

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

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

GOVERNANCE FRAMEWORK

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

BOARD STRUCTURE:

Board Leadership:

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

Board Committees:

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

BOARD OF DIRECTORS

Composition:

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

The composition of the Board of Directors of the Company as on 31st March, 2018 is as follows:

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

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

Board Meetings held during the financial year 2017-2018.

The Board of Directors had met 4 times during the financial year 2017-2018. These meetings were held on 25th May, 2017, 11th September, 2017, 1st December, 2017 and 9th February, 2018. Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31st March, 2018, as applicable, is tabulated hereunder:

Name of the Director	No. of Board Meeting attended	Attendance at previous AGM on 23/08/2017	No. of outside Directorships held (Excluding Keynote Corporate Services Limited)	No. of Membership/ Chairmanship in other Board Committees (Excluding Keynote Corporate Services Limited)		Nature of Directorship in the Company
				Member	Chairman	
Shri B. Madhuprasad [DIN-00004632]	4	Yes	2	Nil	Nil	Non-Executive
Shri Vineet Suchanti [DIN-00004031]	4	Yes	5	6 #	3 ##	Non-Executive
Shri Uday S. Patil [DIN-00003978]	3	Yes	4	Nil	Nil	Executive
Shri Hitesh Shah [DIN-00061296]	1	Yes	1	1 *	Nil	Independent
Shri Anish Malhotra [DIN-02034366]	1	No	4	Nil	Nil	Independent
Shri Manish Desai [DIN-02925757]	4	Yes	1	Nil	Nil	Independent
Smt. Rinku Suchanti [DIN-00012903]	4	Yes	3	—	—	Executive w.e.f. 25 th May, 2017
Shri Shishir Dalal (DIN-00007008)	4	Yes	7	6 @	8 @@	Independent

Member of "Stakeholder Relationship Committee" and "Corporate Social Responsibility (CSR) Committee" of LKP Finance Limited. Member of "Audit Committee" and "Management Committee" of Keynote Capitals Limited, Member of "Management Committee" of Keynote Commodities and Keynote Fincorp Limited .

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

* Member of Audit Committee of Keynote Capitals Limited.

@ Member of "Risk Management Committee" of Windsor Machines Limited. Member of "Nomination and Remuneration Committee", "Banking and Execution Committee" "Corporate Governance Committee" and "Executive Committee" of Sustainable Agro-Commercial Finance Limited and Member of "Nomination and Remuneration Committee" of Ensemble Infrastructure India Ltd.,

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

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

INDEPENDENT DIRECTORS:

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

The shareholding of the Non-Executive Directors of the company as on 31st March, 2018 is as follows:

Name of the Director	Nature of Directorship	No. of Shares held	% to the paid up Share Capital
Shri B. Madhuprasad	Non-Executive Chairman/Promoter	48550	0.69
Shri Vineet Suchanti	Director/Promoter	11977	0.17
Shri Hitesh Shah	Independent Director	Nil	Nil
Shri Anish Malhotra	Independent Director	Nil	Nil
Shri Manish Desai	Independent Director	Nil	Nil
Shri Shishir Dalal	Independent Director	Nil	Nil

Smt. Rinku Suchanti, Whole-Time Director holds 3802 (0.05%) Equity Shares of the Company as on 31st March, 2018 and Shri Uday S. Patil, Whole-Time Director and CFO holds 2500 (0.03%) Equity Shares of the Company as on 31st March, 2018.

Board Procedures

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

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

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

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

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

Directors' Induction and Familiarization

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

- a. build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

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

Separate Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 8th February, 2018, without the attendance of Non-Independent Directors and members of the management.

Evaluation of Board Effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Part D of Schedule II of Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2018. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

COMMITTEES OF THE BOARD

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

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

AUDIT COMMITTEE

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

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

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

The previous annual general meeting (AGM) of the Company was held on 23rd August, 2017 and was attended by Shri Shishir Dalal, Chairman of Audit Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2018 are detailed below:

The Audit Committee comprises of 3 members namely Shri Shishir Dalal, Shri Hitesh Shah and Shri Manish Desai. All are Independent Directors. The Committee met 4 (four) times during the year under review. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2018.

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended upto 31 st March, 2018
1.	Shri Shishir Dalal	Chairman	Independent	4
2.	Shri Hitesh Shah	Member	Independent	1
3.	Shri Manish Desai	Member	Independent	4

The necessary quorum was present for all the meetings.

