

To,
The Members of Keynote Capitals Ltd.
 Dear Shareholder,

Your Directors are pleased to present the 16th Annual Report and Audited Statement of the Company for the year ended 31st March, 2011.

The financial results are summarized as below:-

	Year ended 31.03.2011	(Rs. in Lacs) Year ended 31.03.2010
Total Income	1256.10	1004.88
Profit before depreciation	131.21	256.78
Less : Depreciation	57.63	33.27
Profit before Tax	73.58	223.51
Provision for Taxation:		
- Current Tax	42.33	33.00
- Deferred Tax Liability/(Asset)	(14.92)	4.01
Profit after tax	46.17	186.50
Less: Short Provision	---	3.83
Profit brought forward from Previous Year	1045.06	862.39
Surplus carried forward	1091.22	1045.06

DIVIDEND

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

BUSINESS ACTIVITIES

Your company continues thrust on growing in the retail space keeping in mind the long term advantage of a strong network of own branches and franchisees. The capital markets has been witnessing decreasing volumes and lower brokerages and that remains a concern. In spite of these concerns your team is motivated for a larger market share..

FIXED DEPOSIT

The Company has neither invited nor accepted any Fixed Deposits from the Public during the year under review.

PARTICULARS OF EMPLOYEES

There are no employees in receipt of remuneration as specified by Sec 217(2A) of the companies Act, 1956, read with the companies (Particulars of Employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE.

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 & Technology absorption in form B prescribed by the rules. The Company not being a manufacturing Company is advised that form A & B are not applicable to it.

During the year company has incurred Rs.15.57 lacs towards expenditure and earned Rs.15.47 lacs service income in foreign exchange.

KEYNOTE CAPITALS LTD.

4th Floor, Balmer Lawrie Bldg., 5, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.
 Tel. : +91-22-30266000-03 / 91-22-22671321 / 22694322/24 • Fax : 91-22-2269 4323
 E-mail : kcl@keynoteindia.net

TAX PROVISION

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

KEYNOTE

AUDIT COMMITTEE

The Audit Committee has the powers and functions as delegated by the board from time to time in line with the provisions of the Companies Act, 1956.

The terms of reference of the audit committee include approving and implementing the audit procedure and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. Meetings are scheduled well in advance. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2011.

The committee reviews the reports of the statutory auditors along with the comments and action taken reports of the management. The audit committee also invites senior executives, as it considers appropriate to be present at the meetings of the committee. All the meetings of the committee were attended by all the members.

Directors Responsibility Statement

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

- i. in the preparation of annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished.
- ii. Accounting policies as listed in Schedule 'P' 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, 2011 and of the Profit or Loss of the Company for the Accounting Year ended on that day.
- iii. Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of this act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities
- iv. the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr Shiv Kanodia, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Directors recommend his re-appointment.

AUDITORS

M/s.K.K.Bhageria & Co. Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment as Auditors of the Company. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year ending 31st March, 2010.

COMPLIANCE CERTIFICATE

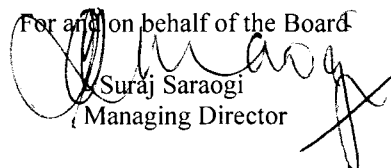
In terms of Section 383A of the companies Act, 1956, compliance certificate for the year under review is attached.

AUDITOR'S OBSERVATIONS

Auditors Report contains only routine observations and therefore, does not call for any special comments.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from the Banks, Financial Institutions, Mutual Funds, Securities and Exchange Board of India (SEBI), Central Depository Services (I) Ltd. (CDSL), National Stock Exchange (NSE), The Stock Exchange, Mumbai (BSE) and Over the Counter Exchange of India (OTCEI), last but not the least the clients and employees of the Company.

For and on behalf of the Board

Suraj Saraogi
Managing Director

Place : Mumbai
Date: 24th August 2011

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AUDITOR'S REPORT

To the Members of
Keynote Capitals Limited.

1. We have audited the attached Balance Sheet of Keynote Capitals Ltd. as at 31st March, 2011 and the related Profit and Loss Account and Cash Flow for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;



- e) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are, prima-facie, as on 31st March, 2011 disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

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



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

Place : MUMBAI

Date : **24 AUG 2011**



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (3) of our Report of even date to the members of Keynote Capitals Limited on the financial statements for the year ended 31st March 2011)

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories:
 - a) As explained to us the stock of shares & securities have been physically verified by the Management at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3) (i) According to the information and explanations given to us, the Company has not granted any loans to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, requirements of sub-clause (b), (c) and (d) of paragraph 4(iii) of the Order are not applicable.

(ii) According to the information and explanations given to us, the Company has taken interest free loans from three parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.17.02 crores and the year end balance of such loans taken was Rs.4.68 crores. There is no stipulation regarding repayment of such loans.



- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and purchase and sale of securities. During the course of our audit, we have not observed any major weaknesses in the internal control system.
- 5) In respect of transactions covered under section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanation given to us, there are no transaction in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/-(Rupees five lacs) or more in respect of any party.
- 6) The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956.
- 7) In our opinion, the Company has an Internal Audit system commensurate with its size and nature of its business.
- 8) We are informed that the maintenance of cost records which has been prescribed under section 209(1) (d) is not applicable to the Company.
- 9) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax and other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.
- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- 12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.



