

# KEYNOTE

25  
YEARS  
OF CREATING  
VALUE  
THROUGH  
RELATIONSHIPS  
AND  
TRUST

## DIRECTOR'S REPORT

To,  
The Members Keynote Capitals Limited

Dear Shareholders,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2020.

### 1. FINANCIAL SUMMARY OF THE COMPANY:

Particulars	2019-20	2018-19
Total Income	56,020,502	44,432,726
Total Expenses	81,385,207	59,629,252
<b>Profit before Tax</b>	<b>(25,364,705)</b>	<b>(15,196,527)</b>
Provision for Taxation:		
- Current Tax	1,529,252	360,370
- Short / (Excess) provision of Taxation for Earlier	-	-
- MAT Credit	(786,786)	(360,370)
- Deferred tax	529,677	916,580
<b>Profit for the year after tax</b>	<b>(26,636,849)</b>	<b>(16,113,107)</b>
<b>Earning per share (Basic and Diluted)</b>	<b>(2.36)</b>	<b>(1.43)</b>

### 2. REVIEW OF OPERATIONS/PERFORMANCE:

During the financial year, the Company has incurred a loss of **Rs. 26,636,849** as compared to **Rs. 16,113,107** for the previous year.

### 3. DIVIDEND:

Due to insufficient Funds, the Company does not recommend providing Dividend.

### 4. CHANGE IN NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company during the year.

### 5. STATE OF THE COMPANY'S AFFAIRS:

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

## Keynote Capitals Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 6826 6000· Fax: 91 22 6826 6088· Email: kcl@keynoteindia.net • Website: www.keynoteindia.net  
CIN-U67120MH1995PLC088172

**6. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

**7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There are no significant and material orders issued against the Company by any regulating authority or court or tribunal affecting the going concern status and Company's operation in future.

**8. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There were no frauds reported by the Auditors under section 143(12) during the Financial Year under review.

**9. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

Your Board informs you that during the Financial year under review, the Company has complied with the provisions of the Board Meetings and the General Meetings as stated in Secretarial Standard-1 (SS-1) and Secretarial Standard- 2 (SS-2) respectively, issued by the Institute of Company Secretaries of India (ICSI), constituted under Section 3 of Company Secretaries Act, 1980.

**10. HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

- Your Company is a wholly owned subsidiary of "Keynote Financial Services Limited (Formerly Keynote Corporate Services Limited).
- Your Company has the following as its Subsidiary and Associate Companies at the year end.

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Holding/ Subsidiary</b>	<b>Joint Venture/ Associate</b>	<b>No. of shares held in%</b>
1.	Keynote Commodities Limited (CIN: U72900MH2000PLC127047)	Wholly Owned Subsidiary	---	100
2.	Keynote Fincorp Limited (CIN: U67120MH1995PLC084814)	----	Associate	42.86

- Your Company has does not have any Joint Venture Company at the year end.

**11. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JV AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY:**

Your Company has the following as its Subsidiary and Associate Companies at the year end.

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Holding/ Subsidiary</b>	<b>Joint Venture/ Associate</b>	<b>No. of shares held in%</b>
1.	Keynote Commodities Limited (CIN: U72900MH2000PLC127047)	Wholly Owned Subsidiary	---	100
2.	Keynote Fincorp Limited (CIN: U67120MH1995PLC084814)	----	Associate	42.86

Further, the report on the performance and financial position of the Wholly Owned subsidiary and Associate company and salient features of their financial statements are provided in the prescribed Form AOC-1 and it forms part of the Financial Statements of the Company.

**12. PUBLIC DEPOSIT:**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and the necessary rules made thereunder during the year ended 31<sup>st</sup> March 2020.

**13. STATUTORY AUDITORS:**

M/s. R.K. Khandelwal & Co., Chartered Accountants, having (Firm Registration Number: 105054W) were appointed as the Statutory Auditors of the Company for a period of 5 years commencing from the financial year 2017-18 to hold office upto the conclusion of the Annual General Meeting to be held for the Financial Year 2021-22 subject to ratification by shareholders every year, as may be applicable.

However, the Ministry of Corporate Affairs (MCA) in its notification dated 7 May 2018 has omitted the requirement under the first proviso to Section 139 of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM. Consequently, M/s. R.K. Khandelwal & Co., Chartered Accountants, having (Firm Registration Number: 105054W) continue to be the statutory auditors of the company till the conclusion of 27<sup>th</sup> Annual General Meeting to be held in the Financial Year 2022.

**10. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation no. 24A, of SEBI Listing Obligations and Disclosure requirement (LODR) 2015, your Company being a Material Unlisted Subsidiary of Keynote Financial Services Limited for the Financial Year 19-20 has appointed M/s. Uma Lodha & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company for the financial year ended 31<sup>st</sup> March 2020.

There were no qualifications, reservations, adverse remarks or comment made by the Secretarial Auditor in their report.

The secretarial audit report in form MR-3 is attached as Annexure III.

**11. QUALIFICATIONS/ RESERVATIONS/ ADVERSE REMARKS/COMMENT ON AUDITORS REPORT:**

There were no qualifications, reservations, adverse remarks or comment made by the Auditors in their report. The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.

**12. SHARE CAPITAL:**

**a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

**b. Issue of Sweat Equity Shares:**

The Company has not issued any sweat equity share during the financial year under review.

**c. Issue of Equity Shares With/Without Differential Rights:**

The Company has not issued any Equity Shares with/without differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

**d. Issue of Employee Stock Option:**

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**e. Issue of Equity Shares Without Differential Rights:**

The Company has not issued any Equity Shares without Differential Rights during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**13. EXTRACT OF THE ANNUAL RETURN:**

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT – 9 is enclosed herewith in **Annexure-I**.

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

**(A) Conservation of energy:**

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

**(B) Technology absorption:**

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

**(C) Foreign exchange earnings and Outgo (figures in lakhs):**

- a) The foreign exchange earnings – Rs.37.60
- b) The foreign exchange expenditure –Rs.20.84

**15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

**16. DIRECTOR & KEY MANAGERIAL PERSONNEL (KMP):****(a) Non-Executive Director:**

There was no change in the composition of Board of Directors during the year under review, the composition of the Non-Executive Directors comprising as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Vineet Suchanti	00004031	Non-Executive Director
2.	Uday S. Patil	00003978	Non-Executive Director

**(b) Key Managerial Personnel (KMP):**

There was no change in the composition of KMP during the year under review. The composition of the Key Managerial Personnel is as follows:

Sr. No.	Name of the Key Managerial Personnel	DIN/MEMBERSHIP NO.	Designation
1.	Rakesh Choudhari	00009093	Managing Director
2.	Devin Joshi	--	CFO
3.	Sujeet Krishna More	A49744	Company Secretary

**(c) Non-Executive Independent Director:**

**Following are the independent Directors of the company at the year end**

Sr. No.	Name of the Director	DIN	Designation
1.	Manish Chandrakant Desai	02925757	Independent Director
2.	Kamlesh Kharade	03589665	Independent Director

The meeting of Independent Directors for the year under review was duly held on 20<sup>th</sup> December, 2019.

