current assets			
(a) Current investments	**15**	**—**	22,362,000
(b) Trade receivables	**16**	**3,533,939**	4,899,617
(c) Cash and Bank Balances	**17**	**144,091,788**	12,614,339
(d) Short-term loans and advances	**18**	**40,285,071**	125,356,515
(e) Other current assets	**19**	**698,479**	790,333
		188,609,277	166,022,804
TOTAL		**497,448,882**	472,108,538

Significant Accounting Policies & Notes on financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Sd/-
B.Madhuprasad
Chairman

Sd/-
Vineet Suchanti
Managing Director

Place : Mumbai
Date : 28th May 2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

	PARTICULARS	NOTE NO.	AS ON 31-March -2013	AS ON 31-March -2012
I.	**INCOME :**			
	Revenue from operations	**20**	**85,813,189**	85,263,564
	Other Income	**21**	**21,091,873**	18,734,672
	TOTAL		**106,905,062**	103,998,236
II.	**Expenses :**			
	Employee benefits expenses	**22**	**32,556,097**	30,725,988
	Other Expenses	**23**	**25,635,055**	25,435,188
	Depreciation and amortisation expenses		**2,806,119**	1,137,114
	Finance Costs	**24**	**654,776**	665,826
	TOTAL		**61,652,047**	57,964,115
III.	**Profit before tax (I-II)**		**45,253,015**	46,034,121
IV.	**Tax expenses:**			
	Current Tax		**8,421,492**	14,219,304
	Short/(Excess) provision for tax in respect of earlier years		**(337,265)**	—
	Deffered Tax (Assets) / Liability		**2,910,358**	534,616
V.	**Profit /(Loss) after tax for the year (III-IV)**		**34,258,430**	31,280,201
VI.	**Earnings per equity share (Basic & Diluted)**		**4.88**	4.46

Significant Accounting Policies & Notes on financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Date : 28th May 2013

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-	Sd/-
B.Madhuprasad	**Vineet Suchanti**
Chairman	*Managing Director*

Notes to financial statements for the year ended 31st March 2013

1. Corporate information

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

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1 Summary of significant accounting policies

a. Use of estimates

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

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

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

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

Capital work-in-progress is stated at cost comprising of direct cost and related incidental expenditure. The advances given for acquiring for Fixed Assets are shown under Loans and advances (Capital advance).

c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Assets costing up to ₹5,000/-are fully depreciated in the year of acquisition.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

e. Leases

Where the company is lessee

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

Where the company is the lessor

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

f. Borrowing costs

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

g. Impairment of tangible and intangible assets

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

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term 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. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

i. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i) Fees including issue Management fees is recognized with reference to achievement of milestones defined in the engagement /mandate.

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

iii) Other income is recognised on accrual basis.

j. Foreign currency translation

Foreign Exchange transactions are recorded at the closing rate prevailing on dates of the transactions . Exchange differences arising on Foreign exchange transactions settled during the year is recognized in the Statement of Proift & Loss .

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

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

k. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund & ESIC is a defined contribution scheme. The contributions to the Provident Fund & ESIC are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund & ESIC.

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

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

The company treats accumulated leave expected to be carried forward beyond twelve months,as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

l. Taxes on Income:

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

(i) Current tax

The current charge for income tax is calculated in accordance with the regulations applicable to the company.

(ii) Deferred tax

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

m. Earnings Per Share

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

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

n. Provisions

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

o. Contingent liabilities and Contingent Assets

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

p. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three months or less.

	31-March -2013 ₹	31-March -2012 ₹
3. SHARE CAPITAL		
Authorized Shares:		
1,50,00,000 (P.Y.:1,50,00,000) equity Shares of ₹10/-each	**150,000,000**	150,000,000
Total	**150,000,000**	150,000,000
Issued :		
1,12,74,417 (P.Y.:1,12,74,417) equity Shares of ₹10/- each	**112,744,170**	112,744,170
Total	**112,744,170**	112,744,170
Subscribed and fully paid-up shares:		
70,18,339 (P.Y.:70,18,339) equity Shares of ₹10/-each.	**70,183,390**	70,183,390
Total	**70,183,390**	70,183,390

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

Equity Shares	31-March -2013		31-March -2012	
	Quantity	**₹**	Quantity	₹
At the beginning of the year	**7,018,339**	**70,183,390**	7,018,339	70,183,390
Issued during the year	**—**	**—**	—	—
Bought back during the year	**—**	**—**	—	—
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 only one class of equity shares having a par value of 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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.

During the year ended 31 March 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.50 per share (P.Y.: ₹1.50 per share).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares

	31-March -2013		31-March -2012	
	Quantity	**% holding in the class**	Quantity	% holding in the class
Equity shares of ₹10 each fully paid				
i) NSS Digital Media Ltd	**2910226**	**41.47**	2865463	40.83
ii) Keynote Trust	**1451702**	**20.68**	1451702	20.68
iii) India Max Investment Fund Limited	**561348**	**7.99**	561348	7.99

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- 2013 ₹	31- March- 2012 ₹
Securities premium reserve		
Opening Balance	**230,648,293**	230,648,293
Closing Balance	**230,648,293**	230,648,293
General reserve		
Opening Balance	**8,759,546**	6,705,023
Add: Transferred during the year	**2,569,382**	2,054,523
Closing Balance	**11,328,928**	8,759,546
Surplus/ (deficit) in the statement of profit and loss		
Opening Balance	130,034,648	113,044,301
Profit for the Year	34,258,430	31,280,201
Less:Appropriations:		
Proposed final equity dividend (amt per share ₹1.50 (P.Y.: ₹1.50))	10,527,509	10,527,509
Tax on proposed equity dividend	1,789,150	1,707,825
Transfer to general reserve	2,569,382	2,054,523
Total appropriations	**14,886,041**	14,289,857
Net surplus in the statement of profit and loss	**149,407,036**	130,034,645
Total	**391,384,256**	369,442,484

5. LONG-TERM BORROWINGS

	31- March- 2013 ₹	31- March- 2012 ₹
Secured		
Term Loans		
From Others	**2,257,746**	3,098,907
Total	**2,257,746**	3,098,907

Term loan from financial institutions was taken during the financial year 2011-12 and carries interest @ 8.82% p.a. The loan is repayable in 59 monthly installments of ₹90,085/- each along with interest, from the date of loan. The loan is secured by hypothecation of motor car of the company.

6. OTHER LONG-TERM LIABILITIES

	31- March- 2013 ₹	31- March- 2012 ₹
Others		
Advance from customers	**4,678,000**	4,590,662
Total	**4,678,000**	4,590,662

7. LONG TERM PROVISIONS

	31- March- 2013 ₹	31- March- 2012 ₹
Provision for employee benefits		
Provision for leave benefits	**260,537**	298,667
Total	**260,537**	298,667

8. OTHER CURRENT LIABILITIES

	31- March- 2013 ₹	31- March- 2012 ₹
Other liabilities		
Current maturities of long-term borrowings	**841,161**	785,565
Unpaid dividend	**825,412**	647,704
Interest free Security deposits	**300,000**	300,000
Refund Warrants payable	**9,109**	9,109
Interest Accrued but not due	**12,148**	—
Service tax accrued but not received	**2,885**	249,915
Other Payables	**4,365,482**	1,228,913
Tds payable	**686,386**	760,761
Total	**7,042,583**	3,981,967

9. SHORT TERM PROVISIONS

	31- March- 2013 ₹	31- March- 2012 ₹
Provision for employee benefits		
Provision for gratuity	**1,338,776**	1,358,127
Provision for Bonus	**1,282,288**	1,266,661
Provision for leave benefits	**49,252**	210,925
	2,670,316	2,835,713
Other provisions		
Provision for taxation-(Net of Advance Tax ₹6,83,37,569/-)(P.Y.8,08,40,541/-)	**4,457,322**	5,441,414
Proposed equity dividend	**10,527,509**	10,527,509
Provision for tax on proposed equity dividend	**1,789,150**	1,707,825
	16,773,981	17,676,748
Total	**19,444,297**	20,512,461

10. FIXED ASSETS **(₹)**

Sr. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012	Additions During the Year	Deductions / Adjustments	As at 31.03.2013	Upto 01.04.2012	Provided During the Year	Deductions / Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
1	Premises	—	89,134,571	—	89,134,571	—	1,401,147	—	1,401,147	87,733,424	438,508
2	Motor Cars	8,589,804	—	—	8,589,804	2,794,547	484,147	—	3,278,694	5,311,110	5,795,257
3	Furniture & Fixtures	551,488	7,935,627	—	8,487,115	237,993	507,716	—	745,709	7,741,406	313,496
4	Air conditioners	927,621	1,100,949	—	2,028,570	240,349	94,495	—	334,844	1,693,726	687,272
5	Office Equipments	129,790	787,316	—	917,106	5,179	41,012	—	46,191	870,915	124,611
6	Computers	2,139,476	898,286	—	3,037,762	1,600,278	216,324	—	1,816,602	1,221,160	539,198
7	Electrical Fittings	—	1,337,699	—	1,337,699	—	61,278	—	61,278	1,276,421	—
	Intangible Assets:										
1	Computer Software	—	—	—	—	—	—	—	—	—	—
	TOTAL	**12,338,179**	**101,194,448**	**—**	**113,532,627**	**4,878,346**	**2,806,119**	**—**	**7,684,465**	**105,848,162**	**7,898,342**

(₹)

Sr. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2011	Additions During the Year	Deductions / Adjustments	As at 31.03.2012	Upto 01.04.2011	Provided During the Year	Deductions / Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
1	Motor Cars	7,648,280	5,481,812	4,540,288	8,589,804	3,505,263	694,347	1,405,064	2,794,545	5,795,259	4,143,017
2	Furniture & Fixtures	551,488	—	—	551,488	203,083	34,909	—	237,992	313,496	348,405
3	Air conditioners	927,621	—	—	927,621	196,287	44,062	—	240,349	687,272	731,334
4	Office Equipments	28,500	101,290	—	129,790	571	4,608	—	5,179	124,611	27,929
5	Computers	2,117,627	21,850	—	2,139,477	1,256,700	343,578	—	1,600,278	539,199	860,927
	Intangible Assets:										
1	Computer Software	—	4,200	—	4,200	—	4,200	—	4,200	—	—
	TOTAL	**11,273,516**	**5,609,152**	**4,540,288**	**12,342,380**	**5,161,904**	**1,125,704**	**1,405,064**	**4,882,544**	**7,459,837**	**6,111,612**

11. NON- CURRENT INVESTMENT

Particulars	31- March- 2013 ₹	31- March- 2012 ₹
Aggregate amount of quoted investments	**13,209,484**	16,892,624
Market Value of quoted investments	**41,745,027**	53,253,254
Aggregate amount of unquoted investments	**186,740,908**	178,440,908