- 13) We have been informed that the provisions of any special statute applicable to Chit Fund, Nidhi / Mutual benefit fund / society do not apply to the Company. Therefore, clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- 14) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other securities are in the name of the Company.
- 15) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) The Company has raised Rs. 17.02 lacs as term loan during the year. The term loan taken during the year and term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
- 17) According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized funds raised from short term sources towards repayment of long term borrowings and acquisition of fixed assets.
- 18) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19) As the Company has not issued any debentures, Therefore clause 4(xix) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

Place : Mumbai

Date : 24 AUG 2011



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

(K.K. BHAGERIA)

Partner

Membership No. 33505

KEYNOTE CAPITALS LIMITED

STANDALONE BALANCESHEET AS ON 31ST MARCH,2011

(Figures in Rs.)

	Schedule No.	AS AT 31.03.2011	AS AT 31.03.2010
I. SOURCES OF FUNDS:			
1. Shareholders' Funds:			
(a) Share Capital	A	100,000,000	100,000,000
(b) Reserves & Surplus	B	146,622,398	142,005,339
		246,622,398	242,005,339
2. Loan Funds:			
(a) Secured Loans	C	2,374,605	2,433,577
(b) Unsecured Loans		46,858,302	35,089,859
		49,232,907	37,523,436
3. Deferred Tax Liability		2,792,398	4,283,957
TOTAL		298,647,703	283,812,732
II. APPLICATION OF FUNDS:			
1. Fixed Assets:			
Gross Block	D	73,332,389	67,604,433
Less:Accumulated Depreciation and impairment		19,930,550	15,970,616
Net Block		53,401,840	51,633,817
Capital Work-In-Progress		60,747,188	60,747,188
		114,149,028	112,381,005
2. Investments			
	E	37,143,152	40,200,820
3. Current Assets, Loans & Advances:			
(a) Sundry Debtors	F	47,834,842	89,303,019
(b) Cash & Bank Balances	G	127,499,019	172,472,316
(c) Stock-In- Trade	H	479,375	479,375
(d) Loans & Advances	I	89,355,282	104,390,039
Total (A)		265,168,518	366,644,749
Less: Current Liabilities & Provisions			
(a) Current liabilities	J	91,367,968	217,835,084
(b) Provisions	K	26,445,027	17,578,758
Total (B)		117,812,995	235,413,842
Net Current Assets (A-B)		147,355,523	131,230,907
TOTAL		298,647,703	283,812,732
Notes to the Accounts	P	"the scheduled referred to above form an integral part of the balance sheet"	

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

FOR K.K.BHAGERIA & CO.

Firm Registration No. 101106W

Chartered Accountants

(Signature)



K.K.BHAGERIA

Partner

Membership No. 33505

For KEYNOTE CAPITALS LIMITED

(Signature)

SURAJ SARAOGI

Managing Director

VINEET SUCHANTI

Director

Place : Mumbai

Date : **24 AUG 2011**

KEYNOTE CAPITALS LIMITED

STANDALONE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

(Figures in Rs.)

	Schedule No.	FOR THE PERIOD 31.03.2011	FOR THE PERIOD 31.03.2010
I. INCOME:			
Income from Operations	L	68,198,103	68,230,252
Profit on dealing in securities	M	38,629,086	14,603,105
Other Income	N	18,783,288	17,654,991
TOTAL		125,610,477	100,488,348
II. EXPENDITURE:			
Administrative & Other Expenses	O	112,489,095	74,810,212
Depreciation /Amortization	D	5,763,050	3,326,648
		118,252,146	78,136,860
PROFIT BEFORE TAX		7,358,331	22,351,488
Provision for tax:			
Current Tax		4,221,822	3,300,000
Wealth Tax		11,010	-
Short provision for tax in respect of earlier years		-	383,845
Deffered Tax (Assets) / Liability		(1,491,559)	401,346
PROFIT AFTER TAX		4,617,059	18,266,297
Surplus Brought forward from Previous Year		104,505,339	86,239,042
Surplus available for appropriation		109,122,398	104,505,339
Appropriation			
Balance Transferred to Balance Sheet		-	-
		109,122,398	104,505,339
Weighted Average Number of Equity Shares		10,000,000	7,812,500
Basic and Diluted Earning per share		0.46	2.39
Notes to the Accounts	P		
"the scheduled referred to above form an integral part of the profit & loss"			

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

FOR K.K.BHAGERIA & CO.

