

KEYNOTE

Ref # Key13/Stock-Exch.Let/Ru(14)

28th February, 2013

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

Dear Sir,

Ref. : Scrip Code : KEYCORPSER
Reg.: Postal Ballot Notice of the Company

Enclosed please find enclosed herewith 3 (three) certified true copies of Postal Ballot Notice dated 7th February, 2013 along with Explanatory Statement for information.

Please acknowledge the receipt.

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

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



Uday S. Patil
Director (Investment Banking)

Encl: as above

Keynote Corporate Services Limited

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

KEYNOTE

KEYNOTE CORPORATE SERVICES LIMITED

Registered Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai – 40 0028

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 to the shareholders to consider and if thought fit, to pass the Resolutions contained in this notice by way of Postal Ballot.

The proposed resolutions and the explanatory statements thereto along-with a Postal Ballot Form are enclosed with this Notice for your consideration. This notice is being sent to all the members, whose name appears in the Register of Members as on **1st February, 2013**.

The Company has appointed Mrs. Uma Lodha of M/s. Uma Lodha and Company, Practicing Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on **10th April, 2013** to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from the member. Upon completion of the scrutiny of the Forms, the Scrutinizer shall submit her report to the Company. The results of the Postal Ballot will be announced on **12th April, 2013** at 5.00 p.m. at the Registered Office of the Company and will be published in English and Marathi newspapers in Mumbai after such announcement.

1. To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT in partial modification of the resolution passed by the members at the 18th Annual General Meeting of the Company held on 30th September, 2011 and pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approval(s) from the Central Government or any other authority, as may be required, and subject to any conditions and/or modifications as may be imposed and/or suggested by such authorities, while granting such approvals, approval of the Company be and is hereby given for the variation in the terms of remuneration payable to Shri Vineet Suchanti, Managing Director of the Company with effect from 1st January, 2013 for the remaining period of his term in office upon the terms as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors to alter and vary the terms and conditions as may be agreed to between the Board of Directors and Shri Vineet Suchanti in the best interest of the Company.

RESOLVED FURTHER THAT even in the absence or inadequacy of profits in any financial year, subject to such approvals as may be required, Shri Vineet Suchanti, Managing Director of Company be paid such remuneration as mentioned in the Explanatory Statement.

RESOLVED FURTHER THAT for giving effect to the aforesaid resolution Shri B. Madhuprasad, Vice-Chairman, Shri Uday S. Patil, Whole-Time Director and Shri Sangeet Lakkar, Company Secretary of the Company, be and are hereby severally authorized to do all such act(s), deed(s), thing(s) or matter(s) including but not limited to the appointment of advisor(s)/consultant(s), authorize any person by issue of Power of Attorney, giving any representation(s), clarification(s), submission etc to the concerned authority(ies)/ department(s) connected with respect to the aforesaid matters or in any matter incidental thereto, to file and submit the requisite forms and documents in this regard with the Central Government and to do such other incidental acts as may be necessary to give effect to this resolution.”

2. To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT in partial modification of the resolution passed by the members at the 19th Annual General Meeting of the Company held on 27th September, 2012 and pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approval(s) from the Central Government or any other authority, as may be required, and subject to any conditions and/or modifications as may be imposed and/or suggested by such authorities, while granting such approvals, approval of the Company be and is hereby given for the variation in the terms of remuneration payable to Shri Uday S. Patil, Whole-Time Director of the Company with effect from 1st January, 2013 for the remaining period of his term in office upon the terms as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved with authority to the Board of Directors to alter and vary the terms and conditions as may be agreed to between the Board of Directors and Shri Uday S. Patil in the best interest of the Company.

RESOLVED FURTHER THAT even in the absence or inadequacy of profits in any financial year, subject to such approvals as may be required, Shri Uday S. Patil, Whole-Time Director of Company be paid such remuneration as mentioned in the Explanatory Statement.

RESOLVED FURTHER THAT for giving effect to the aforesaid resolution Shri B. Madhuprasad, Vice-Chairman, Shri Vineet Suchanti, Managing Director and Shri Sangeet Lakkar, Company Secretary of the Company, be and are hereby severally authorized



to do all such act(s), deed(s), thing(s) or matter(s) including but not limited to the appointment of advisor(s)/consultant(s), authorize any person by issue of Power of Attorney, giving any representation(s), clarification(s), submission etc to the concerned authority(ies)/ department(s) connected with respect to the aforesaid matters or in any matter incidental thereto, to file and submit the requisite forms and documents in this regard with the Central Government and to do such other incidental acts as may be necessary to give effect to this resolution."