All the Independent Directors have confirmed and declared that they have met the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

**17. DIRECTOR LIABLE TO RETIRE BY ROTATION:**

In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Uday Patil (DIN: 00003978) being a Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Board recommends his re-appointment.

**18. AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE, STAKEHOLDER RELATIONSHIP COMMITTEE AND MANAGEMENT COMMITTEE:**

**(a) Audit Committee:**

As per the amendment in Rule 4 of Companies(Appointment and Qualification of Directors) Rules, 2014, the Companies which are Wholly owned Subsidiaries are exempted from complying with the provision stated in Rule 4(1) of the said Rules w.r.t. Constitution of Audit Committee.

Accordingly, the Directors at their meeting held on 8<sup>th</sup> May, 2019 decided to dissolve the Audit Committee as, being the Wholly owned Subsidiary of Keynote Financial Services Limited, the Constitution of Audit Committee is no more Applicable to the Company.

**(b) Nomination and Remuneration Committee:**

As per the amendment in Rule 4 of Companies(Appointment and Qualification of Directors) Rules, 2014, the Companies which are Wholly owned Subsidiaries are exempted from complying with the provision stated in Rule 4(1) of the said Rules w.r.t. Constitution of Nomination and Remuneration Committee.

Accordingly, the Directors at their meeting held on 8<sup>th</sup> May, 2019 decided to dissolve the Nomination and Remuneration Committee as being the Wholly owned Subsidiary of Keynote Financial Services Limited, the Constitution of Nomination and Remuneration Committee is no more Applicable to the Company.

**(c) Stakeholder Relationship Committee:**

As per the provisions of Sub section 5 of Section 178, the Company is not required to constitute a Stakeholder Relationship Committee.

**(d) Management Committee:**

As per the provisions of Section 179 of the Companies Act, 2013, the Management Committee is formed to authorize the committee to approve intercorporate loans, investments or guarantee or security made by the company and borrowing facilities availed by the company from time to time by the Banks, Financial Institution and other entities and execution of documents for these facilities.

The Composition of Management Committee comprises the following:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation in the Committee</b>
1.	Rakesh Choudhari	Chairman
2.	Vineet Suchanti	Member
3.	Devin Joshi	Member

**19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR:**

Your Board of Directors has duly met eight (8) times during the financial year under review, i.e. on 8<sup>th</sup> May, 2019, 10<sup>th</sup> June, 2019, 17<sup>th</sup> July, 2019, 28<sup>th</sup> August, 2019, 20<sup>th</sup> September, 2019, 3<sup>rd</sup> October, 2019, 20<sup>th</sup> December, 2019 and 6<sup>th</sup> January, 2020 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Particulars of Loans, Investment, Guarantees or Security made by the company under Section 186 of Companies Act, 2013 during the year have been disclosed in the notes to accounts to the financial statements & enclosed herewith in Form MBP-2 with **Annexure-III**.

**21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

During the year, no contracts/arrangements were entered into by the company with its related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**22. MAINTANANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IF ANY:**

As such, the provision for maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

**23. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

As such, the provision for establishing "Vigil Mechanism/Whistleblower Policy" is not applicable to the Company.

**24. RISK MANAGEMENT:**

The Company has developed and implemented "Risk management Policy". At present the company has not identified any element of risk which may threaten the existence of the company.

**25. DEMATERIALIZATION:**

As per the Rule 9A sub rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the company being wholly owned subsidiary of Keynote Financial Services Limited, the requirement of Issue the securities only in dematerialised form; and Facilitate dematerialisation of all its existing securities is not applicable to the Company.

Although, the Equity shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with Central Depository Services (India) Limited and Bigshare Services Private Limited, Registrar & Transfer Agent for dematerialization of existing holding of the shareholders

Presently 99.99% of equity capital of the company is in dematerialized mode. The International Securities Identification Number (ISIN), allotted to the Company is INE04NP01012.

**26. PREVENTION OF SEXUAL HARASSMENT (POSH) AT WORKPLACE:**

During the year under review, there were no complaints reported to the Board relating to the Prevention of Sexual Harassment (POSH) as per Rule 8 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]".

**27. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period,

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,

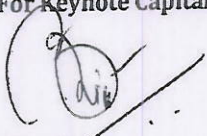
d. The Directors had prepared the annual accounts on a going concern basis,


e. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**28. ACKNOWLEDGMENT:**

We take this opportunity to express our deep sense of gratitude to Securities and Exchange Board of India (SEBI), BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Registrar of Companies (ROC), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), M/s. R.K. Khandelwal & Co. Statutory Auditors, our Clients, Bankers and other Government Agencies for their continued support.

By order of the Board  
For Keynote Capitals Limited

  
Uday Patil  
Director  
(DIN: 00003978)

  
Rakesh Choudhari  
Managing Director  
(DIN: 00009093)

Place: Mumbai  
Date: 7.7.20





**ANNEXURE – I TO THE DIRECTORS’ REPORT**

**Form No. MGT-9**

**Extract of Annual Return**

**As on the financial year ended on 31<sup>st</sup> March 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

1.	Corporate Identity Number (CIN)	:	U67120MH1995PLC088172
2.	Registration Date	:	08-05-1995
3.	Name of the Company	:	KEYNOTE CAPITALS LIMITED
4.	Category/Sub-Category of the Company	:	Indian Non-Government Company
5.	Address of the Registered Office and contact details	:	The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028
6.	Whether listed Company (Yes/No)	:	Unlisted
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>Bigshare Services Private Limited</b> 1st Floor, Bharat Teen Works building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri-400059. Phone: 022 6263 8200

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

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

Sr. No.	Name and Description of main products/services	NIC Code of the product /service	% to the total turnover of the Company
1.	Financial Intermediation (Financial Market, Stock Broking and related activities, securities brokerage etc.)	6612	73.13

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

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of Shares held	Applicable Section
1.	Keynote Financial Services Limited (Formerly Keynote Corporate Services Limited) The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	L67120MH1993PLC072407	Holding Company	100	2(46)
2.	Keynote Commodities Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	U72900MH2000PLC127047	Wholly Owned Subsidiary Company	100	2(87)(i)(ii)
3.	Keynote Fincorp Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	U67120MH1995PLC084814	Associate Company	42.86	2(6)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.. Non-Institutions</b>									
a).. Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i).. Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b).. Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i). Individual shareholders holding nominal share capital upto Rs.1 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii). Individual shareholders holding nominal share capital in excess of Rs.1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c).. Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>Nil</b>	<b>1,12,66,667</b>	<b>1,12,66,667</b>	<b>100</b>	<b>1,12,66,657</b>	<b>10</b>	<b>1,12,66,667</b>	<b>100</b>	<b>Nil</b>

**II). SHAREHOLDING OF PROMOTERS:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Keynote Financial Services Limited (Formerly Keynote Corporate Services Limited)	1,12,66,667	100	Nil	1,12,66,667	100	Nil	Nil