Firm Registration No : 101106W

Chartered Accountants,

K.K.BHAGERIA

Partner

Membership No:33505



For KEYNOTE CAPITALS LIMITED

SURAJ SARAOGI
Managing Director

VINEET SUCHANTI
Director

Place : Mumbai

Date : **24 AUG 2011**

KEYNOTE CAPITALS LIMITED

Schedules Annexed to and forming part of the Balance Sheet as at 31ST March 2011

	AS AT 31.03.2011 Amount in Rs.	AS AT 31.03.2010 Amount in Rs.
SCHEDULE 'A'		
SHARE CAPITAL:		
AUTHORISED SHARE CAPITAL:		
150,00,000 Equity Shares of Rs 10/- each	150,000,000	100,000,000
(Previous year 100,00,000 Equity shares of Rs. 10/- each)		
Total	150,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
100,00,000 Equity Shares of Rs 10/- each fully paid up	100,000,000	100,000,000
(Previous year 100,00,000 Equity shares of Rs. 10/- each fully paid up)		
Total	100,000,000	100,000,000
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Profit & Loss Account	109,122,398	104,505,339
SECURITIES PREMIUM :		
As per last Balance Sheet	37,500,000	-
Add: Received during the year	-	37,500,000
Total	146,622,398	142,005,339
SCHEDULE 'C'		
SECURED LOANS		
ICICI Bank Ltd.	810,848	2,112,229
(Secured by hypothecation of motor car)		
Tata Capital Ltd	1,393,500	-
(Secured by hypothecation of motor car)		
Axis Bank Ltd	170,257	321,348
(Secured by hypothecation of motor car)		
Total	2,374,605	2,433,577
SCHEDULE 'F'		
SUNDRY DEBTORS		
<i>(Unsecured considered good unless otherwise stated)</i>		
I. Debts outstanding for a period exceeding 6 months:	5,768,363	4,831,232
II. Other Debts	42,066,479	84,471,787
Total	47,834,842	89,303,019
SCHEDULE 'G'		
CASH & BANK BALANCES		
Cash in Hand	1,145,602	1,110,192
Balance With Scheduled Banks		
In Current Accounts	14,143,535	58,139,947
In Fixed Deposits Accounts	112,209,882	113,222,177
Total	127,499,019	172,472,316



KEYNOTE CAPITALS LIMITED

**SCHEDULE 'D'
TANGIBLE FIXED ASSETS**

Sr. No.	Description	Rate Of Dep. (SLM)	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK		
			As at 01.04.2010	Additions During the Year	Deductions / Adjustments	As at 31.03.2011	Upto 01.04.2010	Provided During the Year	Deductions / Adjustments	Impairment (see note)	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	BSE Membership Trading Right		35,957,108	-	-	35,957,108	-	-	-	-	-	35,957,108	35,957,108
2	OTC Membership Card		2,200,000	-	-	2,200,000	-	-	-	-	-	2,200,000	2,200,000
3	Premises	1.63%	2,468,375	-	2,468,375	-	125,224	35,164	160,388	-	-	(0)	2,343,151
4	Motor Car	9.50%	8,708,661	2,126,598	2,455,322	8,379,937	2,050,859	961,217	1,107,723	-	1,904,352	6,475,584	6,657,802
5	Computers	16.21%	15,408,227	5,033,324	-	20,441,551	13,227,814	3,881,138	-	-	17,108,952	3,332,599	2,180,413
6	Furniture & Fixtures	6.33%	1,499,304	560,142	381,956	1,677,490	298,458	116,699	381,956	103,514	136,715	1,540,775	1,200,846
7	Office Equipment	4.75%	766,199	133,048	421,353	477,894	221,623	39,518	409,700	192,641	44,082	433,812	544,577
8	Air Conditioner	4.75%	551,559	207,200	51,600	707,159	23,520	28,926	51,600	37,351	38,197	668,962	528,039
9	Electrical Fittings	4.75%	45,000	-	45,000	-	23,118	2,137.50	45,000	19,745	-	-	21,883
Total (A) Rs.			67,604,433	8,060,312	5,823,606	69,841,139	15,970,616	5,064,800	2,156,367	353,251	19,232,300	50,608,839	

INTANGIBLE FIXED ASSETS

Sr. No.	Description	Rate Of Dep. (SLM)	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK		
			As at 01.04.2010	Additions During the Year	Deductions / Adjustments	As at 31.03.2011	Upto 01.04.2010	Provided During the Year	Deductions / Adjustments	Impairment (see note)	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Computer Software - Intangible	20.00%	-	3,491,250	-	3,491,250	-	698,250	-	-	698,250	2,793,000	-
Total (B) Rs.			-	3,491,250	-	3,491,250	-	698,250	-	-	698,250	2,793,000	-
Grand Total (A+B) Rs.			67,604,433	11,551,562	5,823,606	73,332,389	15,970,616	5,763,050	2,156,367	353,251	19,930,550	53,401,839	-
Previous Year			63,899,847	3,704,586	-	67,604,433	12,643,969	3,326,648	-	-	15,970,617	-	51,633,819

Note : In accordance with the provision of the Accounting Standard - 28 on Impairment of Assets notified by the Companies (Accounting Standard) rules 2006, the Company has identified certain fixed assets that were impaired mainly on account of economic performance and viability of such assets which does not have in use. Accordingly during the current year an impairment loss of Rs.3,53,251/- has been recognised in profit and loss account.