B. Details of Other Investments

Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly paid/ Fully paid	Extent of Holding (%)		Amount in (₹)		Basis of Valuation #
			31- March- 2013	31- March- 2012			31- March- 2013	31- March- 2012	31- March- 2013	31- March- 2012	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	Investment in Property								700,000	700,000	Cost
	Less: Accumulated Depreciation on Property								261,492	261,492	
	Net							Total (A)	438,508	438,508	
b)	Investment in Equity Instruments										
1	Equity Shares of ₹10 each of Indo Count India Limited	Others	9,900	9,900	Quoted	Fully paid	Not Applicable	Not Applicable	212,355	212,355	Cost
2	Equity Shares of ₹10 each of Aptech Ltd	Others	—	46,440	Quoted	Fully paid	Not Applicable	Not Applicable	—	3,599,100	Cost less provision for dimunition in value of investment
3	Equity Shares of ₹10 each of Coromandal Engineering Co Ltd	Others	1,255	2,457	Quoted	Fully paid	Not Applicable	Not Applicable	25,100	49,140	Cost
4	Equity Shares of ₹2 each of Scana Point Ltd	Others	400	400	Quoted	Fully paid	Not Applicable	Not Applicable	1,156	1,156	Cost
5	Equity Shares of ₹10 each of Tata Cofee Ltd	Others	—	1,000	Quoted	Fully paid	Not Applicable	Not Applicable	—	60,000	Cost
6	Equity Shares of ₹10 each of Keynote Corporate Services Ltd (held by Keynote Trust)	Controlled	1,451,702	1,451,702	Quoted	Fully paid	100%	100%	12,970,873	12,970,873	Cost
7	Equity Shares of ₹10 each of Keynote Capitals Ltd	Subsidiary	11,266,667	11,266,667	Unquoted	Fully paid	100%	100%	175,500,010	175,500,010	Cost
8	Equity Shares of ₹10 each of Keynote Fincorp Ltd	Subsidiary	500,000	—	Unquoted	Fully paid	100%	100%	7,500,000	—	Cost
9	Investment in Keynote Tust (Initial Corpus Fund)	Subsidiary	—	—			100%	100%	20,000	20,000	Cost
10	Equity Shares of ₹10 each of Dugar Finance Ltd	Others	700	700	Unquoted	Fully paid	Not Applicable	Not Applicable	2,870	2,870	Cost
11	Equity Shares of ₹10 each of Dugar Housing Ltd	Others	800	800	Unquoted	Fully paid	Not Applicable	Not Applicable	9,520	9,520	Cost
12	Equity Shares of ₹3 each of Stella Exports Ltd	Others	10,000	10,000	Unquoted	Fully paid	Not Applicable	Not Applicable	30,000	30,000	Cost
13	Equity Shares of ₹10 each of Eagleeye Research & Media Pvt Ltd	Others	9,600	3,600	Unquoted	Fully paid	22%	14%	3,240,000	2,440,000	Cost
								Total (B)	**199,511,884**	**194,895,024**	
								Total (A+B)	**199,950,392**	**195,333,532**	

12. DEFERRED TAX ASSETS/LIABILITY (NET)

	31-March-2013 ₹	31- March-2012 ₹
Deferred tax liability		
Diffrence between WDV as per Books & Income Tax	**3,148,988**	304,663
	3,148,988	304,663
Deferred tax Asset		
Provision for Leave Salary	**100,511**	165,337
Provision for Gratuity	**434,366**	440,644
Provision for Bonus	**416,038**	410,968
	950,915	1,016,949
Net deferred tax asset (Total)	**(2,198,072)**	712,286

13. LONG TERM LOAN & ADVANCES

	31-March-2013 ₹	31-March-2012 ₹
Unsecured, considered good		
Security deposit	**1,000,000**	1,000,000
Prepaid expenses	**—**	332
Loans to employees	**132,556**	220,354
Total	**1,132,556**	1,220,686

14. OTHER NON-CURRENT ASSETS

	31-March-2013 ₹	31-March-2012 ₹
Unsecured, considered good unless stated otherwise		
Others		
Receivable from Aptech Ltd	**408,495**	526,704
Fixed Deposits with original maturity for more than 12 months	**1,500,000**	4,072,421
Total	**1,908,495**	4,599,125

15. CURRENT INVESTMENT

	31-March-2013 ₹	31- March-2012 ₹
Aggregate amount of quoted investments	—	12,362,000
Market Value of quoted investments	—	12,650,776
Aggregate amount of unquoted investments	—	10,000,000

Details of Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Units		Quoted / Unquoted	Partly paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			31- March-2013	31- March-2012			31- March-2013	31- March-2012	31- March-2013	31- March-2012	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	**Investments in Debentures or Bonds**										
	Units of ₹1000 each fully paid up of NHAI Bond	Others	—	12,362	Quoted	Fully Paid	Not Applicable	Not Applicable	—	12,362,000	Cost
b)	**Investments in Mutual Funds**										
	Units of ₹10 each fully paid up of L & T Select Fund	Others	—	976,709	Unquoted	Fully Paid	Not Applicable	Not Applicable	—	10,000,000	Cost
								Tota	**—**	**22,362,000**	

16. TRADE RECEIVABLES

	31-March-2013 ₹	31-March-2012 ₹
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	**592,145**	1,768,632
Others	**2,941,794**	3,130,985
Total	**3,533,939**	4,899,617

17. CASH AND BANK BALANCES

	31-March-2013 ₹	31-March-2012 ₹
Cash and cash equivalents		
Balances with banks:		
- On current accounts	**142,662,831**	3,305,986
- Fixed Deposits with original maturity of less than three months	**382,196**	357,605
Cash on hand	**221,230**	603,507
	143,266,257	4,267,098
Other bank balances:		
Fixed Deposits with original maturity for more than 3 months but less than 12 months	**—**	7,699,419
On Unpaid dividend account	**825,531**	647,822
	825,531	8,347,241
Total	**144,091,788**	12,614,339

18. SHORT-TERM LOANS & ADVANCES

	31-March-2013 ₹	31-March-2012 ₹
Unsecured, considered good		
Security deposit	**1,000,000**	5,153,248
Loan and advances to related parties	**34,974,607**	47,716,880
Advances recoverable in cash or in kind	**4,075,817**	1,904,706
Prepaid expenses	**68,662**	100,080
Loans to employees	**165,985**	481,601
Intercorporate Deposits/loans/ Interest receivable	**—**	70,000,000
Total	**40,285,071**	125,356,515

19. OTHER CURRENT ASSETS

	31-March-2013 ₹	31-March-2012 ₹
Unsecured, considered good unless stated otherwise		
Others		
Interest accrued on fixed deposits/loans	**698,479**	609,814
Interest accrued on Investments	**—**	180,519
Total	**698,479**	790,333

20. REVENUE FROM OPERATIONS

	31-March-2013 ₹	31-March-2012 ₹
Revenue from operations		
Sale of services	**85,020,938**	82,672,209
Other operating revenue		
Other	**792,251**	2,591,355
Total	**85,813,189**	85,263,564

21. OTHER INCOME

	31-March-2013 ₹	31-March-2012 ₹
Interest income on		
Bank deposits	**733,568**	1,060,076
Interest on NHAI Bond	**844,274**	353,067
Interest on Intercorporate Deposit	**6,307,348**	5,645,888
Dividend income on		
Current investments	**7,175,978**	7,534,981
Long-term investments	**2,177,553**	2,177,553
Profit on Sale of Investment	**1,827,325**	129,939
Other non-operating income	**2,025,827**	1,831,326
Foreign exchange diffrence income	**—**	1,842
Total	**21,091,873**	18,734,672

22. EMPLOYEE BENEFIT EXPENSES

	31-March-2013 ₹	31-March-2012 ₹
Salaries, wages and bonus	**28,514,059**	27,595,162
Contribution to provident and other fund	**2,369,115**	2,363,512
Gratuity expenses	**316,697**	—
Staff Welfare expenses	**1,356,226**	767,314
Total	**32,556,097**	30,725,988

23. OTHER EXPENSES

	31-March-2013 ₹	31-March-2012 ₹
Power and fuel	**338,497**	710,360
Donation	**50,000**	10,000
Business Promotion Expenses	**2,759,232**	300,814
Motor Car Expenses	**1,175,727**	968,975
Foreign exchange loss (net off income of ₹2,18,169/-)	**594,666**	—
Rent	**346,104**	4,321,248
Rates and taxes	**274,822**	134,697
Insurance	**195,581**	167,238
Prior Period expenses	**136,000**	175,362
Repairs and maintenance - Others	**3,862,353**	353,126
Advertising and Sales promotion	**95,883**	262,841
Travelling and conveyance	**3,454,415**	2,242,489
Communication costs/Telephone	**527,529**	689,434
Printing & stationery	**382,080**	683,826
Legal and professioanl fees	**6,242,007**	6,654,424
Director's sitting fees	**35,000**	60,000
Postage, Courier & Telegraphs	**145,143**	148,165
Auditor's Remuneration (refer note 26)	**665,864**	675,907
Provision for diminution in value of investment	**—**	3,718,510
Subscription & Registration fees	**817,956**	297,211
Bad debts & Balances written off	**2,072,089**	1,652,385
Loss on Sale of Mutual Fund	**—**	73,924
Loss on Damage of Motor Car	**—**	648,186
Miscellaneous expenses	**1,464,107**	486,066
Total	**25,635,055**	25,435,188

24. FINANCE COST

	31-March-2013 ₹	31-March-2012 ₹
Interest on car loan	**307,603**	241,189
Interest on income tax	**345,713**	424,637
Other Interest	**1,460**	
Total	**654,776**	665,826

25. EARNINGS PER SHARE (EPS)

	31-March-2013 ₹	31-March-2012 ₹
Profit/(Loss) after Tax	**34,258,430**	31,280,201
Weighted average number of equity shares	**7,018,339**	7,018,339
Basic/Diluted EPS as on 31st March 2013	**4.88**	4.46

26. PAYMENT TO AUDITOR

	31-March-2013 ₹	31- March-2012 ₹
As auditor:		
Audit fees	**450,000**	400,000
Tax audit fees	**50,000**	50,000
In other capacity		
Other services	**150,000**	210,000
Reimbursement of expenses	**15,864**	15,907
	665,864	675,907
Add: Service tax	**82,301**	83,542
Total	**748,165**	759,449

27. GRATUITY AND OTHER BENEFIT PLANS

a) Gratuity:

Retirement Benefits in the form of Gratuity for the eligible employees are considered as Defined Benefit Plan. The company has implemented Group Gratuity Assurance Scheme of Life Insurance Corporation of India dated 5th July 2005 which is effective from 1st June 2005 and has paid ₹3,36,048 as a total contribution during the year.

I. ASSUMPTION	**1/4/2012 31/3/2013**	1/4/2011 31/3/2012
Discount Rate (Previous)	**8.50%**	8.00%
Rate of Retrun on plan assets (previous)	**8.60%**	8.00%
Salary Escalation (previous)	**10.00%**	10.00%
Attrition rate (previous)	**13.00%**	13.00%
Discount Rate (current)	**8.00%**	8.50%
Rate of Retrun on plan assets (current)	**8.70%**	8.60%
Salary Escalation (current)	**10.00%**	10.00%
Attrition rate (current)	**13.00%**	13.00%

II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:		
Present value of benefit obligation as at the beginning of the Current period	**6,108,883**	5,866,950
Interest Cost	**519,255**	469,356
Current Service Cost	**613,818**	645,305
Transitional liability incurred during the period		
Past service cost (non vested benefit) incurred during the period		
Past service cost (vested benefit) incurred during the period		
Liability Transferred in		
(Liability Transferred out)		
(Benefit paid)	**(95,192)**	
Acturial (gains)/losses on obligations	**(376,810)**	(872,728)
Present value of benefit obligation as at the end of the Current period	**6,769,954**	6,108,883