**III) CHANGE IN PROMOTERS' SHAREHOLDING: There is no change during the year.**

Sr. No.	For Each Promoters	Shareholding at the beginning of the Year		Remarks			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of the company
1	Keynote Financial Services Limited	1,12,66,667	100	No change			1,12,66,667	100

**IV). SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS): NOT APPLICABLE**

**V.) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL**

Sr. No.	For Each Directors & KMP	Shareholding at the beginning of the Year		Remarks			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of the company
1	Uday Patil	NIL	NIL	No change			NIL	NIL
2	Vineet Suchanti	NIL	NIL	No change			NIL	NIL
3	Rakesh Choudhari	NIL	NIL	No change			NIL	NIL
4	Manish Desai	NIL	NIL	No change			NIL	NIL
5	Kamlesh Kharade	NIL	NIL	No change			NIL	NIL
6	Devin Joshi	NIL	NIL	No change			NIL	NIL
7	Sujeet More	NIL	NIL	No change			NIL	NIL

**VI). DETAILS OF INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:  
(Figures in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01-04-2019</b>				
i). Principal Amount	72,36,880	4,22,77,861	-	4,95,14,741
ii) Interest due but not paid	-	27,20,743	-	27,20,743
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>72,36,880</b>	<b>4,49,98,604</b>	<b>-</b>	<b>5,22,35,484</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	23,43,735	14,78,041	-	<b>38,21,776</b>
<b>Net Change</b>	<b>(23,43,735)</b>	<b>(14,78,041)</b>	<b>-</b>	<b>(38,21,776)</b>
<b>Indebtedness at the end of the financial year - 31-03-2020</b>	<b>48,93,145</b>	<b>4,35,20,563</b>	<b>-</b>	<b>4,84,13,708</b>
i). Principal Amount	48,93,145	4,35,20,563	-	<b>4,84,13,708</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>48,93,145</b>	<b>4,35,20,563</b>	<b>-</b>	<b>4,84,13,708</b>

**VII). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):****(a) Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. In lakhs)
<b>1.</b>	<b>Rakesh Choudhari</b>	<b>Rakesh Choudhari. Managing Director</b>	
1.	Gross Salary		
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	37,00,809	37.00
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961		
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- As % of Profit	Nil	Nil
5.	- Others specify (Bonus)	1,82,007	1.82
	Ceiling as per the Act	As per section 197 and schedule V of the Companies Act, 2013 (As amended from to time)	
	<b>Total</b>	<b>38.82</b>	<b>38.82</b>

**B. Remuneration of other Directors:****I. Independent Directors: NIL**

Particulars of Remuneration	Name of Directors		Amount (Rs. In lakhs)
Fees for attending board committee meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total (1)</b>	Nil	Nil	Nil

**II. Other Non-Executive Directors: NIL**

Other Non-Executive Directors	Amount (Rs. In lakhs)
Fees for attending board committee meetings	Nil
Commission	Nil
Others	Nil
<b>Total (2)</b>	Nil
<b>Total B = (1+2)</b>	Nil
Ceiling as per the Act	Nil

**C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	Company Secretary (Sujeet More)	CFO (Devin Joshi)	Total Amount (Rs. In lakhs)
1.	Gross Salary				
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NA	Nil	11,80,992	11.81
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961	NA	Nil	Nil	Nil
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	Nil	Nil	Nil
2.	Stock Option	NA	Nil	Nil	Nil
3.	Sweat Equity	NA	Nil	Nil	Nil
4.	Commission - As % of Profit - Others specify	NA	Nil	Nil	Nil
5.	Others, please specify (Bonus)	NA	Nil	57,299	0.57
	<b>Total</b>	NA	Nil	<b>12,38,291</b>	<b>12.38</b>

VIII). PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For Keynote Capitals Limited



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Managing Director  
(DIN: 00009093)

Place: Mumbai  
Date: 7.7.20




**ANNEXURE - II TO THE DIRECTORS' REPORT**  
**Form AOC-I**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

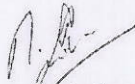
**Part "A": Subsidiaries**  
(Information in respect of each subsidiary to be presented with amounts in Rs.)

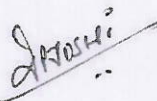
Name of the Subsidiary	Keynote Commodities Limited (CIN: U72900MH2000PLC127047)
The date since when subsidiary was acquired	18 <sup>th</sup> August, 2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 to 31/03/2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign	Not Applicable
Subsidiaries.	3,500,000
Share Capital	8,203,884
Reserves & surplus	85,552,153
Total assets	85,552,153
Total Liabilities	48,537,016
Investments	2,298,714
Turnover	(17,588,354)
Profit before taxation	171,427
Provision for taxation/current tax	(17,759,781)
Profit after Taxation	Nil
Proposed Dividend	100%
% of shareholding	


Notes: The following information shall be furnished at the end of the statement:  
1. Names of subsidiaries which are yet to commence operations: None  
2. Names of subsidiaries which have been liquidated or sold during the year: None

For Keynote Capitals Limited

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

  
**Rakesh Choudhari**  
Managing Director  
(DIN: 00009093)

  
**Devin Joshi**  
C F O

  
**Sujeet More**  
Company Secretary

Place: Mumbai  
Date: 7.07.2020





Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

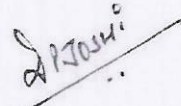
Name of Associates / Joint Venture	Keynote Fincorp Limited (Associate Concern) (CIN: U67120MH1995PLC084814)
Latest Audited Balance Sheet Date	31 <sup>st</sup> March 2020
Shares of Associate / Joint Ventures held by the Company on the year end	15,00,000 Equity shares of Rs.10/- each.
Amount of Investment in Associates / Joint Venture	Rs. 150,00,000/-
Extent of Holding in %	42.86%
Description of how there is significant influence	Common Directors & Shareholders
Reason why the associate / Joint venture is not consolidated	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	41896675
6. Profit / Loss for the year	NA
i. Considered in Consolidation	
i. Not Considered in Consolidation	
41896675 Names of associates or joint ventures which are yet to commence operations.	None
Names of associates or joint ventures which have been liquidated or sold during the year.	None

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For Keynote Capitals Limited

  
Uday Patil  
Director  
(DIN: 00003978)

  
Rakesh Choudhari  
Managing Director  
(DIN: 00009093)

  
Devin Joshi  
C F O

  
Sujeet More  
Company Secretary

Place: Mumbai  
Date: 7.07.2020



**R. K. KHANDELWAL & CO.**  
CHARTERED ACCOUNTANTS



107/110, Trinity, S.S. Gaikwad Marg,  
(A.P. Market), Dhobi Talao,  
Mumbai – 400 002.  
Tel: 2207 7101 / 02 Telefax: 2207 7101  
Email: rkkhandelwal@hotmail.com

Date- 27.06.2020

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**KEYNOTE CAPITALS LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **KEYNOTE CAPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act,

2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations as on 31<sup>st</sup> March, 2020.
  - ii. The Company has long-term contracts including derivative contracts as on the Balance Sheet Date and the company has provided for material foreseeable losses thereon.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2020.