KEYNOTE CAPITALS LIMITED

**SCHEDULE 'E'
INVESTMENTS**

SCRIP	AS AT 31.03.2011		AS AT 31.03.2010	
	QUANTITY	AMOUNT AT COST Rs.	QUANTITY	AMOUNT AT COST Rs.
QUOTED				
I)Equity Shares				
Aptech Ltd	3,320	717,120	-	-
		717,120	-	-
II)Mutual Fund				
Axis Equity Fund (Dividend payout)		200,000	-	200,000
L & T Mutual Fund-Monthly Income Plan		1,551,949	-	-
		1,751,949	-	200,000
III) Bond				
8.20% GOI 2022		-	-	1,627,962
9.50% SBI 2025		366,225	-	-
		366,225	-	1,627,962
UNQUOTED:				
Maya Entertainment Limited	-	-	32,000	415,000
Future Venture Ltd	2,000,000	20,000,000	2,000,000	20,000,000
R R High Energetic Ltd	100,000	5,000,000	100,000	5,000,000
Olympia Industries Ltd.	88,300	794,700	88,300	794,700
Keynote Commodities Ltd	350,000	3,500,000	350,000	3,500,000
Arteries Insurance Broking Ltd	500,000	5,000,000	500,000	5,000,000
Arteries Investors Services Pvt.Ltd	-	-	500,000	3,650,000
Bombay Stock Exchange Ltd	13,158	13,158	13,158	13,158
Aggregate Cost of Unquoted Investments		34,307,858		38,372,858
Aggregate Cost of Quoted Investments		2,835,294		1,827,962
Aggregate Cost of Investments		37,143,152		40,200,820

Market value of Qouted Investments

NOTE : Since all investments are considered as Long term Investments any diminution in value there of is considered to be of temporary nature and is therefore not provided for.



KEYNOTE CAPITALS LIMITED

SCHEDULE 'H'

STOCK-IN-TRADE

(As certified by the Management)

(At Cost or Market Value, whichever is lower)

SL. NO.	SCRIP	AS AT 31.03.2011		AS AT 31.03.2010	
		QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
QUOTED EQUITY SHARES					
1	Zenith Global Consultants Ltd.	36,875	479,375	36,875	479,375
	Total		479,375		479,377



KEYNOTE CAPITALS LIMITED

Schedules Annexed to and forming part of the Balance Sheet as at 31ST March 2011

	AS AT 31.03.2011 Amount in Rs.	AS AT 31.03.2010 Amount in Rs.
SCHEDULE 'I'		
LOANS & ADVANCES: (Unsecured Considered Good)		
Advances Recoverable in cash or in kind	35,054,042	46,079,661
Deposits with Government and other bodies	32,747,044	41,622,665
Advance Tax and Tax Deducted at Source	21,554,196	16,687,714
Total	89,355,282	104,390,039

SCHEDULE 'J'

CURRENT LIABILITIES

Creditors For Expenses	10,661,432	8,390,681
Sundry Creditors	80,706,536	244,534,262
Total	91,367,968	252,924,943

SCHEDULE 'K'

PROVISIONS:

Provision for Taxation	21,811,590	17,578,758
Provision for Employee Benefits:		
Gratuity	1,061,593	-
Leave encashment	670,219	-
Bonus	2,901,626	-
Total	26,445,027	17,578,758

SCHEDULE 'L'

INCOME FROM OPERATIONS

Income from Stock Exchange Activity	39,323,711	29,204,249
Dividend Income	134,161	918,259
Interest Income	6,342,290	341,584
Profit on sale of Investment	436,140	15,123,810
Profit on Sale of Mutual Fund	2,001	-
Profit on Sale of GOI Securities	28,017	-
International Advisory Income	1,346,968	8,000,899
Depository Income	1,915,688	711,792
Primary Market Business	18,669,127	13,929,659
Total	68,198,103	68,230,252

SCHEDULE 'M'

PROFIT FROM TRADING IN SECURITIES

Sales	564,156,579	17,147,088,404
Closing Stock	479,375	479,375
	564,635,954	17,147,567,779
Less: Purchases	525,527,493	17,092,890,949
Opening Stock	479,375	40,073,726
Total	38,629,086	14,603,105



KEYNOTE CAPITALS LIMITED

Schedules Annexed to and forming part of the Balance Sheet as at 31ST March 2011

	AS AT 31.03.2011 Amount in Rs.	AS AT 31.03.2010 Amount in Rs.
SCHEDULE 'N'		
OTHER INCOMES		
Profit on Sale of Premises	692,013	-
Interest Income on Fixed Deposit	7,972,837	13,821,002
Misc. Income	10,118,438	3,833,989
	<u>18,783,288</u>	<u>17,654,991</u>
 SCHEDULE 'O'		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Publicity	1,958,559	90,047
Annual Maintenance Charges	392,920	373,358
Audit fees	475,000	170,000
Bank Charges & Guarantee Commission	813,618	940,002
Books & Periodicals	23,919	11,471
Business Promotion Expenses	783,307	806,279
Demat Charges	384,831	416,080
Car Expenses	391,114	257,422
Computer Expenses	193,413	347,777
Director Remuneration	2,961,000	2,520,000
Donation	2,047,000	44,500
Electricity Charges	1,221,046	940,015
Employers Contribution to Provident Fund & ESIC	4,095,809	2,204,710
General Expenses	410,815	132,218
Insurance Charges	199,148	424,929
Interest on Car Loan	265,076	343,641
Impairment of Assets	353,251	-
Bank Interest	952,155	904,816
Other Interest	693,960	809,501
Legal & Professional Charges	3,311,476	5,476,765
Loss on Sale of Securities -Debt	237,599	287,500
Loss on Sale of Motor Car	797,599	-
Loss on Sale of Office Equipment	10,453	-
Marketing Expenses	2,898,189	-
Miscellaneous Expenses	371,461	313,808
NSE,BSE,SEBI Registration, Clearing & Turnover Expenses	1,483,437	2,744,875
Postage/telegraph & Courier	361,579	170,717
Printing & Stationary	1,021,254	493,051
Professional Tax	2,500	2,500
Rent,Rates & Taxes & Licence fees	10,128,158	5,466,046
Repairs & Renewals	2,195,690	1,489,526
Salary & Wages	53,425,762	25,240,635
Security Transaction Tax	479,120	8,214,033
Membership & Subscription Fees	2,185,428	2,222,248
Staff Welfare Expenses	953,220	813,916
Service Tax Expenses	2,812,230	2,881,126
Stamp Duty & Stamp Expenses	3,017,583	1,544,514
Sundry Balances written off	118,613	632,941
Telephone & Communication Expenses	3,593,858	1,742,787
Travelling & Conveyance Expenses	4,467,949	3,336,462
Total	<u>112,489,095</u>	<u>74,810,212</u>