III. TABLE OF FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at the beginning of the period	**4,750,756**	3,836,067
Expected return on plan assets	**408,565**	306,885
Contributions	**336,015**	533,291
Transfer from other company		
(Transfer to other company)		
(Benefit paid)	**(95,192)**	
Acturial (gains)/losses on plan assets	**31,034**	74,513
Fair value of plan assets at the end of the period	**5,431,178**	4,750,756
IV. TABLE OF RECOGNITION OF ACTURIAL GAINS/LOSSES:		
Acturial (gains)/losses on obligation for the period	**(376,810)**	(872,728)
Acturial (gains)/losses on asset for the period	**(31,034)**	(74,513)
Subtotal	**(407,844)**	(947,241)
Acturial (gains)/losses recognized in income & expenses statement	**(407,844)**	(947,241)
V. ACTUAL RETURN ON PLAN ASSETS:		
Expected return on plan assets	**408,565**	306,885
Acturial (gains)/losses on plan asset	**31,034**	74,513
Actual return on plan assets	**439,599**	381,398
VI. AMOUNT RECOGNIZED IN THE BALANCE SHEET:		
Fair value of plan assets at the end of the period	**5,431,178**	4,750,756
(Present value of benefit obligation as at the end of the period)	**(6,769,954)**	(6,108,883)
Funded status	**(1,338,776)**	(1,358,127)
Unrecognized past service cost at the end of the period		
Unrecognized transitional liability at the end of the period		
Net(liability)/ assets recognized in the balance sheet	**(1,338,776)**	(1,358,127)
VII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:		
Current Service Cost	**613,818**	645,305
Interest Cost	**519,255**	469,356
(Expected return on plan assets)	**(408,565)**	(306,885)
Acturial (gains)/losses	**(407,844)**	(947,241)
Past service cost (non vested benefit) Recognized during the period		
Past service cost (vested benefit) Recognized during the period		
Transitional liability recognized during the period		
Expenses recognized in p&l	**316,664**	(139,465)
VIII. BALANCESHEET RECONCILIATION:		
Opening net liability	**1,358,127**	2,030,883
Expenses as above	**316,664**	(139,465)
Net transfer in		
(Net transfer Out)		
(Employer's contribution)	**(336,015)**	(533,291)
Net liability / (assets) recognized in the balance sheet	**1,338,776**	1,358,127
IX. OTHER DETAILS:		
No.of members	**26**	28
Salary pm	**1,805,877**	1,488,994
Prescribed contribution for next year (12 months)	**1,751,683**	1,488,994
X. CATEGORY OF ASSETS:		
Government of india assets		
Corporate bonds		
Special Deposit scheme		
Equity shares of listed companies		
property Insurer managed funds	**5,431,178**	4,750,756
Other		
Total	**5,431,178**	4,750,756
XI. EXPERIENCE ADJUSTMENT:		
On plan liability (gains)/losses	**(531,484)**	(729,151)
On plan assets (losses)/gains	**31,034**	74,513

Note.

1. Disclosures of plan assets

The company has Group Plan with LIC of India and has not been provided with the details of the Planned Assets, As a result no disclosure for the same has been made.

(b) Compensated Absences:

As per the Company's Policy, a sum of ₹6,41,596/- (P.Y.₹15,67,524/-) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year Company has provided to the extent of ₹4,41,793/-(P.Y. ₹2,54,338/-) as per actuarial valuation done by independent actuary.

B. Defined Contribution Plans

Company's Contribution Paid / Payable during the year to Provident fund and ESIC Contribution are recognized as an Expense:

Particulars	31-March-2013	31-March-2012
1) Contribution to Employees Provident Fund	**2,346,788**	2,340,225
2) Employees State Insurance Scheme	**22,327**	23,287

28.LEASES

Operating lease: company as lessee

The aggregate lease rentals in respect of Operating Leases for the period charged as lease rentals in the Statement of Profit and Loss aggregate to ₹3,46,104 (P.Y. ₹ 41,53,248).

Operating lease commitment - Company as lessor

The Company has received ₹13,28,232 on account of lease of a premises

The Future Minimum Lease Receivable under non cancellable operating leases are as under:

Particulars	31-March-2013	31-March-2012
1) Not later than one year	**1,449,991**	1,308,108
2) Later than one year and not later than five year	**NIL**	1,449,991
3) Later than five year	**NIL**	NIL

Disclosure in respect of the gross carrying amount and accumulated depreciation of the asset given on lease has been stated in the financial statements.

29. SEGMENT INFORMATION

The company operates only in one segment i.e merchant banking & related services, hence there are no separate reportable segments under AS 17.

30. Related Party Disclosure as per Accounting Standard 18 issued by the institute of Chartered accountant of India

a) List of related parties:

A) Enterprise where control exist:

Subsidiary Companies:
Keynote Capitals Ltd
Keynote Fincorp Ltd
Keynote Commodities Ltd (Step Down Subsidiary)

B) Key Management Personnel:

Mr. B. Madhuprasad-Chairman
Mr. Uday S. Patil-Director
Mr. Vineet Suchanti-Managing Director

C) Relatives of Key Management Personnel:

Mrs. Pushpa Suchanti-Mother of Managing Director
Mrs. Rinku Suchanti-Wife of Managing Director

D) Enterprise over which Key Management Personnel exercise Significant Influence:

Concept Communication Ltd.
Concept Production Ltd.
Nirmal Suchanti HUF
Keynote Trust
NSS Digital Media Ltd.
Eagle Eye Research & Media Pvt. Ltd.

b) Description of the nature of transactions with the Related Parties as on 31st March, 2013: **(₹)**

Particulars	Name of the related Party	Subsidiary Company		Key Management Personnel/Relatives		Enterprise over which key Management personnel exercise Significant Influence		Total	
		2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Purchase of Investment	Keynote Capitals Ltd	7,500,000						7,500,000	
Sale of Shares/Bond	Keynote Capitals Ltd	15,345,108	118,407						
Investment in Equity Shares	Eagle Eye Research & Media Pvt Ltd					800,000		800,000	
Receiving of Services	Concept Communication Ltd					85,883	155,591	85,883	155,591
Receiving of Services	Keynote Capitals Ltd		5,509,485						5,509,485
Providing of Services	Eagle Eye Research & Media Pvt Ltd					58,427		58,427	
Managerial Remuneration	B.Madhuprasad			5,771,597	5,832,000			5,771,597	5,832,000
Managerial Remuneration	Vineet Suchanti			5,605,600	5,617,961			5,605,600	5,617,961
Managerial Remuneration	Uday Patil			3,951,720	3,892,860			3,951,720	3,892,860
Deposit Given/ (Refunded back)	Keynote Capitals Ltd		(541,728)						(541,728)
Dividend Paid	Keynote Trust					2,177,553	2,177,553	2,177,553	2,177,553
Dividend Paid	Pushpa Suchanti			198,462	198,462			198,462	198,462
Dividend Paid	Rinku Suchanti			5,703	5,703			5,703	5,703
Dividend Paid	B.Madhuprasad			71,250	71,250			71,250	71,250
Dividend Paid	Vineet Suchanti			17,966	17,966			17,966	17,966
Dividend Paid	Nirmal Suchanti			176,471	176,471			176,471	176,471
Dividend Paid	Concept Production Ltd					362,400	362,400	362,400	362,400
Dividend Paid	NSS Digital Media Ltd					4,309,370	4,298,195	4,309,370	4,298,195
Dividend Paid	Nirmal Suchanti-HUF					423,749	412,500	423,749	412,500
Dividend Received (Receipt of Money)	Keynote Trust					(2,100,000)	(2,100,000)	(2,100,000)	(2,100,000)
Loans & advances Given	Keynote Capitals Ltd	15,000,000	124,700,000					15,000,000	124,700,000
Loans & advances Given	Eagle Eye Research & Media Pvt Ltd					487,857	1,700,000	487,857	1,700,000
Loans Given	Concept Communication Ltd					82,500,000		82,500,000	—
Loans Repaid	Concept Communication Ltd					65,000,000		65,000,000	—
Loans & advances repaid	Keynote Capitals Ltd	45,000,000	140,213,881					45,000,000	140,213,881
Expenses incurred on behalf of (Expenses Reimburse)	Keynote Capitals Ltd	1,000	35,407					1,000	35,407
Expenses incurred by (Reimbursement)	Keynote Capitals Ltd	8,684	185,066					8,684	185,066
Reimbursement of exp to Director (Net of Recovery)	Vineet Suchanti			541,795	248,650			541,795	248,650
Outstanding balance									
Guarantees given	Keynote Capitals Ltd	310,000,000	155,000,000					310,000,000	155,000,000
Loan Given	Keynote Capitals Ltd	14,845,870	44,845,870					14,845,870	44,845,870
Expenses incurred by (Reimbursement)	Keynote Capitals Ltd	7,684	149,659					7,684	149,659
Loans Given	Concept Communication Ltd					17,500,000		17,500,000	—
Loan Given	Eagle Eye Research & Media Pvt Ltd					2,387,857	2,700,000	2,387,857	2,700,000
Dividend	Keynote Trust					248,563	171,010	248,563	171,010

Figures in bracket ( ) indicates income/Receipt

31. CONTINGENT LIABILITIES NOT PROVIDED FOR:

i) Guarantee given by the Company to the Bankers of its subsidiary, Keynote Capitals Limited ₹31,00,00,000 (Previous year ₹ 15,50,00,000) towards NSE & BSE operations.

ii) Adjudicating Officer,SEBI,Mumbai has imposed a penalty of ₹10,00,000/- in the matter of an IPO handled. The company has preferred an appeal to securities Appellate Tribunal (SAT) against the order of Adjudicating Officer,SEBI, Mumbai which is pending for hearing & order.The company has not provided for the said contingent liability.

32. Details of dues to micro and small enterprises as defined under the MSMED Act,2006

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

33. Income and Expenditure in Foreign Currency Transaction

Particular	31-March-2013	31-March-2012
Professional fees (Income)	**45,487,741**	108,004
Expenditure-Other Matters	**1,814,467**	576,380

34. The Company is in the process of appointing a whole time company secretary due to vacancy created by existing company secretary.

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

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-	Sd/-
B.Madhuprasad	**Vineet Suchanti**
Chairman	*Managing Director*

Place : Mumbai
Date : 28th May,2013

STAND ALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31- March- 2013 ₹	31- March- 2013 ₹	31- March- 2012 ₹	31- March- 2012 ₹
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary items				
Net prior year Adjustments		**45,253,015**		46,034,121
Adjustment For :				
Depreciation	**2,806,119**		1,137,114	
Excess Provision of Bonus written back	**(499,793)**		(379,281)	
Excess Provision of Gratuity written back	**—**		(139,465)	
Loss on Sale of Investment	**—**		73,924	
Loss on Sale of Fixed Assets	**—**		648,186	
Diminution in value of investment	**—**		3,718,510	
Profit on Sale of Investment	**(1,827,325)**		(129,939)	
Finance Cost	**654,776**		665,826	
Assets written off	**3,485**		—	
Dividend Income	**(7,175,978)**		(9,712,534)	
Interest Income	**(7,885,190)**		(7,059,031)	
		(13,923,905)		(11,176,690)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**31,329,110**		34,857,431
ADJUSTMENT FOR :				
Trade and other receivables	**1,365,678**		3,184,939	
Short-term loans and advances	**85,071,445**		67,967,447	
Other current assets	**91,855**		(426,994)	
Long-term loans and advances	**88,130**		4,016,433	
Other non-current assets	**2,690,630**		(3,651,325)	
Long term provisions	**(38,130)**		(1,352,935)	
Short Term provisions	**334,396**		(92,095)	
Other Long term liabilities	**87,338**		—	
Other Current liabilities	**3,060,616**	**92,751,957**	(1,941,251)	67,704,218
CASH FROM OPERATING ACTIVITIES SUB TOTAL (A)		**124,081,066**		102,561,649
Less: Taxes paid	—	**(9,761,020)**	—	(32,940,896)
NET CASH (USED IN) OPERATING ACTIVITIES SUB TOTAL (A)		**114,320,047**		69,620,753
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	**(800,000)**		(22,362,000)	
Sale of Investment	**28,208,508**		14,658,374	
Sale of Fixed Assets	**—**		2,510,000	
Investment in Subsidiary Companies	**(7,500,000)**		(38,000,010)	
Interest Received	**7,885,190**		7,059,031	
Dividend Received	**7,175,978**		9,712,534	
Purchase of Fixed Assets(Net of CWIP)	**(4,426,718)**		(41,622,235)	
NET CASH (USED IN) INVESTING ACTIVITIES SUB TOTAL(B)		**30,542,958**		(68,044,305)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	**(10,527,509)**		(10,527,509)	
Dividend Distribution Tax Paid	**(1,707,825)**		(1,748,488)	
Interest Paid	**(309,063)**		(241,189)	
Repayment of Long Term Borrowing	**(841,161)**		3,098,924	
NET CASH (USED IN) FINANCING ACTIVITIES SUB TOTAL(C)		**(13,385,558)**		(9,418,262)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS TOTAL (A+B+C)		**131,477,447**		(7,841,814)
CASH	**603,507**		19,924	
BANK				
In Current Accounts	**3,305,986**		8,749,668	
In Fixed Deposits Accounts	**8,057,024**		11,268,449	
In Unpaid Dividend Accounts	**647,822**		418,113	
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**12,614,339**		20,456,153
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
CASH	**221,230**		603,507	
BANK				
In Current Accounts	**142,662,831**		3,305,986	
In Fixed Deposits Accounts	**382,196**		8,057,024	
In Unpaid Dividend Accounts	**825,531**	**144,091,788**	647,822	12,614,339