During the period Shri Hitesh Shah, Director of the Company resigned from the Board w.e.f. 28th May, 2018 and Shri Uday S. Patil, Whole-Time Director and CFO of the Company appointed as a Member of Audit Committee w.e.f. 28th May, 2018. Accordingly, Audit Committee was reconstituted as under:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri Shishir Dalal	Chairman	Independent
2.	Shri Manish Desai	Member	Independent
3.	Shri Uday S. Patil	Member	Whole-Time Director and CFO

Company Secretary of the Company acts as Secretary to the Audit Committee.

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

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

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

NOMINATION AND REMUNERATION COMMITTEE

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

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

The Committee met one (1) time during the financial year ended 31st March, 2018 on 25th May, 2017. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2018 is detailed below:

The details of Nomination and Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended upto 31 st March, 2018
1.	Shri Anish Malhotra	Chairman	Independent	—
2.	Shri B. Madhuprasad	Member	Non Executive	1
3.	Shri Hitesh Shah	Member	Independent	—
4.	Shri Manish Desai	Member	Independent	1

During the period Shri Hitesh Shah, Director of the Company resigned from the Board as well as the Member of "Nomination and Remuneration Committee" w.e.f. 28th May, 2018 and Shri Manish Desai Member of "Nomination and Remuneration Committee" appointed as a Chairman of the "Nomination and Remuneration Committee." Accordingly, "Nomination and Remuneration Committee" was reconstituted as under:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri Manish Desai	Chairman	Independent
2.	Shri Anish Malhotra	Member	Independent
3.	Shri B. Madhuprasad	Member	Non Executive

Company Secretary of the Company acts as Secretary to the "Nomination and Remuneration Committee"

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

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

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

Nomination and Remuneration Policy of the Company:

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

1. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. Identify persons who are qualified to be Directors: The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. Nominate candidates for Directorships subject to the approval of Board: The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. Approve the candidates required for Senior Management positions: The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director, CFO, Company Secretary and Executive Directors of the Company.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive compensation: The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of each financial year. The Committee shall also approve his/her/ their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.
7. Review performance and compensation of Senior Management: The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
8. Recommend to the Board, commission (if any) to the Non-Executive Directors: The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

Details of remuneration paid to Non-Executive Directors during the year 2017-18:

During the financial year ended 31st March, 2018, the Company paid ₹ 1,20,000/- (Rupees one lakh twenty thousand only) as sittings fees for attending the Board meetings to the Independent Directors and ₹ 11,22,585/- (Rupees eleven lakh twenty two thousand five hundred eighty five only) as a professional fees to Shri B. Madhuprasad, Chairman of the Company.

Details of the remuneration paid to the Executive Directors of the Company for the financial year ended 31st March, 2018 is as follows:

During the financial year ended 31st March, 2018, the Company paid to total amount ₹ 81,10,462/- (Rupees eighty one lakh ten thousand four hundred sixty two only) to Whole-Time Directors of the Company. Company has not granted any stock options to any of its Directors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

The details of “Stakeholders Relationship Committee” as on 31st March, 2018 are as follows:

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

During the period Shri Hitesh Shah, Director of the Company resigned from the Board as well as the Member of “Stakeholders Relationship Committee” w.e.f. 28th May, 2018. Accordingly, “Stakeholders Relationship Committee” was reconstituted as under:

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

Company Secretary of the Company acts as Secretary to the “Stakeholders Relationship Committee”

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

During the financial year 2017-2018 few communications were received from shareholders and Investors. These communications were of routine nature regarding duplicate shares certificates, corrections/change in address, and issuance of demand draft against dividend warrant due to expiry of the date etc and were addressed promptly.

All valid requests for share transfer received during 2017-2018 have been acted upon by the Company and no transfer/grievances/complaints are pending.

The details of the complaints resolved during the financial year ended on 31st March, 2018 are as follows:

Number of Complaints	Received	Resolved	Closing
Nil	Nil	Nil	Nil

MANAGEMENT COMMITTEE

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

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

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

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

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

GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2014-2015	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001	29 th September, 2015	10.00 a.m.
2015-2016	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001	29 th July, 2016	10.00 a.m.
2016-2017	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort,Mumbai – 400 001	23 rd August, 2017	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
29 th September, 2015	3	<ol style="list-style-type: none">1. Appointment of M/s.NMAH & Co. Chartered Accountants, Mumbai (Firm Registration No. 135966W) as Statutory Auditors of the Company.2. Appointment of Shri Shishir Dalal [DIN- 00007008] as an Independent Director of the Company for five consecutive years Commencing from 29th September, 2015.3. Re-appointment of Shri Uday S. Patil as a Whole-time Director of the Company.
29 th July, 2016	1	<ol style="list-style-type: none">1. To increase borrowing power not exceeding ₹ 200 Crores (Rupees Two Hundred Crore only) on such terms and conditions as Board may think fit.
23 rd August, 2017	—	—