STAND ALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011
(Pursuant to Listing Agreement With Stock Exchange)

(Figures in Rs.)

	Year Ended 31 March, 2011	Year Ended 31 March, 2011	Year Ended 31 March, 2010	Year Ended 31 March, 2010
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary items		7,358,331		22,351,488
Adjustment For :				
Depreciation / Amortisation	5,763,050		3,326,648	
Loss on sale of investments	237,599		287,500	
Profit on sale of investments	(466,158)		(15,123,810)	
Provision for Leave Encashment	670,219		-	
Provision for Gratuity	1,061,593		-	
Provision for Bonus	2,901,626		-	
Impairment of Assets	353,251		-	
Profit on sale Fixed Assets	(692,013)		-	
Loss on sale of Fixed Assets	808,052		-	
Interest Paid	1,911,191		2,057,958	
Dividend Income	(134,161)		(918,259)	
Interest Income	(14,315,127)		(14,162,586)	
		(1,900,879)		(24,532,550)
Operating profit before working capital changes		5,457,452		(2,181,062)
Adjustment For :				
Decrease in Trade and other receivables	41,468,177		5,798,383	
Inventory	-		39,594,351	
Decrease in Loans & advances	15,034,757		180,738,294	
Increase in Provisions	-		(5,394,941)	
Decrease in Trade payables.	(126,467,117)	(69,964,182)	(2,992,073)	217,744,014
NET CASH FROM OPERATING ACTIVITIES		(64,506,729)		215,562,950
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(11,551,562)		(3,704,586)	
Sale of Fixed Assets	3,551,200		-	
Purchase of Investments	(2,635,294)		(21,827,962)	
Sale of Investments	5,921,521		34,847,112	
Interest Received	14,315,127		14,162,586	
Dividend Received	134,161		918,259	
Capital Advance for Purchase of Premises	-		(60,747,188)	
NET CASH FROM INVESTING ACTIVITIES		9,735,152		(36,351,777)
CASH FLOW FROM FINANCING ACTIVITIES:				
Allotment of Equity Share Capital			62,500,000	
Interest paid	(1,911,191)		(2,057,958)	
Loan taken / (Paid)	11,768,443		(85,553,223)	
Proceeds from borrowings	-		-	
Repayment of borrowings	(58,972)		(201,531,802)	
NET CASH FROM FINANCING ACTIVITIES		9,798,280		(226,642,983)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(44,973,297)		(47,431,810)
Cash and cash equivalents as at 31st March,2010 (Opening Balance)		172,472,316		219,904,126
Cash and cash equivalents as at 31st March,2011 (Closing Balance)		127,499,019		172,472,316



NOTES TO THE CASH FLOW STATEMENT


1. The above Cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard 3, 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
2. Figures in bracket indicate cash outgo / income.
3. Previous year's figures have been regrouped and rearranged wherever necessary to confirm to the current year classification.
4. Cash and Cash Equivalents represent:

Cash	1,145,602	1,110,192
With Banks		
-Current Accounts	14,143,535	58,139,947
-Fixed Deposits	112,209,882	113,222,177
Total cash and cash equivalents	<u>127,499,019</u>	<u>172,472,316</u>

"As per our report of even date attached"

For K.K. BHAGERIA & CO.

Firm Registration No : 101106W
Chartered Accountants



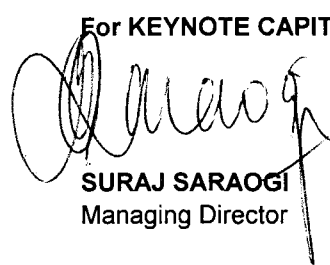
K. K. BHAGERIA

Partner

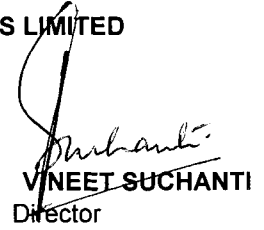
Membership No : 33505



For KEYNOTE CAPITALS LIMITED



SURAJ SARAOGI
Managing Director



VINEET SUCHANTI
Director

Place : Mumbai

Date: 24 AUG 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 'P': NOTES TO THE FINANCIAL STATEMENTS

[1] SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF PREPARATION:

The Financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with generally accepted accounting principles in India and comply with the Accounting Standards specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards (NACAS) and applicable relevant provisions of the Companies Act, 1956.