AS PER OUR REPORT OF EVEN DATE
FOR HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Date : 28th May 2013

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-
B.Madhuprasad
Chairman

Sd/-
Vineet Suchanti
Managing Director

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Companies

1.	Name of Subsidiary	:	Keynote Capitals Ltd.	Keynote Commodities Ltd.	Keynote Fincorp Ltd.
2.	The Financial year of subsidiary Company ended on	:	31st March, 2013	31st March, 2013	31st March, 2013
3.	a. No. of Equity Shares held by Keynote Corporate Services Ltd. and/or its Nominees in subsidiary as on 31st March, 2013	:	1,12,66,667 Equity Shares	350,000 Equity Shares	500,000 Equity Shares
	b. Extent of interest of Keynote Corporate Services Ltd. in the Capital of subsidiary	:	100 %	100%	100%
4.	Net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of Keynote Corporate Services Ltd. and is not dealt with the Company's Accounts.				
	a. Profits / (Losses) for the year ended on 31st March, 2013 of the subsidiary	:	₹ 9,834,814/-	₹ 4,590,589/-	₹ 1,516,948/-
	b. Profits / (Losses) for the previous financial years of the subsidiary since it became subsidiary of Keynote Corporate Services Ltd.	:	₹ 5,557,736/-	₹ 4,796,207/-	₹ (154,920)/-
5.	Net aggregate amount of Profits / (Losses) of the subsidiary so far as dealt with or provision made for those losses in the accounts of Keynote Corporate Services Ltd.				
	a. Profits of the subsidiary for the financial year ended on 31st March, 2012	:	NIL	NIL	NIL
	b. Profits for the previous financial year of the subsidiary since it became subsidiary of Keynote Corporate Services Ltd.	:	NIL	NIL	NIL

For and on behalf of the Board
KEYNOTE CORPORATE SERVICES LTD.

Sd/-	Sd/-
B. Madhuprasad	**Vineet Suchanti**
Chairman	*Managing Director*

Place : Mumbai

Date : 28th May,2013

Statement pursuant to exemption granted by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 Relating to Subsidiary Companies for the year ended March 31, 2013

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	5,000,000
Reserves & Surplus	187,677,977	16,335,563	1,399,281
Total Assets	708,247,230	84,883,013	454,188,689
Total Liabilities	708,247,230	84,883,013	454,188,689
Investment (Except investment in subsidiaries)	1,431,383	41,406	-
Turnover	221,565,866	17,264,281	40,747,881
Profit/(Loss) before Taxation	15,551,213	6,357,138	2,786,948
Add Excess Provision	161,874	-	
Less Short Provision	-	-	15,900
Provision for Taxation	4,603,347	1,778,553	1,270,000
Deferred Tax (Asset) / Liability	1,113,052	(12,004)	-
Profit/(Loss) after Taxation	9,996,688	4,590,589	1,501,048

For on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD

Sd/-
B MADHUPRASAD
Chairman

Sd/-
VINEET SUCHANTI
Managing Director

Place : Mumbai
Date : 28th May, 2013

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KEYNOTE CORPORATE SERVICES LIMITED

To
The Board of Directors of Keynote Corporate Services Limited

We have audited the accompanying consolidated financial statements of Keynote Corporate Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components 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 accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21,"Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Keynote Corporate Services Limited and its subsidiaries (including subsidiaries of subsidiaries).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹126,05,97,076 as at March 31,2013, total revenues of ₹27,95,78,028 and net cash inflow amounting to ₹17,33,31,576 for the year then ended.These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm's Registration No.103523W

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Dated: May 28, 2013

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2013

(Amount in ₹)

Particulars	Note No.	As on 31-March-2013	As on 31-March-2012
I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds:			
(a) Share Capital	**3**	**55,666,370**	55,666,370
(b) Reserves & Surplus	**4**	**536,104,293**	497,354,258
		591,770,663	553,020,628
2. Non Current Liabilities:			
(a) Long-term borrowings	**5**	**3,128,640**	4,505,443
(b) Deferred tax liabilities (Net)	**6**	**4,418,000**	406,592
(c) Other Long term liabilities	**7**	**4,678,000**	4,590,662
(d) Long-term provisions	**8**	**260,537**	298,667
		12,485,176	9,801,364
3. Current liabilities			
(a) Short Term Borrowings	**9**	**277,700,000**	207,713,872
(b) Trade payables	**10**	**312,224,594**	62,816,916
(c) Other current liabilities	**11**	**114,700,446**	88,443,949
(d) Short-term provisions	**12**	**26,290,677**	36,183,719
		730,915,717	395,158,456
TOTAL		**1,335,171,556**	957,980,448
II. ASSETS:			
1. Non Current assets:			
(a) Fixed assets			
(i) Tangible assets	**13**	**215,045,651**	19,882,053
(ii) Intangible assets	**13**	**39,553,608**	40,251,858
(iii) Goodwill on Consolidation (Net)		**1,041,615**	1,349,267
(iv) Capital Work-in-Progress		**—**	210,491,428
(b) Non-current investments	**14**	**7,622,142**	40,174,032
(c) Long-term loans and advances	**15**	**37,088,085**	41,890,037
(d) Other non-current assets	**16**	**240,999,598**	182,953,584
		541,350,699	536,992,259
2. Current assets			
(a) Current investments	**17**	**41,406**	22,403,406
(b) Inventories	**18**	**51,337,832**	55,418,195
(c) Trade receivables	**19**	**99,248,098**	172,287,796
(d) Cash and Bank Balances	**20**	**201,659,278**	(42,489,919)
(e) Short-term loans and advances	**21**	**423,938,750**	197,782,853
(f) Other current assets	**22**	**17,595,493**	15,585,857
		793,820,857	420,988,189
TOTAL		**1,335,171,556**	957,980,448

Significant Accounting Policies & Notes on financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Sd/-
B.Madhuprasad
Chairman

Sd/-
Vineet Suchanti
Managing Director

Place : Mumbai
Date : 28th May 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Particulars	Note No.	As on 31-March-2013	As on 31-March-2012
I. Income :			
Revenue from operations	**23**	**288,732,806**	218,690,463
Other Income	**24**	**50,487,073**	44,832,221
Total		**339,219,879**	263,522,684
II. Expenses :			
Employee benefits expenses	**25**	**123,473,731**	105,975,057
Other Expenses	**26**	**93,476,996**	84,210,097
Depreciation and amortisation expenses		**9,603,452**	6,473,751
Finance Costs	**27**	**44,283,917**	4,809,799
Total		**270,838,096**	201,468,704
III. Profit before tax (I-II)		**68,381,783**	62,053,980
IV. Tax expenses:			
Current Tax		**16,073,392**	21,733,987
Short/(Excess) provision for tax in respect of earlier years		**(592,166)**	(167,814)
Deffered Tax (Assets) / Liability		**4,011,407**	(1,163,846)
V. Profit /(Loss) after tax for the year (III-IV)		**48,889,150**	41,651,653
VI. Earnings per equity share (Basic & Diluted)		**8.78**	7.48

Significant Accounting Policies & Notes on financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR HARIBHAKTI & CO.
Chartered Accountants

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Date : 28th May 2013

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-
B.Madhuprasad
Chairman

Sd/-
Vineet Suchanti
Managing Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Corporate information

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

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1 Summary of significant accounting policies

a. Principles and assumptions used for consolidated Financial statements and Pro-Forma Adjustments:

The consolidated financial statements have been prepared substantially applying the principles laid in the Accounting Standard (AS) 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India as considered appropriate for the purposes of these Consolidated Balance Sheet, and Profit and Loss Account, together referred to in as 'Consolidated Financial Statements'.

Principles used in preparing consolidated Financial statements:

a) In preparing consolidated financial statements,the financial statements of the parent and its subsidiaries is combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.

b) 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.

c) Intra-group transactions are eliminated in preparation of consolidated financial statements.

d) 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.

e) 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.

As far as possible the consolidated financial statement are prepared using uniform accounting policy for like transaction and other event in similar circumstance and are presented in the same manner as holding company separate financial statements except as provided under para (c) ii, (e), (i) ii & iii.

b. Use of estimates

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

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

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

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

Capital work-in-progress is stated at cost comprising of direct cost and related incidental expenditure. The advances given for acquiring for Fixed Assets are shown under Loans and advances (Capital advance).

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Assets costing up to ₹5,000/-are fully depreciated in the year of acquisition.

e. Intangible assets

i) Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.

ii) Payment made for the membership of the Bombay Stock Exchange, National Stock Exchange and OTC exchange has been treated as intangible asset however considering the enduring nature of the stock exchange card, however the same has not been amortized.

f. Leases

Where the company is lessee

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

Where the company is the lessor

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

g. Borrowing costs

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

h. Impairment of tangible and intangible assets

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

i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term 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. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term 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.

j . Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i) Fees including issue Management fees is recognized with reference to achievement of milestones defined in the engagement /mandate.

ii) Brokerage income is recognised on trade date basis and is exclusive of service tax and Securities Transaction Tax (STT) wherever applicable.

iii) Advisory and transactional processing fees income is accounted for an accrual basis in accordance with the terms of contracts entered into between the company and the counter party.

iv) Income from investment in Mutual Fund is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.

1. Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
2. Profit/loss on equity derivative transactions is accounted for as explained below:-

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

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

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

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

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

vi) Account opening charges are recognized on accrual basis.

vii) Dividend Income is accounted for as income when the right to receive the dividend is established

viii) Other income is recognised on accrual basis

ix) Interest income on loans given to various parties is recognized on accrual basis

k. Stock-in-Trade

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

l. Foreign currency translation

Foreign Exchange transactions are recorded at the closing rate prevailing on dates of the transactions . Exchange differences arising on Foreign exchange transactions settled during the year is recognized in the Statement of Proift & Loss .

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

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

m. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund & ESIC is a defined contribution scheme. The contributions to the Provident Fund & ESIC are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the Provident Fund & ESIC.

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

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

The company treats accumulated leave expected to be carried forward beyond twelve months,as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

n. Taxes on Income:

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

i) Current tax

The current charge for income tax is calculated in accordance with the regulations applicable to the company.

ii) Deferred tax

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

o. Earnings Per Share

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

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

p. Provisions

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

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.2 Following are the companies whose accounts have been considered for the consolidated financial statements.