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

Postal Ballot

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

Extraordinary General Meeting

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

MEANS OF COMMUNICATION**1. Publication of quarterly financial results:**

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in English and vernacular language newspapers, viz., Free Press Journal and Navshakti, Mumbai newspapers. "Limited Review" by the Statutory Auditors of the Company for the quarterly results was sent to BSE Limited and National Stock Exchange of India Limited where the shares of the company are listed. Shareholders can also access the quarterly results on the website of these exchanges where the equity shares of the company are listed (i.e. www.bseindia.com www.nseindia.com)

2. Website and News Releases:

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

3. Stock Exchange:

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

4. NEAPS (NSE Electronic Application Processing System):

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

5. BSE Corporate Compliance & Listing Centre:

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

GENERAL SHAREHOLDER'S INFORMATION**Annual General Meeting**

Date and time	: Thursday, 9 th August, 2018, 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	: 31 st March, 2018
Tentative Schedule for declaration of results during the financial year 2018-2019	
• 1 st Quarter (June, 2018)	: Second week of August, 2018.
• 2 nd Quarter (September, 2018)	: First week of November, 2018
• 3 rd Quarter (December, 2018)	: Second week of February, 2019
• 4 th Quarter (March, 2019) and Audited Financial Results for the year ended 31 st March, 2019	: Last week of May, 2019
Date of Book Closure	: From Saturday 4 th August, 2018 to Thursday, 9 th August, 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend which will be subject to approval of shareholders.

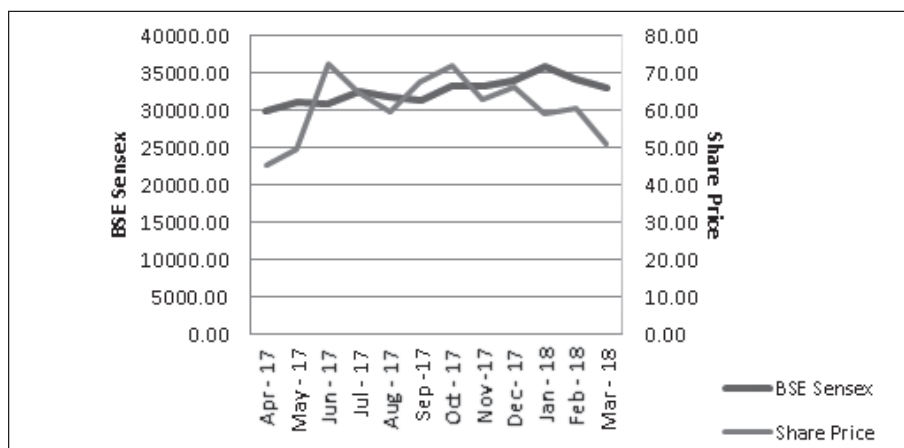
Dividend Payment date	
• Final Dividend 2017-2018 recommended by the Board of Directors at its Meeting held on 28 th May, 2018.	: After 9 th August, 2018 (Subject to approval of the shareholders)
Listing on Stock Exchange and Stock Code	: Equity Shares of the Company are listed at BSE Limited, (Scrip Code : 512597) and National Stock Exchange of India Limited, (Symbol: KEYCORPSE).
Face Value of Equity Shares	: ₹ 10/- each.

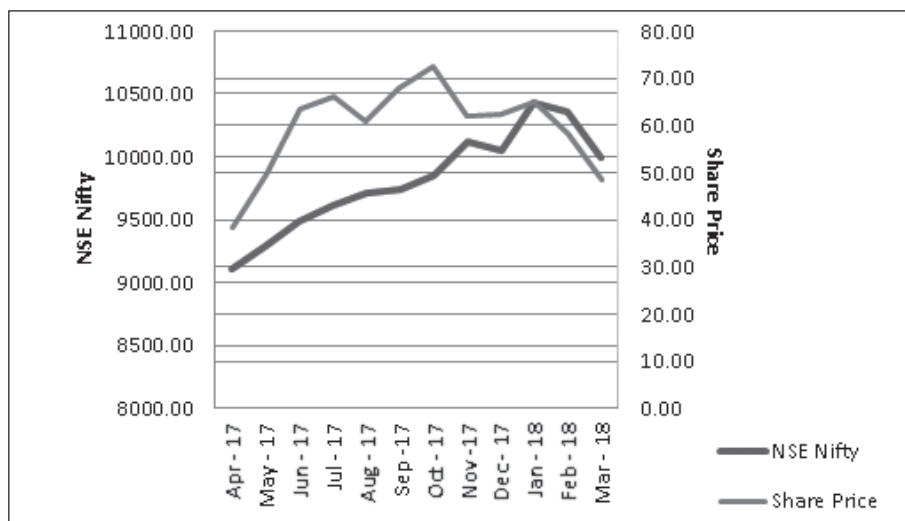
Monthly High/Low price of Equity Shares of the Company during the financial year 2017-2018 on BSE Limited and National Stock Exchange of India Limited.