(b) USE OF ESTIMATES:

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

(c) REVENUE RECOGNITION:

(i) Brokerage

(a) Primary Market: Income under this head is recognised as and when credit advice is received from the party.

(b) As a broker: Income under this head is recognised on the date of settlements.

(ii) Dividend income is recognised on receipt basis.

(iii) Interest Income is generally recognised on a time proportion method

(d) FIXED ASSETS AND CAPITAL WORK IN PROGRESS :

Fixed assets, both tangible and intangible, are stated at cost of acquisition or at revalued amount less accumulated depreciation and impairment, if any. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the assets to its working condition for intended use.

Capital work-in-progress is stated at cost comprising of direct cost and related incidental expenditure. The advances given for acquiring / construction for Fixed Assets are shown under CWIP.



(e) DEPRECIATION AND AMORTIZATION:

Depreciation on tangible fixed assets are provided on straight-line method and in the manner specified in Schedule XIV to the Companies Act, 1956. The annual depreciation rates are as under :

Assets Description	Depreciation Rate (%)
Office Equipment	4.75 %
Vehicles	9.50 %
Premises	1.63 %
Furniture & Fixtures	6.33 %
Computers	16.21 %

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

The management estimates the useful lives of intangible assets viz. Computer software, of five years and expect economic benefits from such assets to be consumed evenly over the period of its useful life. Accordingly, intangible assets are amortized over a period of five years on straight line basis.

(f) FOREIGN CURRENCY TRANSACTION:

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 Profit and Loss account.

(g) INVESTMENTS :

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at lower of cost and fair value.

(h) EMPLOYEE BENEFITS:

- i. Provident Fund is a defined contribution scheme and the contributions as required by the Statute are charged to the Profit and Loss Account as incurred.
- ii. Gratuity Liability is a defined benefit plan. The amount of Gratuity payable as per the actuarial valuation is deposited with the Group Gratuity Assurance Scheme of Life Insurance Corporation of India. The liability of gratuity is provided in the accounts on the basis of actuarial valuation as at the year end.



- iii. The employees of the company are entitled to compensated absences and leave encashment as per the policy of the Company. The liability in respect thereof is provided every year.

(i) BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of the asset. Other borrowing cost is recognized as an expense in the period in which they are incurred.

(j) OPERATING LEASES:

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

(k) EARNING PER SHARE :

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

(l) TAXES ON INCOME:

- i. Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- iii. Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

(m) IMPAIRMENT OF ASSETS :

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



(n) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

[2]. NOTES ON ACCOUNTS

a. CAPITAL COMMITMENT :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 3,96,25,000 /-

b. CONTINGENT LIABILITIES NOT PROVIDED FOR:

i) Guarantee given by the Company to National Stock Exchange amounting to Rs. 25 lacs towards NSE operations and to Bombay Stock Exchange amounting to Rs. 75 lacs towards BSE operations.

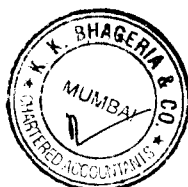
ii) The Income Tax department has filed an appeal before the Income Tax appellate tribunal against the order passed by the Commissioner of Income Tax appeal order No.CIT(A)-XIV / 4(3)-2/IT.10/05-06 dated 09/04/2007 allowing the depreciation on BSE card amounting to Rs. 46,17,507 for the assessment year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

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

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

**e. INCOME AND EXPENDITURE IN FORIEGN CURRENCY TRANSACTION
(Rs.in Lakhs)**

Particulars	2010-2011	2009-2010
Service Income	15.47	80.01
Less: Expenditure	15.57	08.04
Profit/(Loss)	(0.10)	71.97



f. AUDITORS REMUNERATION (Excluding Services Tax):

		Year ended 31 st March, 2011 (Rs. in Lakhs)	Year ended 31 st March, 2010 (Rs. in Lakhs)
(i)	Statutory Audit Fees	4.00	1.50
(ii)	Tax Audit Fees	0.50	0.40
(iii)	Income Tax Matters	0.25	0.15
(iv)	As Advisor or in any other capacity in respect of:		
	- Certification Work	0.25	0.20
	- Out of Pocket Expenses	0.55	0.10
		5.55	2.35

g. MANAGERIAL REMUNERATION:

(1) Details of Remuneration Paid:

Sr. No.	Particulars	Year ended 31 st March, 2011 (Rs. in lakhs)	Year ended 31 st March, 2010 (Rs. in lakhs)
i)	Salaries	29.61	25.20
ii)	Contribution to Provident and Superannuation Fund	2.67	2.27
	TOTAL	32.28	27.47

*Excluding contribution to Gratuity Fund and provision for Leave Encashment, as separate figures cannot be quantified.

(2) The Company has paid excess remuneration of Rs. 51,000/- as per the limits prescribed in Schedule XIII read with section 269 of the Companies Act, 1956. The said remuneration was approved by the shareholders in the Extra Ordinary General Meeting held on 08th February 2011 and the company has made a delayed application to the Central Government on 06th May 2011 for approval of the said excess remuneration paid to the Managing Director, Mr. Suraj Saraogi in pursuant to provision of section 198, 269, 309, 310 read with Schedule XIII and all other provisions if any, of the Companies Act, 1956. The said application is still pending for approval with the Central Government.