	31-March-2013			31-March-2012		
Name of the Subsidiary	**No. of Shares**	**% of Holdings**	**Date of Becoming Subsidiary**	**No. of Shares**	**% of Holdings**	**Date of Becoming Subsidiary**
Keynote Capitals Ltd	11,266,667	100%	Since Incorporation	11,266,667	100%	Since Incorporation
Keynote Commodities Ltd	350,000	100%	25th August 2008	350,000	100%	25th August 2008
Keynote Fincorp Ltd	500,000	100%	27th February 2012	500,000	100%	27th February 2012
Keynote Trust		100%	4th May 2007		100%	4th May 2007

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three months or less.

3. SHARE CAPITAL

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Authorized Shares :		
1,50,00,000 (P.Y.1,50,00,000) equity Shares of ₹10/-each	**150,000,000**	150,000,000
Total	**150,000,000**	150,000,000
Issued :		
1,12,74,417 (P.Y.1,12,74,417) equity Shares of ₹10/- each	**112,744,170**	112,744,170
Total	**112,744,170**	112,744,170
Subscribed and fully paid-up shares:		
55,66,637 (P.Y.: 55,66,637) equity Shares of ₹10/-each.	**55,666,370**	55,666,370
Total	**55,666,370**	55,666,370

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares

	31-March-2013		31-March-2012	
	Quantity	**Amount (₹)**	Quantity	Amount (₹)
At the beginning of the year	**5566637**	**55,666,370**	5566637	55,666,370
Issued during the year	**—**	**—**	—	—
Bought back during the year	**—**	**—**	—	—
Outstanding at the end of the year	**5566637**	**55,666,370**	5566637	55,666,370

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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.

During the year ended 31 March 2013, the amount of per share dividend recognized as distributions to equity shareholders was 1.50 per share (P.Y.: ₹1.50 per share)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares

	31-March-2013		31-March-2012	
	Quantiy	**% holding in the class**	Quantity	% holding in the class
Equity shares of ₹10 each fully paid				
i) NSS Digital Media Ltd	**2910226**	**41.47**	2865463	40.83
ii) India Max Investment Fund Limited	**561348**	**7.99**	561348	7.99

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-2013 Amount (₹)	31-March-2012 Amount (₹)
Stautory reserve		
Opening Balance	**—**	—
Add: Transfer during the year	**300,210**	—
Closing Balance	**300,210**	—
Securities premium reserve		
Opening Balance	**230,648,293**	230,648,293
Closing Balance	**230,648,293**	230,648,293
General reserve		
Opening Balance	**8,759,546**	6,705,023
Add: Transferred during the year	**2,569,382**	2,054,523
Closing Balance	**11,328,928**	8,759,546
Surplus/(deficit) in the statement of profit and loss		
Opening Balance	**257,946,417**	228,547,528
Add:-Adjustment of post aquisition profit	**—**	2,037,088
	257,946,417	230,584,616
Profit for the Year	**48,889,150**	41,651,653
Less:Appropriations:		
Transfer to Statutory reserve	**(300,210)**	—
Proposed final equity dividend (amt per share ₹1.50 (P.Y.: ₹1.50))	**(10,527,509)**	(10,527,509)
Tax on proposed equity dividend	**(1,789,150)**	(1,707,825)
Add: Dividend adjustment on account of consolidation of trust	**2,177,553**	—
Transfer to general reserve	**(2,569,382)**	(2,054,523)
Total appropriations	**(13,008,698)**	(14,289,857)
Net surplus in the statement of profit and loss	**293,826,869**	257,946,412
Total	**536,104,293**	497,354,258

5. LONG-TERM BORROWINGS

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Secured		
Term Loans		
From Volkswagen Finance Pvt Ltd (secured)	**2,257,746**	3,098,907
Tata Capital Ltd	**—**	214,670
Kotak Mahindra Primus Ltd (Above vehicle loans are secured by hypothecation of Motor car)	**870,894**	1,191,866
Total	**3,128,640**	4,505,443

6. DEFERRED TAX ASSETS/(LIABILITY) (NET)

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Deferred tax liability		
Diffrence between WDV as per Books & Income Tax	**6,905,539**	3,488,240
	6,905,539	3,488,240
Deferred tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	**2,487,540**	3,081,648
	2,487,540	3,081,648
Net deferred tax asset- (Total)	**(4,418,000)**	(406,592)

7. OTHER LONG-TERM LIABILITIES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Others		
Advance from customers	**4,678,000**	4,590,662
Total	**4,678,000**	4,590,662

8. LONG TERM PROVISIONS

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Provision for employee benefits		
Provision for leave benefits	**260,537**	298,667
Total	**260,537**	298,667

9. SHORT TERM BORROWINGS

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Unsecured		
Loans & Advances	**—**	—
From Others	**257,000,000**	207,713,872
Secured		
From Financial Institution		
IL & FS Financial Services Ltd. (Secured against pledge of stock of shares)	**20,700,000**	—
Total	**277,700,000**	207,713,872

10. TRADE PAYABLES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Trade payables(including acceptances)	**312,224,594**	62,816,916
Total	**312,224,594**	62,816,916

11. OTHER CURRENT LIABILITIES

	31 March 2013 Amount (₹)	31 March 2012 Amount (₹)
Other liabilities		
Current maturities of long-term borrowings	**1,376,804**	1,684,318
Unpaid dividend	**825,412**	647,704
Interest free Security deposits	**300,000**	300,000
Deposit / Advance From Clients/ Parties*	**47,034,245**	74,516,367
Interest accrued but not due	**8,212,306**	—
Service tax accrued but not received	**2,885**	249,915
Other Payables	**46,420,381**	7,952,977
Cost of Subscription	**1,947,682**	—
Premium Received on Exchange Traded Options	**462,398**	—
MCX & NCDEX (Commodities) A/c	**662,665**	54,856
Transaction Charges	**159,709**	—
Statutory Dues payable	**7,295,959**	3,037,812
Total	**114,700,446**	88,443,950

12. SHORT TERM PROVISIONS

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Provision for employee benefits		
Provision for gratuity	**3,818,292**	3,657,510
Provision for Bonus	**4,782,560**	5,251,815
Provision for leave benefits	**322,682**	542,101
	8,923,534	9,451,426
Other provisions		
Provision for taxation	**6,347,787**	13,222,801
Provision for Unrealized Loss on Open Position	**—**	1,028,918
Provision Against Standard Assets	**880,250**	206,250
Professional expenses	**—**	38,990
Proposed equity dividend	**10,527,509**	10,527,509
Less: Dividend adjustment on a/c of consolidation of trust	**(2,177,553)**	—
Provision for tax on proposed equity dividend	**1,789,150**	1,707,825
	17,367,143	26,732,293
Total	**26,290,677**	36,183,719

13. FIXED ASSETS

Sr. No.	Description	Rate Of Dep. (SLM)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As at 01.04.2012	Additions During the Year	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	Provided During the Year	Deductions / Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets:												
1	Premises	1.63%	—	177,691,939	—	177,691,939	—	2,793,220	—	2,793,220	174,898,719	438,508
2	Motor Cars	9.50%	19,191,286	—	—	19,191,286	5,631,654	1,491,287	—	7,122,941	12,068,345	13,559,632
3	Furniture & Fixtures	6.33%	2,764,580	17,858,788	—	20,623,368	548,572	2,207,035	—	2,755,607	17,867,761	313,496
4	Air conditioners	4.75%	927,621	1,100,949	—	2,028,570	240,349	94,495	—	334,844	1,693,726	687,272
5	Office Equipments	4.75%	1,652,465	3,399,061	—	5,051,526	157,506	463,953	—	621,459	4,430,067	1,494,959
6	Computers	16.21%	24,136,222	2,680,368	—	26,816,590	22,212,044	1,793,934	—	24,005,978	2,810,612	1,924,178
7	Electrical Fittings	4.75%	—	1,337,699	—	1,337,699	—	61,278	—	61,278	1,276,421	—
	TOTAL -A		**48,672,174**	**204,068,804**	**—**	**252,740,978**	**28,790,125**	**8,905,202**	**—**	**37,695,327**	**215,045,651**	**18,418,045**
Intangible Assets:												
1	Computer Software		3,491,250	—	—	3,491,250	1,396,500	698,250	—	2,094,750	1,396,500	2,094,750
2	Stock Exchange Membership		35,957,108	—	—	35,957,108	—	—	—	—	35,957,108	35,957,108
3	OTC Membership		2,200,000	—	—	2,200,000	—	—	—	—	2,200,000	2,200,000
	TOTAL -B		**41,648,358**	**—**	**—**	**41,648,358**	**1,396,500**	**698,250**	**—**	**2,094,750**	**39,553,608**	**40,251,858**
	TOTAL (A+B)		**90,320,532**	**204,068,804**	**—**	**294,389,336**	**30,186,625**	**9,603,452**	**—**	**39,790,077**	**254,599,259**	**58,669,903**

Sr. No.	Description	Rate Of Dep. (SLM)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As at 01.04.2011	Additions During the Year	Deductions/ Adjustments	As at 31.03.2012	Upto 01.04.2011	Provided During the Year	Deductions / Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets:												
1	Motor Cars	9.50%	16028217	7,703,357	4,540,288	19,191,286	5,409,615	1,627,102	1,405,064	5,631,652	**13,559,634**	10,618,602
2	Furniture & Fixtures	6.33%	2,228,978	535,602	—	2,764,580	339,798	208,773	—	548,571	**2,216,009**	3,187,802
3	Air conditioners	4.75%	927,621	—	—	927,621	196,287	44,062	—	240,349	**687,272**	1,400,296
4	Office Equipments	4.75%	1,349,828	438,912	—	1,788,740	123,944	96,746	—	220,690	**1,568,050**	678,360
5	Computers	16.21%	22,559,178	1,440,770	—	23,999,948	18,365,652	3,783,208	—	22,148,860	**1,851,088**	4,288,707
	Total (A)		**43,093,822**	**10,118,641**	**4,540,288**	**48,672,175**	**24,435,296**	**5,759,891**	**1,405,064**	**28,790,123**	**19,882,052**	**20,173,767**
Intangible Assets:												
1	Computer Software		3,491,250	4,200	—	3,495,450	698,250	702,450	—	1,400,700	**2,094,750**	2,793,000
2	Stock Exchange Membership Card		35,957,108	—	—	35,957,108	—	—	—	—	**35,957,108**	35,957,108
3	OTC Membership		2,200,000	—	—	2,200,000	—	—	—	—	**2,200,000**	2,200,000
	Total (B)		**41,648,358**	**4,200**	**—**	**41,652,558**	**698,250**	**702,450**	**—**	**1,400,700**	**40,251,858**	**40,950,108**
	Total (A+B)		84,742,180	10,122,841	4,540,288	90,324,733	25,133,546	6,462,341	1,405,064	30,190,823	60,133,910	61,573,790

14. NON- CURRENT INVESTMENT

	31 March 2013 Amount (₹)	31 March 2012 Amount (₹)
Aggregate amount of quoted investments	**1,290,611**	24,973,751
Market Value of quoted investments	**1,306,656**	28,692,261
Aggregate amount of unquoted investments	**6,331,531**	15,200,281