For **R. K. KHANDELWAL & CO.**  
**Chartered Accountants,**  
**Firm Registration No. 105054W**

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Ramkrishan Khandelwal  
Date: 2020.06.27 14:52:38  
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**(R. K. KHANDELWAL)**  
**Partner**

**Membership No. 030054**

**UDIN :- 20030054AAAAAG6726**

**Place: Mumbai**  
**Date: 27/06/2020**

## “Annexure A”

### To the Independent Auditors' Report of even date on the Standalone Financial Statements of Keynote Capitals Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/lease deeds of immovable properties included in the property, plant and equipment are held in the name of the Company.
- ii. The Company is having stock of shares and securities which have been physically verified by the management at reasonable intervals during the year and there were no material discrepancies noticed on such verifications.
- iii. The Company has granted unsecured loan to bodies corporate of Rs. 29,14,757/- covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185. The Company has also

complied with the Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.

- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. As informed to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Good and Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Statutory due applicable to it. However, interest liability of Rs 475/- for TDS remained to be paid by the Company and provision for the same has been made and interest liability of Rs. 22,420/- for Goods and Service Tax (GST) remained to be paid by the Company and provision for the same has been made.  
  
b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks or Government.
- ix. In our opinion and according to the information and explanations provided by the management, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations provided by the management, the managerial remuneration has been paid/provided in accordance with the requisite



approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided by the management to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations provided by the management, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- xvi. According to the information and explanations provide to us, the provisions of the Section 45-IA of the Reserve Bank of India Act 1934 are not applicable to the company.

**For R. K. KHANDELWAL & CO.**  
**Chartered Accountants,**  
**Firm Registration No. 105054W**

Ramkrishan Khandelwal Digitally signed by  
Ramkrishan Khandelwal  
Date: 2020.06.27  
14:54:05 +05'30'

**(R. K. KHANDELWAL)**  
**Partner**

**Membership No. 030054**

**UDIN :- 20030054AAAAAG6726**

**Place: Mumbai**  
**Date: 27/06/2020**

## **“Annexure B”**

### **To the Independent Auditor’s Report of even date on the Standalone Financial Statements of Keynote Capitals Limited**

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

We have audited the internal financial controls over financial reporting of KEYNOTE CAPITALS LIMITED ('the Company') as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based with reference to these Standalone Financial Statements on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls

over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these Standalone Financial Statements.

### **Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Financial Statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. K. KHANDELWAL & CO.  
Chartered Accountants,  
Firm Registration No. 105054W**

Ramkrishan  
Khandelwal

Digitally signed by  
Ramkrishan Khandelwal  
Date: 2020.06.27  
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**(R. K. KHANDELWAL)  
Partner**

**Membership No. 030054**

**UDIN :- 20030054AAAAAG-6726**

**Place: Mumbai  
Date: 27/06/2020**

**KEYNOTE CAPITALS LIMITED**  
Audited Balance Sheet as at 31st. Mar. 2020

		( Amount in Rs.)		
	Note	As at 31st Mar. 2020	As at 31st Mar. 2019	As at 1st. April 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash & Cash Equivalent	1	469,027	486,004	235,197
Bank Balance	2	291,465,317	152,265,024	164,198,888
Trade Receivable	3	32,695,109	32,087,295	52,488,771
Loans	4	58,258,397	5,691,846	5,721,489
Investments	5	77,634,942	99,889,077	105,689,385
Other Financial Assets	6	20,663,000	62,463,000	62,473,000
<b>Non Financial Assets</b>				
Inventories	7	-	400,000	16,756,284
Current Tax Asset (Net)	8	917,809	-	-
Property, Plant & Equipment	9	90,441,416	94,508,435	89,153,074
Right To Use Asset	10	282,823	282,823	-
<b>Total Assets</b>		<b>572,827,840</b>	<b>448,073,504</b>	<b>496,716,088</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Payables				
Trade Payables				
(i) Total Outstanding dues other than MSME	11	160,673,790	4,427,215	10,927,570
Borrowings	12	48,413,708	25,987,202	76,793,684
Other Financial Liabilities	13	26,495,424	54,416,346	29,864,166
<b>Non Financial Liabilities</b>				
Provisions	14	3,154,683	3,045,334	3,736,737
Deferred Tax Liabilities	15	9,458,579	8,928,902	8,012,323
<b>EQUITY</b>				
Equity Share Capital	16	112,666,670	112,666,670	112,666,670
Other Equity	17	211,964,986	238,601,835	254,714,939
<b>Total Liabilities</b>		<b>572,827,840</b>	<b>448,073,504</b>	<b>496,716,088</b>


For **R.K.KHANDELWAL & CO.**  
Chartered Accountants.  
Firm Registration No. 105054W

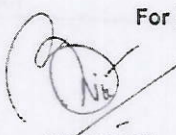
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Ramkrishan Khandelwal  
Date: 2020.06.27  
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Khandelwal

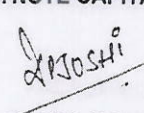
(R.K.KHANDELWAL)  
Partner  
Membership No. 030054


Place: Mumbai  
Date: 27th June 2020

For **KEYNOTE CAPITALS LIMITED**

  
**RAKESH CHOUDHARI**  
Managing Director

  
**JAY PATIL**  
Director

  
**DEVIN JOSHI**  
CFO

  
**SUJEET MORE**  
Company Secretary

**KEYNOTE CAPITALS LIMITED**  
**Audited Statement of Profit and Loss for the Year ended 31 Mar. 2020**  
 (Amount in Rs.)

	Note	Year Ended 31st Mar. 2020	Year Ended 31st Mar. 2019
<b>INCOME FROM OPERATIONS</b>			
Advisory Income	18	14,359,943	12,028,792
Brokerage & Allied Income	19	19,003,858	13,385,113
Profit from Trading in Securities	20	(516,509)	1,246,882
Profit from F&O & Currency Trading	21	8,120,924	406,877
<b>Total Revenue from Operations</b>		<b>40,968,216</b>	<b>27,067,664</b>
Dividend Income	22	879,073	1,683,839
Income from Rent	23	100,000	100,000
Interest Income	24	13,340,211	13,219,849
Miscellaneous Income	25	20,395	1,847,295
Profit on Sale of Mutual Fund (Debt Fund)	26	712,607	514,079
<b>Other Income</b>		<b>15,052,286</b>	<b>17,365,061</b>
<b>Total Revenue</b>		<b>56,020,502</b>	<b>44,432,726</b>
<b>EXPENSES</b>			
Finance Cost	27	7,349,004	3,580,176
Net Loss Fair Value Changes	28	30,322,109	17,661,376
Employee Benefit Expenses	29	19,591,766	18,289,065
Depreciation and Amortization Expenses	30	4,127,530	3,797,935
Other Expenses	31	19,994,797	16,300,700
<b>Total Expenses</b>		<b>81,385,207</b>	<b>59,629,252</b>
<b>Profit Before Tax</b>		<b>(25,364,705)</b>	<b>(15,196,527)</b>
Tax expense:			
Current tax		1,529,252	360,370
MAT Credit		(786,786)	(360,370)
Deferred tax		529,677	916,580
<b>Profit for the year</b>		<b>(26,636,849)</b>	<b>(16,113,107)</b>
Earnings per Equity Share of Face value of Rs.10 each Basic and Diluted		(2.36)	(1.43)