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A (2) OF THE COMPANIES ACT, 1956

Item No. 1

Variation in terms of remuneration of Shri Vineet Suchanti, Managing Director of the Company.

Shri Vineet Suchanti was appointed as Managing Director of the Company in the Board Meeting held on 5th May 2005 and his appointment was approved by the shareholders in the 12th Annual General Meeting (AGM) of the Company held on 30th September, 2005 for the period of 3 years w.e.f. 5th May, 2005.

Further, he was re-appointed as Managing Director of the Company in the Board Meeting held on 29th April, 2008 and the same was approved by the shareholders through postal ballot on 11th August, 2008 for a period of three years w.e.f. 5th May, 2008.

Further, he was re-appointed as Managing Director of the company in the Board Meeting held on 28th April, 2011 and the same was approved by the Shareholders in the 18th Annual General Meeting of the Company held on 30th September, 2011 for further period of 3 years w.e.f. 5th May, 2011.

Taking into consideration the business activities and the responsibilities cast on Shri Vineet Suchanti, Managing Director and also the contribution made by him, the Board of Directors has deemed it fit to increase the remuneration of Shri Vineet Suchanti, with effect from 1st January, 2013 for the remaining period of this tenure in office subject to the approval of the shareholders and Central Government.

Details of remuneration payable to Shri Vineet Suchanti are as follows:

- i). Salary : ₹ 46.92 lacs (p.a.)
Perquisites : Approximately ₹ 20.00 lacs (p.a.)
- ii) Commission : Payable based on the net profits of the Company Subject to the overall ceilings laid down in Section 198 and 309.
- iii) Perquisites, as per details given below:
 - a) Housing:
 1. In case the accommodation is owned/hired by the Company, perquisites will be evaluated as per Income Tax Rules.
 2. In case no accommodation is provided by the Company, he shall be entitled to house rent allowances subject to the ceiling of 60% salary.
 - b) The expenditure incurred on Gas, Electricity, Water and Furnishings will be on actual basis.
 - c) Medical Reimbursement for self and family will be as per rules of the Company.
 - d) Leave Travel expenses for self and family will be as per rules of the Company.
 - e) Club fees (excluding admission to life membership fee) will be on actual basis.
 - f) Expenses on children's education not exceeding ₹ 15,000/- per annum per child, subject to maximum of two children.
 - g) Personal Accident Insurance and Mediciam Insurance for self and family will be as per company's rules.
 - h) The perquisites for servant, Gardner etc. (maximum two persons) provided by the Company will be evaluated as per the Income Tax Rules, 1962.
 - i) Expenses incurred on soft furnishing not exceeding ₹ 24,000/- per annum.
 - j) Bonus: As per the applicable rules of the Company

For the above purpose family means the spouse, the dependent children and dependent parents.

OTHERS:

1. Contribution to Provident Fund:

* To the extent these, either singly or put together are not taxable under the Income Tax Act.

Gratuity:

* Half a month's salary for each completed year of service after a period of 5 years.

2. Earned Leave and encashment of leave:

21 days leave for every year of service out of which 15 days is encashable.

3. Provision of car:

* For use on Company's business.



4. **Reimbursement of Expenses actually incurred for Company's business:**
** Against submission of supportings.
5. **Telephone at residence:**
** For use on Company's business. Personal long distance telephone calls shall be billed by the Company.
6. **Actual traveling and other related expenses for self touring in India and abroad on Company's Work.**
* Will not be included for the computation of ceiling under perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.
** Will not be considered as perquisites.

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

The Annual increment shall be determined by the Board from time to time and subject to approval of the central government, if any,

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

Shri Vineet Suchanti is concerned or interested in the said resolution.

Disclosures Pursuant to Sub-clause (iv) under the proviso to sub-paragraph (C) of Paragraph 1 under Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. General Information:

1. Nature of Industry : Merchant Banking/ Corporate Advisory Services
2. Date or expected date of commencement of commercial production. : Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable
4. Financial performance based on given indicators during the financial year ended 31st March, 2012. :

	(₹ in lacs)
Total Income	1,039.98
Expenses	579.64
Profit	460.34
EPS (₹)	4.46
P/E Ratio (times)	7.45
Total Assets	4,721.09
5. Export performance and net foreign exchange collaborations : Not Applicable.
No foreign collaborations.
6. Foreign investments or collaborators, if any : As on 31st March, 2012, the foreign shareholding in the company is 6,21,883 Equity Shares of ₹ 10/- each representing 8.86 % of the total capital.