B. Details of Other Investments

Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation #
			31-3-2013	31-3-2012			31-3-2013	31-3-2012	31-3-2013	31-3-2012	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	**Investment in Property**								700,000	700,000	Cost
	Less: Accumulated Depreciation on Property								261,492	261,492	
	Net							**Total-(A)**	**438,508**	**438,508**	
b)	**Investments in Debentures or Bonds**										
1	SBI Bond								366,225	366,225	
								Total-(B)	**366,225**	**366,225**	
c)	**Investment in Equity Instruments**										
1	Equity Shares of ₹10 each of Indo Count India Limited	Others	9,900	9,900	Quoted	Fully paid	Not Applicable	Not Applicable	212,355	212,355	Cost
2	Equity Shares of ₹10 each of Aptech Ltd	Others	3,320	46,440	Quoted	Fully paid	Not Applicable	Not Applicable	257,300	3,856,400	Cost less provision for dimunition in value of investment
3	Equity Shares of ₹10 each of Future Venture Ltd	Others	—	2,000,000	Quoted	Fully paid	Not Applicable	Not Applicable	—	20,000,000	
4	Equity Shares of ₹10 each of Coromandal Engineering Co Ltd	Others	1,255	2,457	Quoted	Fully paid	Not Applicable	Not Applicable	25,100	49,140	Cost
5	Equity Shares of ₹2 each of Scana Point Ltd	Others	400	400	Quoted	Fully paid	Not Applicable	Not Applicable	1,156	1,156	Cost
6	Equity Shares of ₹10 each of Tata Cofee Ltd	Others	—	1,000	Quoted	Fully paid	Not Applicable	Not Applicable	—	60,000	Cost
7	Equity Shares of ₹10 each of Olympia Industries Ltd	Others	88,300	88,300	Quoted	Fully paid	Not Applicable	Not Applicable	794,700	794,700	Cost
8	Equity Shares of ₹10 each of Dugar Finance Ltd	Others	700	700	Unquoted	Fully paid	Not Applicable	Not Applicable	2,870	2,870	Cost
9	Equity Shares of ₹10 each of Dugar Housing Ltd	Others	800	800	Unquoted	Fully paid	Not Applicable	Not Applicable	9,520	9,520	Cost
10	Equity Shares of ₹3 each of Stella Exports Ltd	Others	10,000	10,000	Unquoted	Fully paid	Not Applicable	Not Applicable	30,000	30,000	Cost
11	Equity Shares of ₹1each of Bombay Stock Exchange Ltd	Others	13,158	13,158	Unquoted	Fully paid	Not Applicable	Not Applicable	13,158	13,158	
12	Equity Shares of ₹50 each of R R High Energetic Ltd	Others	—	200,000	Unquoted	Fully paid	Not Applicable	Not Applicable	—	10,000,000	
13	Equity Shares of ₹10 each of Grey Cells Ltd	Others	—	100,000	Unquoted	Fully paid	Not Applicable	Not Applicable	—	1,900,000	
14	Share Warrents- Greycells Education Ltd.	Others	—	—	Unquoted	Fully paid	Not Applicable	Not Applicable	2,231,250	—	
15	Equity Shares of ₹10 each of Eagleeye Research & Media Pvt Ltd	Others	9,600	3,600	Unquoted	Fully paid	22%	14%	3,240,000	2,440,000	Cost
								Total-(C)	6,817,409	39,369,299	
								Total (A+B+C)	**7,622,142**	**40,174,032**	

15. LONG TERM LOANS AND ADVANCES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Unsecured, considered good		
Security deposit	**11,532,883**	1,000,000
Deposit for Office Premises	**4,711,400**	8,864,648
Deposit for with Govt Bodies	**—**	31,179,701
Deposit for with Corporates	**20,636,246**	550,000
Deposit for with Co-op Societies	**75,000**	75,000
Prepaid expenses	**—**	332
Loans to employees	**132,556**	220,356
Total	**37,088,085**	41,890,037

16. OTHER NON-CURRENT ASSETS

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Unsecured, considered good unless stated otherwise		
Others		
Receivable from Aptech Ltd	**408,495**	526,704
Fixed Deposits with original maturity for more than 12 months	**240,591,103**	182,426,880
Total	**240,999,598**	182,953,584

17. CURRENT INVESTMENT

Particulars	31 March 2013 Amount (₹)	31 March 2012 Amount (₹)
Aggregate amount of quoted investments	—	12,650,776
Aggregate amount of unquoted investments	—	10,000,000

Details of Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Units		Quoted / Unquoted	Partly paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			31 March, 2013	31 March, 2012			31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	**Investments in Debentures or Bonds**										
1	Units of ₹1000 each fully paid up of NHAI Bond	Others	—	12,362	Quoted	Fully Paid	Not Applicable	Not Applicable	—	12,362,000	Cost
2	Investment in Gold								41,406	41,406	
b)	**Investments in Mutual Funds**										
1	Units of ₹10 each fully paid up of L & T Select Fund	Others	—	976,709	Unquoted	Fully Paid	Not Applicable	Not Applicable	—	10,000,000	Cost
								Total	**41,406**	**22,403,406**	

18. INVENTORIES

	As at 31-March-2013		As at 31-March-2012	
	Quantity	Amount (₹)	Quantity	Amount (₹)
Equity Shares (Quoted)				
Bharat Forge Ltd	—	—	20,000	6,373,500
Gitanjali Gems Ltd	—	—	100,000	32,405,000
Gss Infotech Ltd	—	—	1,304	66,895
Metkore Alloys & Industries Ltd	—	—	133,230	2,051,743
Nirlon Limited	—	—	25,000	1,172,500
Swelect Energy Systems Limited	**2**	**270**	2	513
Reliance Infrastructure Ltd	—	—	50	18,825
Tech Mahindra Ltd	—	—	58	41,740
Greycells EducationLtd.	**2,349**	**33,708**	—	—
Equity Shares (Unquoted)				
Zenith Global Consultants Ltd.	**36,875**	**479,375**	36,875	479,375
Bonds (Quoted)				
Tata capital (N4 series Bond)	—	—	356	498,847
Mutual Fund (Quoted)				
Goldman Sachs Liquid Exchange Traded Scheme	**1**	**1,037**	1	1,037
Closing Stock		**50,823,442**		12,308,220
Total		**51,337,832**		55,418,195

19. TRADE RECEIVABLES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	**4,903,640**	9,185,095
Others	**94,344,458**	163,102,701
Total	**99,248,098**	172,287,796

20. CASH AND BANK BALANCES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Cash and cash equivalents		
Balances with banks:		
– On current accounts	**198,610,571**	(55,688,987)
– Fixed Deposits with original maturity of less than three months	**382,196**	2,857,605
Cash on hand	**1,840,980**	1,994,225
	200,833,747	(50,837,157)
Other bank balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months	**—**	7,699,418
On Unpaid dividend account	**825,531**	647,820
	825,531	8,347,238
Total	**201,659,278**	(42,489,919)

21. SHORT TERM LOANS & ADVANCES

Unsecured, considered good	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Security deposit	**1,000,000**	5,153,248
Loan and advances to related parties	**19,887,857**	2,700,000
Advances recoverable in cash or in kind	**22,646,876**	2,229,734
Prepaid expenses	**1,876,266**	1,302,926
Loans to employees	**1,635,855**	1,064,013
Supply of Services	**—**	4,372,299
Others	**—**	94,065,666
Franchisee	**—**	52,576
Loans & advances	**362,100,000**	—
Purchase of Financial Assets	**11,315,100**	—
Service tax Credit	**3,031,046**	—
Mark to Market On Derivatives	**445,750**	—
Intercorporate Depsits/loans/Interest receivable	**—**	86,832,883
Balances with statutory/government authorities	**—**	9,508
Total	**423,938,750**	197,782,853

22. OTHER CURRENT ASSETS

Unsecured, considered good unless stated otherwise	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Others		
Interest accrued on fixed deposits/loans	**17,595,493**	695,388
Preliminary Expenses to the extent not written off	**—**	109,950
Receivable Margin Money	**—**	14,600,000
Interest accrued on Investments	**—**	180,519
Total	**17,595,493**	15,585,857

23. REVENUE FROM OPERATIONS

Revenue from operations Sale of services	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Income from Advisory Services	**106,352,462**	127,375,148
Income from Brokerge and related activity	**134,970,520**	49,297,913
Interest from Loans	**27,733,913**	1,551,308
Depository Income	**2,715,315**	1,823,122
Profit on Future and Options Trading	**13,822,507**	—
Profit on Sale of Investment (Mutul Fund)/Debt	**—**	157,591
Transaction Processing fees	**—**	2,380,290
Account Opening Charges	**127,854**	758,322
M2M Proprietory Income	**47,825**	—
Dividend Income	**—**	1,927,389
Stamp Duty Charges	**—**	449,793
Profit from Trading in Securities	**—**	32,969,587
Others	**2,962,410**	—
Total	**288,732,806**	218,690,463

24. OTHER INCOME

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Interest income on		
Bank deposits	**20,740,291**	15,997,624
Income Tax Refund	**—**	507,514
Interest on NHAI Bond	**844,274**	353,067
Interest on Intercorporate Deposit	**7,785,309**	7,374,838
Dividend income on		
Current investments	**12,753,444**	9,712,534
Profit on Sale of Investment	**2,866,325**	129,939
Consultancy Income	**642,761**	—
Other non-operating income	**4,854,669**	10,754,863
Foreign exchange diffrence income	**—**	1,842
Total	**50,487,073**	44,832,221

25. EMPLOYEE BENEFIT EXPENSES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Salaries, wages and bonus	**113,663,167**	95,735,881
Contribution to provident and other fund	**5,622,654**	8,037,396
Gratuity expenses	**1,306,732**	—
Staff Welfare expenses	**2,881,178**	2,201,780
Total	**123,473,731**	105,975,057

26. OTHER EXPENSES

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Power and fuel	**3,453,208**	3,042,089
Donation	**101,000**	702,000
Business Promotion Expenses	**3,650,857**	1,306,068
Motor Car Expenses	**1,786,407**	1,573,544
Foreign exchange loss (net off income of ₹2,18,169/-)	**594,666**	—
Rent	**10,931,124**	17,700,659
Rates and taxes	**279,822**	137,197
Insurance	**789,866**	788,483
Prior Period expenses	**136,000**	175,362
Bank Charges	**1,970,076**	1,947,645
Repairs and maintenance - Others	**5,854,859**	1,770,903
Advertising and Sales promotion	**217,674**	828,105
Travelling and conveyance	**7,763,422**	7,067,065
Communication costs/Telephone	**5,970,509**	4,973,147
Printing & stationery	**1,584,495**	1,618,193
Legal and professioanl fees	**9,024,162**	11,077,698
Director's sitting fees	**35,000**	60,000
Postage, Courier & Telegraphs	**592,786**	691,394
Auditor's Remuneration (refer note 29)	**1,375,696**	1,267,987
Provision for diminution in value of investment	**—**	4,178,330
Provision for contingencies on Standard Assets	**674,000**	206,250
Subscription & Registration fees	**2,621,222**	1,082,458
Sebi Charges	**631**	74,216
Preliminary Expenses W/off	**109,950**	—
Goodwill W/off	**307,652**	—
Bad debts & Balances written off	**3,071,664**	2,360,430
Brokerage Refund	**6,280,557**	—
Office Establishment Expenses	**2,664,907**	—
Loss on Sale of Mutual Fund	**—**	111,252
Loss on Valuation of Closing Stock	**28,711**	640,627
Loss on Futures and Options Trading	**—**	745,888
Loss on Sale of Shares	**5,752,173**	5,000,000
Unrealized Loss on Open Position	**830**	1,028,918
Stamp Duty & Stamp Expenses	**3,313,709**	2,557,272
Stock Exchange Related Expenses	**4,620,945**	4,610,146
Security Transaction Tax	**4,000,731**	1,662,347
Marketing Expenses	**2,465**	755,223
Loss on Damage of Motor Car	**—**	648,186
Miscellaneous expenses	**3,915,221**	1,821,015
Total	**93,476,996**	84,210,097

27. FINANCE COST

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Interest on borrowing	**43,591,309**	3,904,220
Interest on income tax	**385,005**	424,637
Interest on car loan	**307,603**	480,942
Total	**44,283,917**	4,809,799

28. EARNINGS PER SHARE (EPS)

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Profit/(Loss) after Tax	**48,889,150**	41,651,659
Weighted average number of equity shares	**5,566,637**	5,566,637
Basic/Diluted EPS as on 31st March 2013	**8.78**	7.48

Note:
Keynote Trust has been consolidated. Consequently, shares held by keynote trust in Keynote Corporate Services Ltd (14,51,702 shares) have been eliminated while computing the EPS.