Notes on Financial Statements 1-43


For **R.K.KHANDELWAL & CO.**  
 Chartered Accountants,  
 Firm Registration No. 105054W

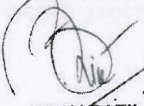
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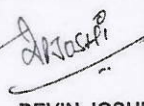
**(R.K.KHANDELWAL)**  
 Partner  
 Membership No. 030054

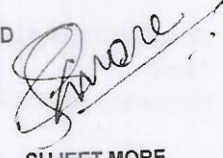
Place : Mumbai  
 Date : 27th. June 2020

For **KEYNOTE CAPITALS LIMITED**

  
**RAKESH CHOUDHARI**  
 Managing Director

  
**UDAY PATIL**  
 Director

  
**DEVIN JOSHI**  
 C F O

  
**SUJEET MORE**  
 Company Secretary

**KEYNOTE CAPITALS LIMITED**  
**Cash Flow Statement For The Year Ended 31st. Mar 2020**

	(Amount in Rs.)	
	Year ended 31st. Mar. 2020	Year ended 1st. April, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax as per Statement of Profit & Loss	(25,364,705)	(15,196,527)
<b>Adjustments For :</b>		
Depreciation / Amortization	4,127,530	3,797,935
Loss on Sale of Assets	-	34,743
(Profit) / Loss on Sale of Investments	3,223,937	1,965,134
Finance Cost	7,349,004	3,572,291
Dividend Income	(879,073)	(1,683,839)
Interest Income	(13,340,211)	(13,219,849)
<b>Operating profit before working capital changes</b>	<b>(24,883,518)</b>	<b>(20,730,112)</b>
<b>Adjustment For :</b>		
(Increase) / Decrease in Trade Receivables	(607,814)	20,401,476
(Increase) / Decrease in Inventories	400,000	16,356,284
(Increase) / Decrease in Other Financial Assets	41,800,000	10,000
(Increase) / Decrease in Loans	(52,566,551)	29,642
Increase / (Decrease) in Provisions	109,349	(691,403)
Current Tax Provision	(1,660,276)	-
Increase / (Decrease) in Other Financial Liabilities	(27,920,922)	24,552,180
Increase / (Decrease) in Trade Payables.	156,246,575	(6,500,355)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>90,916,843</b>	<b>33,427,714</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(60,511)	(9,585,370)
Right to Use Asset	-	(282,823)
Sale of Fixed Assets (Motor Car & Computer)	-	397,331
Sale / (Purchase) of Investments	22,254,135	5,800,308
Profit on Sale of Investment	(3,223,937)	(1,965,134)
Interest Income	13,340,211	13,219,849
Dividend Income	879,073	1,683,839
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>33,188,972</b>	<b>9,267,999</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(7,349,004)	(3,572,291)
Increase / (Decrease) in Borrowing	22,426,506	(50,806,482)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>15,077,502</b>	<b>(54,378,773)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>139,183,316</b>	<b>(11,683,060)</b>
Cash and Cash Equivalents at the beginning of the year (Refer Note 1)	152,751,027	164,434,085
Cash and Cash Equivalents at the end of the year (Refer Note 1)	<b>291,934,344</b>	<b>152,751,027</b>

"As per our report of even date attached"

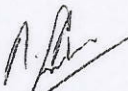
For R.K.KHANDELWAL & CO.  
Chartered Accountants,  
Firm Registration No. 105054W


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Khandelwal  
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(R.K.KHANDELWAL)  
Partner  
Membership No. 030054


Place : Mumbai  
Date : 27th. June 2020

For KEYNOTE CAPITALS LIMITED

  
**RAKESH CHOUDHARI**  
 Managing Director

  
**UDAY PATIL**  
 Director

  
**DEVIN JOSHI**  
 C F O

  
**SUJEET MORE**  
 Company Secretary

**KEYNOTE CAPITALS LIMITED**  
Notes on Financial Statements for the year ended 31 Mar. 2020

**NOTE 1. CASH AND CASH EQUIVALENTS**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Cash on Hand	469,027	486,004	235,197
<b>Total</b>	<b>469,027</b>	<b>486,004</b>	<b>235,197</b>

**NOTE 2. BANK BALANCE**

In Current Accounts	108,297,584	12,052,995	38,292,075
In Fixed Deposits*	183,167,733	140,212,029	125,906,813
<b>Total</b>	<b>291,465,317</b>	<b>152,265,024</b>	<b>164,198,888</b>

**NOTE 3. TRADE RECEIVABLES**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Over Six Months	28,133,032	28,064,364	35,276,920
Others	4,562,077	4,022,931	17,211,851
<b>Total</b>	<b>32,695,109</b>	<b>32,087,295</b>	<b>52,488,771</b>

**NOTE 4. LOANS**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>Advances</b>			
Advances Recoverable in Cash or Kind	52,314,173	1,515,109	2,600,549
Income Tax (Net of Provision )	2,375,422	1,524,484	-142,053
<b>Loans to Related Parties</b>			
Subsidiary (Keynote Commodities)	2,914,757	1,806,823	1,658,961
Associate (Keynote Fincorp Ltd.)	-	-	1,058,730
Parent Company (Keynote Financial Ser. Ltd.)	-	885	-
Option Premium / Unrealised Profit	-	-	-
Prepaid Expenses	347,419	323,915	378,672
Advances to Staff	306,626	520,630	166,630
<b>Total</b>	<b>58,258,397</b>	<b>5,691,846</b>	<b>5,721,489</b>



## NOTE 5. INVESTMENTS

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>Trade (Quoted)</b>			
Investments in Equity Shares & Mutual Fund	44,134,942	66,389,077	72,189,385
<b>Others (Unquoted)</b>			
Investments in Equity Shares of Subsidiaries & Others	33,500,000	33,500,000	33,500,000
<b>Total</b>	<b>77,634,942</b>	<b>99,889,077</b>	<b>105,689,385</b>