II. Information about Shri Vineet Suchanti, Managing Director:

1. Background Details:

Shri Vineet Suchanti is a Bachelor of Commerce from University of Mumbai and MBA in Finance and Marketing from University of Rochester, New York.

2. Past remuneration:

For the Financial year 2011-2012 total remuneration of Shri Vineet Suchanti was ₹ 56,17,961/-

3. Recognition or awards

Shri Vineet Suchanti is a Master in Business Administration (MBA) with specialization in finance from University of Rochester, New York, USA. He adds innovations, perseverance and dynamism to the profession. He has been largely responsible for introducing state-of-the-art technology and modern methods of analysis and valuations in structuring and marketing, thereby taking Keynote close to international standards in terms of creativity and services.

4. Job profile and his suitability:

Shri Vineet Suchanti, has been largely responsible for introducing state-of-the-art technology and modern methods of analysis and valuations in structuring and marketing, thereby taking Keynote close to international standards in terms of creativity and services. Being new generation manager with responsibility of overall supervision he is best suited for the responsibility of managing affairs of the company most in profitable manner.



5. **Remuneration proposed:**

The remuneration of Shri Vineet Suchanti is set out above.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Shri Vineet Suchanti, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Other than the remuneration stated above, Shri Vineet Suchanti has no other pecuniary relationship directly or indirectly with the Company.

III. Other Information

1. **Reason of loss or inadequate profits**

The company has reported PAT of ₹ 312.80 lacs. The company being engaged in Merchant Banking/Corporate Advisory Services, the performance of the company is directly related to the status of capital market and more particularly primary market segment. The income is earned on completion of various assignments.

2. **Steps taken or proposed to be taken for improvement**

The company has well defined growth strategy wherein focus on completion of various assignments is laid. The efforts to complete the transactions within the said timelines are on. The execution team has been assigned structured timelines to adhere.

3. **Expected increase in productivity and profits in measurable terms.**

The company expects to increase the productivity and profit considerably. Various mandates at various stages of execution are reviewed from time to time to complete. As a result company expects to improve both the top line and the bottom line growth.

IV. Disclosures

The remuneration details of Shri Vineet Suchanti, Managing Director, are as given in the explanatory statement.

The Board recommends the passing of the Special Resolution as set out in Item No. 1 of the accompanied notice. None of the Directors except Shri Vineet Suchanti are concerned or interested in the resolution.

Item No. 2

Variation in terms of remuneration of Shri Uday S. Patil, Whole-Time Director of the Company.

Shri Uday S. Patil had been the Whole-Time Director of the Company from 27th September, 1999 and has been with the Company since May, 1994.

Further, the Board of Directors of the Company at its Meeting held on 9th August, 2012 has re-appointed Shri Uday S. Patil as the Whole-Time Director of the Company for the period of 3 (three) years w.e.f. 13th November, 2012 and the same was approved by the shareholders at the 19th Annual General Meeting of the company held on 27th September, 2012. The Company has submitted an application with Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956 seeking approval for the appointment of and payment of managerial remuneration to him and approval of the same is awaited.

Taking into consideration the business activities and the responsibilities cast on Shri Uday S. Patil and also the contribution made by him, the Board of Directors has deemed it fit to increase the remuneration of Shri Uday S. Patil with effect from 1st January, 2013 for the remaining period of this tenure in office, subject to the approval of the shareholders and Central Government.

DETAILS OF REMUNERATION PAYABLE TO SHRI UDAY S. PATIL ARE AS FOLLOW:

i) Salary : ₹ 34.20 lacs (p.a.)

Perquisites : Approximately ₹ 20.00 lacs (p.a.)

a) Medical Reimbursement for self and family will be as per rules of the Company.

b) Leave Travel expenses for self and family will be as per rules of the Company.

c) Club fees (excluding admission to life membership fee) will be on actual basis.

d) Expenses on children's education not exceeding ₹ 15,000/- per annum per child, subject to maximum of two children.

e) Personal Accident Insurance and Mediclaim Insurance for self and family will be as per company's rules.

f) Contribution to Provident Fund, Superannuation fund or Annuity:

As per rules of the company to the extent these, either singly or put together are not taxable under the Income Tax Act.

g) Gratuity:

Half a months salary for each completed year of service.