(3) Computation of Net Profit in accordance with Section 198 & 349 of the Companies Act, 1956 for the calculation of the Remuneration payable to the Directors:

Particulars	(Rs. in Lakhs)			
	2010-2011		2009-2010	
Profit for the year Before Tax		73.58		223.51
Add: Managerial Remuneration	32.28		27.47	
Loss on sale of Investments	2.38		2.88	
Loss on sale of Fixed asset	8.08		Nil	
Impairment of assets	3.53	46.27	Nil	30.35
		119.85		253.86
Less: Profit on sale of Investment	4.66		151.24	
Profit on sale of Fixed Asset	6.92	11.58	Nil	151.24
Net Profit under Section 349 of the Companies Act, 1956		108.27		102.62



- h. In compliance with Accounting Standard (AS 22) relating to "Accounting in Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI) effective from 1st April, 2001, the Company has accounted for deferred tax during the year. The components of deferred tax assets to the extent recognised and deferred tax liability as on 31st March, 2011 are as follows:

Particulars	2010-2011	2009-2010
Deferred tax Liability as on 1st April, 2010	42,83,957	38,82,611
Difference between book and tax depreciation	1,64,894	4,01,346
Total Deferred Tax Liability (A)	44,48,851	42,83,957
Deferred Tax Asset as on 1st April, 2010		
Difference between book and tax depreciation	NIL	NIL
Expenses Disallowed as per Section 43B of Income Tax Act, 1961	15,39,112	NIL
Others	1,17,341	NIL
Total Deferred Tax Assets (B)	16,56,453	NIL
Net deferred tax Liability / (Asset) as on 31st March, 2011	27,92,398	42,83,957

i. Computation of Basic and Diluted Earnings Per Share:

Particulars	2010-2011	2009-2010
Profit After Tax	46,17,059	1,82,66,297
Numerator used for calculating Basic Earning Per Share(EPS)	46,17,059	1,82,66,297
Calculation of Weighted average number of equity shares:		
No. Of equity shares at the beginning of the year	1,00,00,000	75,00,000
No. Of equity shares issued during the year	NIL	25,00,000
No. Of equity shares outstanding as on 31 st March, 2011	1,00,00,000	1,00,00,000
Denominator used for calculating Basic EPS	1,00,00,000	78,12,500
Basic EPS as on 31st March, 2011	0.46	2.39

j. SEGMENT DISCLOSURE

Business Segment – Segment is made on the basis of products / services, which are exposed, to different risk and returns.

Geographical Segment – Segment is made on the basis of its operations in different geographical areas, which are exposed, to different risk and returns.



As per "Accounting Standard 17" on Segment reporting there is neither more than one Business Segment nor more than one Geographical Segment. Hence Segment information is not required to be disclosed.

K. RELATED PARTY DISCLOSURE:

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

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

i) Holding Company:

Keynote Corporate Services Ltd.

ii) Subsidiary Companies:

Keynote Commodities Limited

Arteries insurance Broking Limited

iii) Key Management Personnel:

Mr. B.Madhuprasad

Mr. Uday S.Patil

Mr. Vineet Suchanti

Mr. Suraj Saraogi

iv) Relatives of Key Management Personnel:

Pushpa Suchanti

Rita Suchanti

Rinku Suchanti

Om Prakash Saraogi

Om Prakash Saraogi (HUF)

Sharda Saraogi

Sonali Saraogi

v) Other related parties:

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

Prudential Assets & Capital Management Ltd.

Cosy Mercantile Ltd.

Keynote Wealth Management Limited

Concept Communication Ltd.

Concept Production Ltd.

Gupta Builders Pvt. Ltd.

August Brand Communications Ltd

Vivek Suchanti & Co.



b) Description of the nature of transactions with the Related Parties during the year 2010-2011::

(Rs. in Lakhs)

Particulars	Holding Company	Subsidiary Company	Key Management Personnel	Related of Key Management Personnel	Other Related Parties
Purchase of goods	-	-	-	-	-
Sale of goods	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets / Investments	-	-	-	36.50	-
Rendering of services	-	-	2.15	2.58	-
Receiving of services	-	-	-	-	-
Agency arrangement	-	-	-	-	-
Finance (Including loans and equity contribution in cash or in kind)	389	17.74	-	-	79.59

Note:

Details relating to remuneration to the above Key Management Personnel have been disclosed in Note no. 'g'

I. DISINVESTMENTS:

The Company disinvested 5,00,000 Equity Shares of Rs. 7.30 each amounting to Rs.36,50,000/- of its Subsidiary Company namely Keynote Wealth Management Ltd, thereby the said Company ceased to remain Subsidiary of the Company.

m. LEASES:

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 Rs.41,53,248/- (Previous year: Rs.37,01,808)

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

Particulars	2010-2011
i) Not later than one Year	4,153.24
ii) Later than one Year and not later than five years	4,153.24
iii) Later than five years	NIL



n. EMPLOYEE BENEFITS:

Disclosure required under Accounting Standard - 15 (revised 2005) for "Employee Benefits" are as under:

A. Defined 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 Rs. 4,74,796 as a total contribution during the year (Previous Year 3,88,166).