29. PAYMENT TO AUDITOR

	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
As auditor:		
Audit fees	**970,000**	992,080
Tax audit fees	**100,000**	50,000
In other capacity		
Other services	**255,000**	260,000
Reimbursement of expenses	**15,864**	70,907
	1,340,864	1,372,987
Add: Service tax	**165,731**	169,701
	1,506,595	1,542,688

30. GRATUITY AND OTHER BENEFIT PLANS

(a) Gratuity:

Retirement Benefits in the form of Gratuity for the eligible employees are considered as Defined Benefit Plan. The company has implemented Group Gratuity Assurance Scheme of Life Insurance Corporation of India dated 5th July 2005 which is effective from 1st June 2005 and has paid ₹11,45,950 as a total contribution during the year.(P.Y.₹12,61,483/-)

I. ASSUMPTION	**1/4/2012 31/3/2013**	1/4/2011 31/3/2012
Discount Rate (Previous)	**8.50%**	8.00%
Rate of Retrun on plan assets (previous)	**8.60%**	8.00%
Salary Escalation (previous)	**10.00%**	10.00%
Attrition rate (previous)	**13.00%**	13.00%
Discount Rate (current)	**8.00%**	8.50%
Rate of Retrun on plan assets (current)	**8.70%**	8.60%
Salary Escalation (current)	**10.00%**	10.00%
Attrition rate (current)	**13.00%**	13.00%

II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:		
Present value of benefit obligation as at the beginning of the Current period	**11,689,588**	5,866,950
Interest Cost	**993,615**	469,356
Current Service Cost	**2,005,612**	6,226,010
Transitional liability incurred during the period		
Past service cost (non vested benefit) incurred during the period		
Past service cost (vested benefit) incurred during the period		
Liability Transferred in (Liability Transferred out)		
(Benefit paid)	**(371,674)**	—
Acturial (gains)/losses on obligations	**(937,032)**	(872,728)
Present value of benefit obligation as at the end of the Current period	**13,380,109**	11,689,588

III.	**TABLE OF FAIR VALUE OF PLAN ASSETS:**		
	Fair value of plan assets at the beginning of the period	**8,032,078**	6,140,933
	Expected return on plan assets	**690,759**	306,885
	Contributions	**1,145,917**	1,261,483
	Transfer from other company		
	(Transfer to other company)		
	(Benefit paid)	**(371,674)**	
	Acturial (gains)/losses on plan assets	**64,737**	322,777
	Fair value of plan assets at the end of the period	**9,561,157**	8,032,078
IV.	**TABLE OF RECOGNITION OF ACTURIAL GAINS/LOSSES:**		
	Acturial (gains)/losses on obligation for the period	**(937,032)**	(872,728)
	Acturial (gains)/losses on asset for the period	**(64,737)**	(322,777)
	Subtotal	**(1,001,769)**	(1,195,505)
	Acturial (gains)/losses recognized in income & expenses statement	**(1,001,769)**	(1,195,505)
V.	**ACTUAL RETURN ON PLAN ASSETS:**		
	Expected return on plan assets	**690,759**	306,885
	Acturial (gains)/losses on plan asset	**64,737**	322,777
	Actual return on plan assets	**755,496**	629,662
VI.	**AMOUNT RECOGNIZED IN THE BALANCE SHEET:**		
	Fair value of plan assets at the end of the period	**9,561,157**	8,032,078
	(Present value of benefit obligation as at the end of the period)	**(13,380,109)**	(11,689,588)
	Funded status	**(3,818,292)**	(3,657,510)
	Unrecognized past service cost at the end of the period		
	Unrecognized transitional liability at the end of the period		
	Net(liability)/ assets recognized in the balance sheet	**(3,818,292)**	(3,657,510)
VII.	**EXPENSES RECOGNIZED IN THE INCOME STATEMENT:**		
	Current Service Cost	**2,005,612**	6,226,010
	Interest Cost	**993,615**	469,356
	(Expected return on plan assets)	**(690,759)**	(306,885)
	Acturial (gains)/losses	**(1,001,769)**	(1,195,505)
	Past service cost (non vested benefit) Recognized during the period		
	Past service cost (vested benefit) Recognized during the period		
	Transitional liability recognized during the period		
	Expenses recognized in p&l	**1,306,699**	5,192,976
VIII.	**BALANCESHEET RECONCILIATION:**		
	Opening net liability	**3,657,510**	(273,983)
	Expenses as above	**1,306,699**	5,192,976
	Net transfer in		
	(Net transfer Out)		
	(Employer's contribution)	**(1,145,917)**	(1,261,483)
	Net liability / (assets) recognized in the balance sheet	**3,818,292**	3,657,510
IX.	**OTHER DETAILS:**		
	No.of members	**223**	236
	Salary pm	**5,449,807**	4,768,814
	Prescribed contribution for next year (12 months)	**5,395,613**	4,768,814
X.	**CATEGORY OF ASSETS:**		
	Government of india assets		
	Corporate bonds		
	Special Deposit scheme		
	Equity shares of listed companies property		
	Insurer managed funds	**9,561,157**	8,032,078
	Other		
	Total	**9,561,157**	8,032,078
XI.	**EXPERIENCE ADJUSTMENT:**		
	On plan liability (gains)/losses	**(1,302,109)**	(729,151)
	On plan assets (losses)/gains	**64,737**	322,777

Note.

1. Disclosures of plan assets

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

(b) Compensated Absences:

As per the Company's Policy, a sum of ₹10,04,387/- (Previous Year ₹ 19,61,772) has been paid towards compensated absences; calculated on the basis of unutilised leave. During the year Company has provided to the extent of ₹4,41,793/- as per actuarial valuation done by independent actuary.

B. Defined Contribution Plans

Company's Contribution Paid / Payable during the year to Provident fund and ESIC Contribution are recognized as an Expense:

Particulars	**31-March-2013 Amount (₹)**	31-March-2012 Amount (₹)
1) Contribution to Employees Provident Fund	**4,988,119**	5473290
2) Employees State Insurance Scheme	**634,535**	598,124

31. LEASES

Operating lease: company as lessee

The aggregate lease rentals in respect of Operating Leases for the period charged as lease rentals in the profit and loss a/c aggregate to ₹3,46,104 (Previous year: ₹ 83,60,496)

Operating lease commitment -Group as lessor

The Company has received ₹13,28,232 on account of lease of a premises The Future Minimum Lease Receivable under non cancellable operating leases are as under:

Particulars	**31-March-2013 Amount (₹)**	31-March-2012 Amount (₹)
1) Not later than one year	**1,449,991**	1,308,108
2) Later than one year and not later than five year	**NIL**	1,449,991
3) Later than five year	**NIL**	NIL

Disclosure in respect of the gross carrying amount and accumulated depreciation of the asset given on lease has been stated in the financial statements.

32. SEGMENT INFORMATION **(₹ in lacs)**

	Merchant Banking		Broking & Related Activities		Trading in Securities		Financing Activities		Unallocated		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External Revenue	**107,144,713**	127,375,148	**139,983,848**	55,382,941	**12,841,414**	32,296,086	**27,733,913**	—	**22,146,116**	2,42,35,467	—	—	**309,850,004**	239,289,641
Inter Segment Revenue														
Total Revenue	**107,144,713**	127,375,148	**139,983,848**	55,382,941	**12,841,414**	**32,296,086**	**27,733,913**	—	**22,146,116**	24,235,467	—	—	**309,850,004**	239,289,641
RESULT														
Segment Result	**48,486,383**	69,013,367	**19,595,717**	(38,735,126)	**9,897,025**	27,948,204	**(6,984,399)**	—	**(20,934,778)**	(12,671,143)	—	—	**50,059,949**	45,555,301
Un-allocated expenses	—	—		—	—	—	—	—	—	—	—	—	**1,482,434**	3,350,924
Operating profit	—	—		—	—	—	—	—	—	—	—	—	**48,577,515**	42,204,377
Interest Expenses	—	—		—	—	—	—	—	—	—	—	—	**(9,565,605)**	(4,383,436)
Interest Income	—	—		—	—	—	—	—	—	—	—	—	**29,369,874**	24,233,044
Deferred Tax Assets	—	—		—	—	—	—	—	—	—	—	—	**(4,011,407)**	1,163,846
Income Tax	—	—		—	—	—	—	—	—	—	—	—	**(15,481,228)**	(21,566,173)
Profit From Ordinary Activities	—	—		—	—	—	—	—	—	—	—	—	**48,889,150**	41,651,653
Net Profit	—	—		—	—	—	—	—	—	—	—	—	**48,889,150**	41,651,653
Other Information	—	—		—	—	—	—	—	—	—	—	—	—	—
Segment Assets	**257,784,353**	122,546,426	**607,784,628**	500,000,370	**60,037,832**	55,418,195	**397,542,935**	115,293,465	**417,209,900**	296,796,804	**(405,188,088)**	(251,463,713)	**1,335,171,561**	838,591,546
Segment Liabilities	**31,899,708**	38,283,760	**426,850,060**	268,418,161	**462,398**	—	**289,042,082**	110,356,242	**201,885,734**	48,774,619	**(206,738,820)**	(53,322,097)	**743,401,163**	412,510,684
Capital Expenditure	**101,194,448**	5,609,152	**102,874,357**	4,513,689	—	—	—	—	—	—	—	—	**204,068,804**	10,122,841
Depreciation	**2,806,119**	1,137,114	**6,775,244**	5,314,548	**22,090**	22,090	—	—	—	—	—	—	**9,603,453**	6,473,752
Non-cash expenses other than depreciation	—	1,652,385	**976,049**	708,045	**29,541**	2,452,761	—	—	**133,476**	5,106,690	—	—	**1,139,065**	9,919,881

33. Related Party Disclosure as per Accounting Standard 18 issued by the institute of Chartered accountant of India

a) List of related parties:

A) Key Management Personnel:

Mr. B. Madhuprasad-Chairman
Mr. Uday S. Patil-Director
Mr. Vineet Suchanti-Managing Director
Mr. Suraj Saraogi-Managing Director

B) Relatives of Key Management Personnel:

Mrs. Rinku Suchanti-Wife of Mr. Vineet Suchanti-Managing Director

C) Enterprise over which Key Management Personnel exercise Significant Influence:

Concept Communication Ltd.
Concept Production Ltd
Nirmal Suchanti HUF
Keynote Trust
NSS Digital Media Ltd
Eagle Eye Research & Media Pvt. Ltd.
Cosy Mercantile Ltd
Gupta Builders Pvt.Ltd
August Brand Communication Ltd
Vivek Suchanti & Co

b) Description of the nature of transactions with the Related Parties as on 31st March, 2013: **(Amount in ₹)**