- h) Earned Leave and encashment of leave:
21 days leave for every year of service out of which 15 days is encashable.
- i) Provision of car: For use on Company's business.
- j) Reimbursement of Expenses actually incurred for Company's business:
Against submission of supporting.
- k) Actual travelling and other related expenses for self touring in India and abroad on Company's Work.
- l) Bonus: As per the applicable rules of the Company

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

The Annual increment shall be determined by the Board from time to time and subject to approval of the Central Government, if any.

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

Shri Uday S. Patil is concerned or interested in the said resolution.

Disclosures Pursuant to Sub-clause (iv) under the proviso to sub-paragraph (C) of Paragraph 1 under Section II of Part II of Schedule XIII of the Companies Act, 1956:

I. General Information:

1. Nature of Industry : Merchant Banking/ Corporate Advisory Services
2. Date or expected date of commencement of commercial production. : Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable
4. Financial performance based on given indicators during the financial year ended 31st March, 2012. :

(₹ in lacs)

Total Income	: 1,039.98
Expenses	: 579.64
Profit	: 460.34
EPS (₹)	: 4.46
P/E Ratio (times)	: 7.45
Total Assets	: 4,721.09

5. Export performance and net foreign exchange collaborations : Not Applicable.
No foreign collaborations.
6. Foreign investments or collaborators, if any : As on 31st March, 2012, the foreign shareholding in the company is 6,21,883 Equity Shares of ₹ 10/- each representing 8.86 % of the total capital.

II. Information about Shri Uday S. Patil, Whole-Time Director:

1. Background Details:

Uday S. Patil is a Science graduate with a Law Degree and also a certified Associate of Indian Institute of Bankers. An exbanker with rich hands-on experience on various fields of Banking and Investment Banking.

2. Past remuneration:

For the Financial year 2011-2012, total remuneration of Shri. Uday S. Patil was ₹ 38,92,860/-

3. Recognition or awards

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

4. Job profile and his suitability:

Shri Uday S. Patil has been with the Company since 1994. He has been the member of Board of Directors since September, 1997. He is having 3 decades of experience in various fields of Commercial Banking & Investment Banking. He is instrumental in forming various processes/procedures for the company as a whole & for Merchant Banking activities of the company



which is a core business of the company. His immense contribution as Director (Investment Banking) has helped the company to execute & complete many transactions such as IPOs, Rights Issues, Buy Back, Takeovers etc. The execution capabilities & developing the team with capacities to handle transactions of various nature has been one of the strengths of Shri Uday S. Patil. He is best suited for the job profile and has been a force to reckon with.

5. Remuneration proposed:

The remuneration of Shri Uday S. Patil is set out above.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Shri Uday S. Patil, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Other than the remuneration stated above, Shri Uday S. Patil has no other pecuniary relationship directly or indirectly with the company.

III. Other Information

1. Reason of loss or inadequate profits

The company has reported PAT of ₹ 312.80 lacs. The company being engaged in Merchant Banking/Corporate Advisory Services, the performance of the company is directly related to the status of capital market and more particularly primary market segment. The income is earned on completion of various assignments.

2. Steps taken or proposed to be taken for improvement

The company has well defined growth strategy wherein focus on completion of various assignments is laid. The effort to complete the transactions within the said timelines is on. The execution team has been assigned structured timelines to adhere.

3. Expected increase in productivity and profits in measurable terms.

The company expects to increase the productivity and profit considerably. Various mandates at various stages of execution are reviewed from time to time to complete. As a result company expects to improve both the top line and the bottom line growth.

IV. Disclosures

The remuneration details of Shri Uday S. Patil, Whole-Time Director is as given in the explanatory statement.

The Board recommends the passing of the Special Resolution as set out in Item No. 2 of the accompanied notice. None of the Directors except Shri Uday S. Patil are concerned or interested in the resolution.

By order of the Board of
For Keynote Corporate Services Limited

Place : Mumbai
Date : 7th February, 2013

Sd/-
B. Madhuprasad
Vice-Chairman

CERTIFIED TRUE COPY
FOR KEYNOTE CORPORATE SERVICES LTD


DIRECTOR