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>5.1 Trade (Quoted)</b>			
Investments in Mutual Fund / Liquid Fund	5,801,725	1,373,894	
4 (4) Equity Shares of 5 Paisa Cap. Ltd.	-	952	
10000 (NIL) Equity Shares of Ashapura Minechem Ltd. LTD.of Rs.2/-	204,500	-	
1777 (1777) Equity Shares of Aegis Logistics Ltd.of Rs.1/-each Fully Paid	247,536	360,642	
1600 (1600) Equity Shares of Affordable Robotics Ltd.of Rs.10/-each Fully Paid	36,320	175,520	
309 (303) Equity Shares of AIA Engineering Ltd. of Rs.2/-each Fully Paid	427,069	542,353	
178 (178) Equity Shares of Alkem Laboratory Ltd. of Rs.2/-each Fully Paid	414,535	311,820	
209 (450) Equity Shares of APL Apollo Tubes Ltd. of Rs.10/-each Fully Paid	-	300,897	
25000 (NIL) Equity Shares of Ashapura Minechem Ltd. of Rs.1/-each Fully Paid	-	705,000	
6309 (NIL) Equity Shares of Ashok Leyland Ltd. of Rs.1/-each Fully Paid	-	576,012	
3320 (3320) Equity Shares of Aptech Ltd. of Rs.10/-each Fully Paid	288,001	586,312	
272 (288) Equity Shares of AU Small Finance Bank Ltd.of Rs.2/-each Fully Paid	138,407	68,558	
1034 (542) Equity Shares of Auribindo Pharma Ltd. of Rs.1/-each Fully Paid	427,094	426,012	
56 (136) Equity Shares of Bajaj Finance Ltd. of Rs.2/-each Fully Paid (Bonus Shares)	124,099	411,380	
45 (45) Equity Shares of Bayer Crop Science Ltd. of Rs.10/-each Fully Paid	155,644	197,298	
478 (478) Equity Shares of Bharat Forge Ltd.of Rs.2/- each Fully Paid	111,900	244,545	
810 (NIL) Equity Shares of Bharti Airtel Ltd.of Rs.10/- each Fully Paid	356,886	-	
291 (291) Equity Shares of Birla Corporation Ltd.of Rs.10/-each Fully Paid	121,347	152,790	
177(180) Equity Shares of Blue Star Ltd.of Rs.2/-each Fully Paid	81,535	122,076	
20 (20) Equity Shares of Bosch Ltd.of Rs.10/-each Fully Paid	188,195	363,311	
350 (350) Equity Shares of Canfin Homes Ltd.of Rs.2/- each Fully Paid	97,615	121,993	
3816 (3076) Equity Shares of Chambal Fertilisers Ltd. of Rs.10/-each Fully Paid	412,510	512,154	
1913 (2325) Equity Shares of City Union Bank Ltd.of Rs.1/-each Fully Paid	248,020	474,765	
12489 (12489) Equity Shares of Cochin Shipyard Ltd.of Rs.10/-each Fully Paid	3,300,218	4,920,042	
170 (170) Equity Shares of Colgate Palmolive Ltd.of Rs.1/-each Fully Paid	213,002	213,937	
442 (442) Equity Shares of Container Corpn. Ltd.of Rs.5/- each Fully Paid	146,501	231,895	
2075 (2075) Equity Shares of Coromandel International Ltd.of Rs.1/-each Fully Paid	1,128,593	1,036,048	

285 (285) Equity Shares of Cummins India Ltd of Rs.2/- each Fully Paid	92,768	212,339
1372 (1440) Equity Shares of DCB Bank Ltd. of Rs.10/- each Fully Paid	130,340	294,264
117 (117) Equity Shares of Dhanuka Agri Tech Ltd. of Rs.2/-each Fully Paid	37,861	45,969
439 (367) Equity Shares of Dishman Pharmaceuticals Ltd. of Rs.2/-each Fully Paid	-	91,926
98 (107) Equity Shares of Dr. Lal Path Laboratories Ltd. of Rs. 10/-each Fully Paid	137,337	112,832
19 (19) Equity Shares of Eicher Motors Ltd. of Rs.10/- each Fully Paid	248,657	390,224
514 (514) Equity Shares of Emami Ltd. of Rs.1/-each Fully Paid	87,380	205,600
710 (710) Equity Shares of Engineers India Ltd. of Rs.5/- each Fully Paid	42,636	83,070
975 (975) Equity Shares of Escorts Inida Ltd. of Rs.10/- each Fully Paid	646,376	776,929
2225 (2225) Equity Shares of Federal Bank Ltd. of Rs.2/- each Fully Paid	91,336	214,490
1150 (1150) Equity Shares of Gabriel Inida Ltd. of Rs.1/- each Fully Paid	61,525	166,980
34 (34) Equity Shares of Glaxosmithkline Ltd. of Rs.10/- each Fully Paid	339,765	245,228
601 (601) Equity Shares of Godrej Industries Ltd. of Rs.1/- each Fully Paid	170,384	322,166
2684 (2339) Equity Shares of Greaves Cotton Ltd. of Rs.2/-each Fully Paid	186,940	326,641
600 (600) Equity Shares of Gujarat Fluorochemicals Ltd. of Rs.10/-each Fully Paid	-	662,820
880 (880) Equity Shares of Hindustan Petroleum Ltd. of Rs.10/-each Fully Paid (Bonus Share)	167,332	249,480
103334 (103334) Equity Shares of HUDCO Ltd. of Rs.10/-each Fully Paid	2,061,514	4,644,863
20400(NIL) Equity Shares of India Bull Hsg. Fin. Ltd. of Rs.2/-each Fully Paid	1,969,620	-
1049 (317) Equity Shares of I C I C I Bank Ltd. of Rs.2/-each Fully Paid	340,401	126,435
90 (NIL) Equity Shares of I C I C I Securities Ltd. of Rs.10/-each Fully Paid	24,939	-
119 (119) Equity Shares of IIFL Holdings Ltd. of Rs.10/- each Fully Paid	8,854	51,450
119 (NIL) Equity Shares of IIFL Securities Ltd. of Rs.10/- each Fully Paid	3,695	-
103 (NIL) Equity Shares of Indiamart Intermesh Ltd. of Rs.10/-each Fully Paid	199,398	-
3718 (3860) Equity Shares of Indian Energy Exchange Ltd. of Rs.10/-each Fully Paid	475,532	634,584
10 (10) Equity Shares of IDFC Ltd. of Rs.10/-each Fully Paid	149	464
10 (10) Equity Shares of IDFC Bank Ltd. of Rs.10/-each Fully Paid	211	552
292 (292) Equity Shares of Ipca Laboratories Ltd. of Rs.2/- each Fully Paid	405,325	286,919
600 (600) Equity Shares of ITD Cementation Ltd. of Rs.1/- each Fully Paid	17,790	78,930
1210 (1210) Equity Shares of J & K Bank Ltd. of Rs.1/- each Fully Paid	15,004	65,038
2885 (NIL) Equity Shares of Jindal Steel & Power Ltd. of Rs.1/-each Fully Paid	237,147	-
8897 (7892) Equity Shares of JSW Energy Ltd. of Rs.10/-each Fully Paid	379,012	572,959
476 (476) Equity Shares of KSB Pumps Ltd. of Rs.2/-each Fully Paid	201,919	327,393
240 (240) Equity Shares of Kajaria Ceramics Ltd. of Rs.1/- each Fully Paid	90,372	141,768
1339 (1404) Equity Shares of Kaveri Seeds Ltd. of Rs.2/- each Fully Paid	456,331	644,647
1175 (1315) Equity Shares of KEI Industries Ltd. of Rs.2/-each Fully Paid	314,606	559,664
692 (739) Equity Shares of Kotak Mahindra Bank Ltd. of Rs.5/-each Fully Paid	897,074	987,119