1.	Assumption	As On 31/03/2011
	Discount Rate	8.00%
	Salary Escalation	4.00%
2.	Table Showing changes in present value of Obligation As on 31/03/2011	
	Present value of obligations as at beginning of year	20,37,356
	Interest cost	1,62,988
	Current Service Cost	3,78,697
	Benefits Paid	(3,63,462)
	Actuarial (gain)/ loss on obligations	7,02,607
	Present value of obligations as at end of year	29,18,186
3.	Table showing changes in the fair value of plan assets As on 31/03/2011	
	Fair value of plan assets at beginning of year	20,10,833.00
	Expected return on plan assets	1,82,699.00
	Contributions	4,74,796.00
	Benefits Paid	(3,63,462)
	Actuarial gain/(loss) on Plan assets	NIL
	Fair value of plan assets at the end of year	23,04,866
4.	Table showing fair value of plan assets	
	Fair value of plan assets at beginning of year	20,10,833
	Actual return on plan assets	1,82,699
	Contributions	4,74,796
	Benefits Paid	(3,63,462)
	Fair value of plan assets at the end of year	23,04,866
	Funded status	(6,13,320)
	Excess of Actual over estimated return on plan assets	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
5.	Actuarial Gain/Loss recognized as on 31/03/2011	
	Actuarial (gain)/ loss on obligations	(7,02,607)
	Actuarial (gain)/ loss for the year - plan assets	NIL
	Actuarial (gain)/ loss on obligations	7,02,607



	Actuarial (gain)/ loss recognized in the year		7,02,607
6.	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year		29,18,186
	Fair value of plan assets as at the end of the year		23,04,866
	Funded status		(6,13,320)
	Net asset/ (liability) recognized in balance sheet		NIL
7.	Expenses recognized in statement of Profit and loss		
	Current Service cost		3,78,697
	Interest Cost		1,62,988
	Expected return on plan assets		(1,82,699)
	Net Actuarial (gain)/ loss recognized in the year		7,02,607
	Expenses recognized in statement of Profit and loss		10,61,593

(b) Compensated Absences:

As per the Company's Policy, a sum of Rs. 4,41,284/- (Previous Year Rs. 17,95,243 /-) has been paid towards compensated absences; calculated on the basis of unutilised leave.

B. Defined Contribution Plans

Company's Contribution Paid / Payable during the year to Provident fund and ESIC Contribution are recognized as an Expense and included in the Schedule 'O' of the Profit & Loss Account under the Heading "Employer Contribution to the Provident Fund and ESIC" are as under:

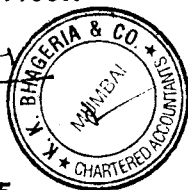
Particulars	2010-2011	2009-2010
1) Contribution to Employees Provident Fund	37,59,728	21,36,079
2) Employees State Insurance Scheme	<u>3,36,081</u>	<u>68,631</u>
Total	<u>40,95,809</u>	<u>22,04,710</u>

- o. Previous year's figures have been regrouped and /or rearranged wherever considered necessary.
- p. Other information pursuant to paragraph 3, 4C and 4D of Part - II of Schedule VI to the Companies Act, 1956 are either NIL or not applicable to the Company.

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

(K.K. BHAGERIA)
Partner

Membership No. 33505



For **KEYNOTE CAPITALS LIMITED**

SURAJ SARAOGI
Managing Director

VINEET SUCHANTI
Director

Place : Mumbai

Date : **24 AUG 2011**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**(i) Registration Details:**

Registration No. : 11-88172 of 95
 State Code : 11
 Balance Sheet Date : 31st March, 2011

(ii) Capital raised during the year: (Rs. In Thousand)

Public Issue : NIL
 Right Issue : NIL
 Bonus Issue : NIL
 Private Placement : 25,000

(iii) Position of mobilisation and deployment of funds: (Rs. In thousands)

Total Liabilities : 2,98,648
 Total Assets : 2,98,648

Sources of Funds

Paid-up capital : 1,00,000
 Share Application Money (Pending Allotment) : NIL
 Reserves & Surplus : 1,46,622
 Secured Loans : 2,375
 Unsecured Loans : 46,858
 Deferred Tax Liability : 2,792

Application of Funds

Net Fixed Assets : 53,402
 Capital Work in Progress : 60,747
 Investments : 37,143
 Net Current Assets : 1,47,356

(iv) Performance of the Company : (Rs. in thousands)

Turnover : 1,25,610
 Total expenditure : 1,18,252
 Profit before tax : 7,358
 Profit after tax : 4,617
 Earning per share : 0.46
 Dividend Rate (%) : -----

(v) Generic Names of Three Principal Products/Services of the Company:

(As per Monetary Terms)
 Brokerage commission from Primary Market operations
 Brokerage commission from Secondary Market operations
 Income from Investments

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


(K.K. BHAGERIA)

Partner

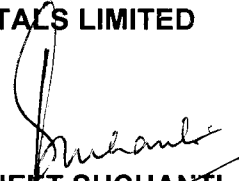
Place : Mumbai

Date : **24 AUG 2011**



For **KEYNOTE CAPITALS LIMITED**


SURAJ SARAOGI
 Managing Director


VINEET SUCHANTI
 Director