Particulars	Name of the related party	Subsidiary Company		Key Management Personnel/Relatives		Enterprise over which key Management personnel exercise Significant Influence		Total	
		2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Investment in Equity Shares	Eagle Eye Research & Media Pvt Ltd					800,000		800,000	
Receiving of Services	Concept Communication Ltd					85,883	155,591	85,883	155,591
Providing of Services	Eagle Eye Research & Media Pvt Ltd					58,427		58,427	
Managerial Remuneration	B.Madhuprasad			5,771,597	5,832,000			5,771,597	5,832,000
Managerial Remuneration	Vineet Suchanti			5,605,600	5,617,961			5,605,600	5,617,961
Managerial Remuneration	Uday Patil			3,951,720	3,892,860			3,951,720	3,892,860
Managerial Remuneration	Suraj Saraogi			3,951,720	3,892,860			3,951,720	3,892,860
Dividend Paid	Pushpa Suchanti			198,462	198,462			198,462	198,462
Dividend Paid	Rinku Suchanti			5,703	5,703			5,703	5,703
Dividend Paid	B.Madhuprasad			71,250	71,250			71,250	71,250
Dividend Paid	Vineet Suchanti			17,966	17,966			17,966	17,966
Dividend Paid	Nirmal Suchanti			176,471	176,471			176,471	176,471
Dividend Paid	Concept Production Ltd					362,400	362,400	362,400	362,400
Dividend Paid	NSS Digital Media Ltd					4,309,370	4,298,195	4,309,370	4,298,195
Dividend Paid	Nirmal Suchanti-HUF					423,749	412,500	423,749	412,500
Loans & advances Given	Eagle Eye Research & Media Pvt Ltd					487,857	1,700,000	487,857	1,700,000
Loans Given	Concept Communication Ltd					82,500,000		82,500,000	—
Loans Repaid	Concept Communication Ltd					65,000,000		65,000,000	—
Reimbursement of exp to Director	Vineet Suchanti			541,795	248,650			541,795	248,650
Outstanding balance									
Loans Given	Concept Communication Ltd					17,500,000		17,500,000	—
Loan Given	Eagle Eye Research & Media Pvt Ltd					2,387,857	2,700,000	2,387,857	2,700,000

Figures in bracket ( ) indicates income/Receipt

34. CONTINGENT LIABILITIES NOT PROVIDED FOR:

i) Guarantee given by the Company to the Bankers of its subsidiary, Keynote Capitals Limited ₹31,00,00,000 (P.Y. ₹ 15,50,00,000) towards NSE & BSE operations.

ii) Adjudicating Officer,SEBI,Mumbai has imposed a penalty of ₹10,00,000/- in the matter of an IPO handled. The company has preferred an appeal to securities Appellate Tribunal (SAT) against the order of Adjudicating Officer,SEBI, Mumbai which is pending for hearing & order.The company has not provided for the said contingent liability.

iii) The company had filed an appeal before the Commissioner of income Tax (Appeals) against the total disputed liability of ₹ 24,15,840/-. The Commissioner of Income Tax (Appeals) has granted part relief to the Company and the Company has filed appeal against the balance disputed amount before Income Tax Appellate Tribunal, Mumbai.The Company has also made a part payment of ₹7,00,000 against the said disputed amount.

iv) The Income Tax department has filed an appeal before the Income Tax appellate tribunal against the order passed by the Commissioner of Income Tax (Appeal) order No.CIT (A)-XIV/4(3)-2/IT.10/05-06 dated 09/04/2007 allowing the deprecation on BSE card amounting to ₹46,17,507/- for the assessment year 2003-2004 and the said matter is pending before the tribunal.

v) The Income Tax Appeal is pending for Assessment Year 2010-2011 before Commissioner of Income Tax (Appeals), Mumbai. The Income Tax amount under dispute of said Assessment Year is ₹6,81,72,790/- The Company has not made any provisions in respect of above matters which are pending before various appellate authorities and the Company has been advised by Tax consultant that there will not be any demand against the Company in respect of pending appeals before various appellate authorities, since the case of Company are supported by various High Court and Supreme Court decisions.

vi) Guarantee given by the Company to National Stock Exchange amounting to ₹ 125 lakhs towards NSE operations and to Bombay Stock Exchange amounting to ₹ 75 lakhs towards BSE operations

35. Details of Scheme of amalgamation approved by the High Court

As per the scheme of amalgamation approved by the Allahabad, Bombay, and Gauhati High court vide order dated 21st December 2006, 9th March, 2007 and 19th March, 2007 respectively, 14,51,702 equity shares of ₹10 each fully paid up is held by keynote trust as a beneficiary of the company. Consequently the corresponding amount is also reflected in schedule 'E'- investment, as "Investment in equity shares held by keynote Trust". Due to such cross holding the dividend of ₹21,77,553/ thousand(Previous year ₹ 21,77,553/-) has been paid & received back from the trust

36. Details of dues to micro and small enterprises as defined under the MSMED Act,2006

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

37. Income and Expenditure in Foreign Currency Transaction

Particulars	31-March-2013 Amount (₹)	31-March-2012 Amount (₹)
Professional fees (Income)	**63,815,745**	33,425,933
Expenditure-Other Matters	**3,237,984**	2,398,938

38. Open Interest in Individual stock Futures and Option as on 31st March, 2013

a) Open Long Position

Name of Equity index / Stock Future	Expiry Date	No. of Contracts	No. of Units	No. of Units
NIFTY	25-Apr-13	2	100	50000

b) Open Short Position

Name of Equity index / Stock Future	Premium carried forward at 31st March,2013	No of Units
NIFTY	4.62	450

39. The Company is in the process of appointing a whole time company secretary due to vacancy created by existing company secretary.

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

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-	Sd/-
B. Madhuprasad	**Vineet Suchanti**
Chairman	*Managing Director*

Place : Mumbai
Date : 28th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31-March-2013 ₹	31-March-2013 ₹	31-March-2012 ₹	31-March-2012 ₹
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary items		**68,381,783**		62,053,986
Net prior year Adjustments				
Adjustment For :				
Depreciation	**9,603,452**		6,473,751	
Excess Provision of Bonus written back	**(499,793)**		—	
Loss on Sale of Investment	**4,500,000**		111,252	
Diminution in value of investment	**—**		4,178,330	
Profit on Sale of Investment	**(2,866,325)**		(287,530)	
Finance Cost	**44,283,917**		4,809,798	
Preliminary Expenses W/off	**109,950**		—	
Loss on Sale of Fixed Assets	**—**		629,424	
Loss on Sale of Subsidiary	**—**		5,000,000	
Goodwill W/off	**307,652**		—	
Income Tax Refund	**—**		507,514	
Assets written off	**3,485**		—	
Dividend Income	**(12,753,444)**		(11,639,924)	
Interest Income	**(29,369,874)**		(25,276,838)	
		13,319,021		(15,494,222)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**81,700,804**		46,559,763
ADJUSTMENT FOR :				
(Increase)/Decrease in Trade and other receivables	**73,039,697**		(116,463,498)	
(Increase)/ Decrease in Short Term Loans & advances	**(226,155,897)**		11,245,538	
(Increase)/ Decrease in Other Current Assets	**(2,009,635)**		(197,649,398)	
(Increase)/ Decrease in Long Term Loans & advances	**4,801,952**		(2,987,543)	
(Increase)/ Decrease in Other Non Current Assets	**(58,046,014)**		421,096	
(Increase)/ Decrease in Stock in trade	**4,051,652**		(54,938,820)	
Increase/(Decrease) in Long Term Provisions	**(38,130)**		(1,732,216)	
Increase/ (Decrease) in Short Term Provisions	**(921,800)**		1,750,715	
(Increase)/ Decrease in Other Long Term Liabilities	**87,338**		(2,648,746)	
(Increase)/ Decrease in Short Term Borrowings	**69,986,128**		196,384,022	
(Increase)/Decrease in Trade Payables.	**249,407,678**		(8,194,698)	
(Increase)/ Decrease in Other Current Liabilities	**26,256,496**	**140,459,466**	62,539,093	(112,274,456)
CASH FROM OPERATING ACTIVITIES SUB TOTAL (A)		**222,160,270**		(65,714,693)
Less: Taxes paid	**—**	**(19,522,424)**	—	(35,644,436)
NET CASH (USED IN) OPERATING ACTIVITIES SUB TOTAL (A)		**202,637,845**		(101,359,129)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	**(3,031,250)**		(24,303,406)	
Sale of Investment	**55,677,735**		16,602,705	
Sale of Fixed Assets	**-**		2,510,000	
Interest Received	**29,369,874**		25,276,838	
Dividend Received	**10,575,891**		11,639,924	
Purchase of Fixed Assets(Net of CWIP)	**6,430,151**		(102,015,309)	
NET CASH (USED IN) INVESTING ACTIVITIES SUB TOTAL(B)		**99,022,401**		(70,289,248)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	**(10,527,509)**		(10,527,509)	
Dividend Distribution Tax Paid	**(1,707,825)**		(1,748,488)	
Finance Cost Paid	**(43,898,912)**		(4,385,161)	
Increase in Long Term Borrowing	**(1,376,803)**		3,678,665	
NET CASH (USED IN) FINANCING ACTIVITIES SUB TOTAL(C)		**(57,511,049)**		(12,982,493)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS TOTAL (A+B+C)		**244,149,197**		(184,630,871)
CASH	**1,994,225**		1,316,544	
BANK				
In Current Accounts	**(55,688,987)**		16,927,964	
In Fixed Deposits Accounts	**10,557,023**		123,478,331	
In Unpaid Dividend Account	**647,820**		418,113	
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**(42,489,919)**		142,140,951
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR				
CASH	**1,840,980**		1,994,225	
BANK				
In Current Accounts	**198,610,571**		(55,688,987)	
In Fixed Deposits Accounts	**382,196**		10,557,023	
In Unpaid Dividend Account	**825,531**	**201,659,278**	647,820	(42,489,919)

AS PER OUR REPORT OF EVEN DATE
FOR HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of
KEYNOTE CORPORATE SERVICES LTD.

Sd/-
Rakesh Rathi
Partner
Membership No. 45228

Sd/-
B.Madhuprasad
Chairman

Sd/-
Vineet Suchanti
Managing Director

Place : Mumbai
Date : 28th May 2013

KEYNOTE CORPORATE SERVICES LIMITED

Registered Office: The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028

PROXY FORM

Reg. Folio No. _ _ _ _ _ _ _ **DP ID No.** _ _ _ _ _ _ _ _ **Client ID No.** _ _ _ _ _ _ _ _ _ **No. of Shares held** _ _ _ _ _ _ _ _ _

I/We, _
of (Address) _ being a member/ members of the abovementioned Company, hereby appoint _ or failing him _as my/our proxy to vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at 10.00 a.m. on Wednesday, 25th September, 2013 and at any adjournment thereof. This form is to be used in favour of the resolution(s)/ against the resolution/s_ Unless otherwise instructed the proxy will act as he thinks fit.

Signed this_ day of _ , 2013.

Signature _

Re. 1.00
Revenue
Stamp

Note : Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Meeting.

KEYNOTE CORPORATE SERVICES LIMITED

Registered Office: The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters)	Folio No./DP ID No. Client ID No.
Name of Proxy (in Block Letters) (to be filled in if the Proxy attends instead of the Member)	

No. of Shares held _ _ _ _ _ _ _ _ _ _ _ _ _ _

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company 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. on Wednesday, 25th September, 2013.

Member’s/Proxy’s Signature
(To be signed at the time of handing over this slip)

Notes :

1. Shareholder/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand over at the entrance duly signed.
2. Shareholder/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

KEYNOTE CORPORATE SERVICES LIMITED

Registered Office: The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028.

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 named shareholder : _____

_____

_____

_____

3. Registered folio No./DP ID No./Client ID No.* [* Applicable to investor holding shares 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, Directors' Report, Auditors' 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)

BOOK-POST

If undelivered please return to:

KEYNOTE CORPORATE SERVICES LIMITED

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