243(243) Equity Shares of L & T Technologies Ltd. of Rs.10/-each Fully Paid	282,463	381,777
1750(NIL) Equity Shares of LKP Securities Ltd. of Rs.2/-each Fully Paid	6,335	-
NIL (1063) Equity Shares of Lakshmi Vilas Bank Ltd. of Rs.2/-each Fully Paid	-	74,942
154 (159) Equity Shares of Mahanagar Gas Ltd. of Rs.10/-each Fully Paid	125,964	161,223
768 (768) Equity Shares of Max Financial Services Ltd. of Rs.2/-each Fully Paid	295,987	333,926
5663 (5663) Equity Shares of Nagarjuna Const. Co. Ltd. of Rs.2/-each Fully Paid	106,464	637,654
102000 (102000) Equity Shares of Mitcon Consultancy Ltd. of Rs.10/-each Fully Paid	4,064,700	5,100,000
71189 (71189) Equity Shares of O K Play Ltd. of Rs.10/-each Fully Paid	1,409,542	2,982,819
32 (32) Equity Shares of Page Industries Ltd. of Rs.10/-each Fully Paid	541,690	796,715
66000 (66000) Equity Shares of Perfect Infraengineers Ltd. of Rs.10/-each Fully Paid	825,000	874,500
1779 (NIL) Equity Shares of Petronet LNG Ltd. of Rs.10/-each Fully Paid	355,533	
1000 (1000) Equity Shares of Powermech Projects Ltd. of Rs.10/-each Fully Paid	336,100	920,100
152 (152) Equity Shares of Quess Corp. Ltd. of Rs.10/-each Fully Paid	32,156	113,764
1282 (1143) Equity Shares of Radico Khaitan Ltd. of Rs.2/-each Fully Paid	342,486	451,771
813 (813) Equity Shares of Ramkrishna Forging Ltd. of Rs.10/-each Fully Paid	123,576	425,158
215 (325) Equity Shares of S H Kelkar Ltd. of Rs.10/-each Fully Paid	16,684	49,871
162 (250) Equity Shares of SRF Ltd. of Rs.10/-each Fully Paid	450,247	601,025
315200 (297600) Equity Shares of Sarveshwar Foods Ltd. of Rs.10/-each Fully Paid	3,230,800	10,788,000
62 (1099) Equity Shares of Shakti Pumps Ltd. of Rs.10/-each Fully Paid	7,322	435,589
224 (224) Equity Shares of Suprajit Engineers Ltd. of Rs.10/-each Fully Paid	24,819	54,600
914 (914) Equity Shares of Syngene International Ltd. of Rs.10/-each Fully Paid	220,777	537,386
4650 (4650) Equity Shares of Shree Pushkar Chemicals Ltd. of Rs.10/-each Fully Paid	343,635	765,158
490000 (490000) Equity Shares of Siddha Real Estates Ltd. of Rs.1/-each Fully Paid	-	210,700
158000 (158000) Equity Shares of Steel City Securities Ltd. of Rs.10/-each Fully Paid	2,836,100	9,361,500
4313 (NIL) Equity Shares of Tata Power Ltd. of Rs.1/-each Fully Paid	-	318,299
28 (28) Equity Shares of TTK Prestige Ltd. of Rs.10/-each Fully Paid	137,150	243,489
363 (381) Equity Shares of Tech Mahindra Ltd. of Rs.1/-each Fully Paid	205,077	295,732
5400 (NIL) Equity Shares of UPL of Rs.2/-each Fully Paid	1,762,560	-
1780 (1780) Equity Shares of Va Tech Wabag Ltd. of Rs.2/-each Fully Paid	147,295	590,337
100(82) Equity Shares of VIP Industries Ltd. of Rs.2/-each Fully Paid	24,005	39,860
9 (9) Equity Shares of V Mart Ltd. of Rs.10/-each Fully Paid	12,713	24,256
1372 (1372) Equity Shares of Voltas Ltd. of Rs.1/-each Fully Paid	656,982	864,977
	<b>44,134,942</b>	<b>66,389,077</b>

**5.2 Others (Unquoted) Investment in Equity Shares of Subsidiaries & Others (at cost)**

15,00,000 (15,00,000) Equity Shares of Keynote Fincorp Ltd. of Rs.10/- each.	30,00,000	30,00,000
350,000 (350,000) Equity Shares of Keynote Commodities Ltd. of Rs.10/- each.	3,500,000	3,500,000
	<u>33,500,000</u>	<u>33,500,000</u>

Particulars	31st. Mar. 2020	31st. Mar. 2019
Aggregate amount of Quoted Investments	85,249,811	82,133,665
Market Value of Quoted Investments	44,134,942	66,389,077
Aggregate amount of Unquoted Investments	33,500,000	33,500,000
Aggregate provision for Diminution in Value of Investment	-	-

**NOTE 6. OTHER FINANCIAL ASSETS**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Unsecured Considered good			
Deposit for Premises	10,050,000	10,050,000	10,150,000
Deposit with Corporates & Other Bodies	10,613,000	52,413,000	52,323,000
<b>Total</b>	<u>20,663,000</u>	<u>62,463,000</u>	<u>62,473,000</u>

**NOTE 7. INVENTORIES**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
IDBI CE 25 APRIL 2019	-	400,000	16,756,284
	<u>-</u>	<u>400,000</u>	<u>16,756,284</u>

**NOTE 8. CURRENT TAX ASSETS (Net)**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Current Tax Asset (Net)	917,809	-	-
	<u>917,809</u>	<u>-</u>	<u>-</u>

**NOTE 10. Right to Use Asset**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Right to Use Asset	282,823	282,823	-
	<u>282,823</u>	<u>282,823</u>	<u>-</u>

**KEYNOTE CAPITALS LIMITED**  
Notes on Financial Statements for the Year ended 31st March, 2020

(Amount in Rs.)