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April, 2017	48.00	41.20	38.85	35.50
May, 2017	49.70	41.50	49.70	36.80
June, 2017	97.90	52.05	97.80	49.60
July, 2017	76.15	61.25	77.10	60.45
August, 2017	67.50	52.40	72.50	58.45
September, 2017	73.50	57.00	73.20	57.80
October, 2017	76.85	66.05	72.35	62.65
November, 2017	74.50	58.00	71.30	59.00
December, 2017	66.15	57.00	66.95	57.05
January, 2018	72.90	59.25	76.00	59.00
February, 2018	70.85	53.55	67.85	53.70
March, 2018	72.00	46.35	58.40	44.25

Source : BSE and NSE website

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



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

For any queries relating to the shares of the Company, correspondence may please be addressed to:

Link Intime India Pvt. Ltd.,

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Tel : (022) 4918 6000, Fax : (022) 4918 6060

www.linkintime.co.in

SHARE TRANSFER SYSTEM

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

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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 5000	1963	90.84	255093	3.63
5001 to 10000	94	4.35	75002	1.07
10001 to 20000	34	1.58	52635	0.75
20001 to 30000	26	1.20	64382	0.92
30001 to 40000	10	0.46	35036	0.50
40001 to 50000	6	0.27	27611	0.39
50001 to 100000	4	0.19	32302	0.46
100001 and above	24	1.11	6476278	92.28
TOTAL	2161	100.00	70,18,339	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	Promoter & Promoter Group :		
	(a) Individuals/Hindu Undivided Family	6,51,052	9.28
	(b) Bodies Corporate	34,11,166	48.60
	Sub Total :	40,62,218	57.88
(B)	Public Shareholding :		
	1. Institutions		
	(a) Mutual Funds	13,900	0.20
	(b) Financial Institutions/Banks	300	0.00
	(c) Foreign Institutional Investors	5,61,348	8.00
	2. Non-Institutions		
	(a) Individuals	7,22,177	10.29
	(b) Trust	14,51,902	20.69
	(c) Hindu Undivided Family	18,787	0.27
	(d) Non-Resident (Non-Repatriable)	530	0.01
	(e) Non-Resident Indians (Repat)	4,527	0.06
	(f) Clearing Members	9,223	0.13
	(g) Investor Education and Protection Fund Authority Ministry of Corporate Affairs	43,637	0.62
	(h) Bodies Corporate	1,29,790	1.85
	Sub Total :	29,56,121	42.12
	GRAND TOTAL	70,18,339	100.00

Dematerialization of Shares: 68,22,779 Equity Shares of ₹ 10/- each (i.e. 97.21%) of the total capital of the Company have been dematerialized as on 31st March, 2018.

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2018.

ADDRESS FOR CORRESPONDENCE:

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

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

National Electronic Clearing System (NECS) for dividend:

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

For shares held in physical form:

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

For shares in electronic/dematerialized form:

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

Transfer of unclaimed dividend to Investor Education and Protection Fund:

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

OTHER DISCLOSURES**a. Related Party Transactions**

During the financial year 2017-2018, the Company had no materially significant Related Party Transaction (RPT) which is considered to have potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: http://www.keynoteindia.net/document-hosting/financial_results/Keynote_Policy%20on%20Related%20Party%20Transactions.pdf

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2015-16, 2016-17 and 2017-2018 respectively:

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

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

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report

confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

e. Code of Conduct

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

The members of the Board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2018. The Annual Report of the Company contains a Certificate by the Director in terms of Regulation 34(3) and Part D of Schedule V of the Listing Regulations based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

SUBSIDIARY COMPANIES

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

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

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at [http://www.keynoteindia.net/document-hosting/financial_results/Material Subsiary Policy.pdf](http://www.keynoteindia.net/document-hosting/financial_results/Material_Subsiary_Policy.pdf)

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

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

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

Date: 28th May, 2018

Place: Mumbai