**NOTE 9. Property, Plant & Equipment**

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1st April, 2019	Additions	Deductions/A adjustments	As at 31st March 2020	As at 1st April, 2019	For the year	Deductions/A adjustments	Upto 31st March 2020	As at 31st March 2020	As at 31st March, 2019
<b>a) TANGIBLE ASSETS</b>										
Furniture and Fixtures	7,820,015	-	-	7,820,015	4,804,767	735,462	-	5,540,229	2,279,787	3,015,248
Motor Car	20,289,033	-	-	20,289,033	8,291,031	1,802,415	-	10,093,446	10,195,588	11,998,003
Office equipment	1,907,871	60,511	-	1,968,382	1,812,479	17,615	-	1,830,094	138,288	95,393
Office Premises	88,307,368	-	-	88,307,368	9,737,601	1,398,200	-	11,135,801	77,171,567	78,569,767
Computers Hardware	14,036,793	-	-	14,036,793	13,183,200	79,564	-	13,262,764	774,029	853,593
<b>Total</b>	<b>132,361,081</b>	<b>60,511</b>	<b>-</b>	<b>132,421,592</b>	<b>37,829,078</b>	<b>4,033,256</b>	<b>-</b>	<b>41,862,334</b>	<b>90,559,259</b>	<b>94,532,004</b>
Previous Year	125,143,614	9,585,370	2,367,903	132,361,081	35,990,542	3,774,366	-	37,829,078	94,532,004	89,153,074

**NOTE 11. TRADE PAYABLES**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Trade Payables	160,673,790	4,427,215	10,927,570
<b>Total</b>	<b>160,673,790</b>	<b>4,427,215</b>	<b>10,927,570</b>

**NOTE 12. BORROWINGS**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>Secured</b>			
Car Loan from Daimler Financial Services Pvt. Ltd. (Secured By Hypothecation of Mercedes Benz)	-	-	870,678
Car Loan from HDFC Bank Ltd. (Secured By Hypothecation of Mercedes Benz)	3,738,789	5,072,977	-
Car Loan from Yes Bank Ltd.	1,058,630	1,886,346	-
Axis Bank O/D Against FD Account	95,725	11,622,135	53,140,751
L K P Finance Limited	-	-	22,782,254
Car Loan from Daimler Financial Services Pvt. Ltd. (Secured By Hypothecation of Mercedes Benz)	-	181,832	-
<b>Loan From Related Parties</b>			
Associate (Keynote Fincorp Ltd.)	43,032,702	7,223,912	-
Parent Company (Keynote Financial Ser. Ltd.)	487,861	-	-
<b>Total</b>	<b>48,413,708</b>	<b>25,987,202</b>	<b>76,793,684</b>

**NOTE 13. OTHER FINANCIAL LIABILITIES**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Deposit / Advance From Clients/ Parties*	3,067,776	7,020,952	8,154,418
Income Received in Advance	-	-	793,973
Interest Payable	22,895	22,420	22,420
Employee Benefits Payable	113,511	107,793	107,429
Loans from Related Parties	-	-	-
Statutory Dues Payable	1,712,853	560,082	2,199,561
Office Deposit	18,577,265	44,000,000	13,422,045
Other Payables	2,747,281	2,464,912	4,661,769
	253,844	-	-
Outstanding Expenses Payable	-	240,188	502,550
<b>Total</b>	<b>26,495,424</b>	<b>54,416,346</b>	<b>29,864,166</b>

\*All the above Deposits/Advances are payable as and when demanded by the party.

**NOTE 14. PROVISIONS**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Provision for Gratuity (Non Current)	1,963,837	1,828,542	1,828,542
Provision for Leave Encashment (Non Current)	-	-	-
Provision for Bonus	100,000	100,000	800,000
Provision for Gratuity (Current)	941,542	876,814	961,584
Income Tax (Net of Provision )	-	-	-
Provision for Leave Encashment	149,304	239,978	146,611
<b>Total</b>	<b>3,154,683</b>	<b>3,045,334</b>	<b>3,736,737</b>

**NOTE 15. DEFERRED TAX LIABILITY (Net)**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
Deferred tax Liability as on 1st April, 2019	8,928,902	8,012,323	7,572,642
Difference between book and Tax Depreciation	733,959	1,062,167	1,017,878
<b>Total deferred Tax liability</b>	<b>9,662,862</b>	<b>9,074,490</b>	<b>8,590,520</b>
Expenses Disallowed as per section 43B of Income Tax A	204,282	145,588	578,197
Provision for Mark to Market Loss for F & O.	-	-	-
<b>Total deferred Tax Assets</b>	<b>204,282</b>	<b>145,588</b>	<b>578,197</b>
<b>Net Deferred Tax Liability</b>	<b>9,458,579</b>	<b>8,928,902</b>	<b>8,012,323</b>

**NOTE 16. EQUITY SHARE CAPITAL**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>Authorized Share Capital</b>			
1,50,00,000 (31st March 2019:1,50,00,000) Equity Shares of Rs.10/- each	150,000,000	150,000,000	150,000,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
1,12,66,667 (31st March 2019: 1,12,66,667) Equity Shares of Rs.10/- each	112,666,670	112,666,670	112,666,670
<b>Total</b>	<b>112,666,670</b>	<b>112,666,670</b>	<b>112,666,670</b>

**16.1) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

	As at 31st. Mar. 2020		As at 31st. Mar. 2019	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	11,266,667	112,666,670	11,266,667	112,666,670
Add: Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>11,266,667</b>	<b>112,666,670</b>	<b>11,266,667</b>	<b>112,666,670</b>

**16.2) Details of shareholders holding more than 5% shares in the company**

	As at 31st. Mar. 2020		As at 31st. Mar. 2019	
	No of Shares	% Holding	No of Shares	% Holding
Keynote Financial Services Ltd.	11,266,667	100	11,266,667	100
(Formerly Keynote Corporate Services Ltd.)	<b>11,266,667</b>	<b>100</b>	<b>11,266,667</b>	<b>100</b>

**NOTE 17. OTHER EQUITY**

	As at 31st. Mar. 2020	As at 31st. Mar. 2019	As at 1st. April 2018
<b>Securities Premium Account</b>			
As per last Balance Sheet	62,833,340	62,833,340	62,833,340
Add : Issue of Shares	-	-	-
	<b>62,833,340</b>	<b>62,833,340</b>	<b>62,833,340</b>
<b>Profit and Loss Account</b>			
As per last Balance Sheet	175,768,495	191,881,601	177,417,205
Add: Profit for the year	(26,636,849)	(16,113,107)	13,402,421
Add: Revaluation of Investment Stock as per IND AS.	-	-	1,061.973
	<b>149,131,646</b>	<b>175,768,495</b>	<b>191,881,599</b>
<b>Total</b>	<b>211,964,986</b>	<b>238,601,835</b>	<b>254,714,939</b>

**KEYNOTE CAPITALS LIMITED**  
As on 31 March 2020

**A. Equity Share capital**

Particulars	31 March 2020		31 March 2019		1 April 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	11,266,667	112,666,670	11,266,667	112,666,670	11,266,667	112,666,670
Changes in equity share capital during the year	-	-	-	-	-	-
At the end of the year	11,266,667	112,666,670	11,266,667	112,666,670	11,266,667	112,666,670

**B. Other Equity**

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 1 April 2018	62,833,340	190,819,626	253,652,966
Adjustments on account of transition to Ind AS	-	1,061,973	1,061,973
Opening reinstated balance as on 1 April 2018	62,833,340	191,881,599	254,714,939
Add: Profit during the year	-	(16,113,105)	(16,113,105)
Balance as at 31 March 2019	62,833,340	175,768,495	238,601,835
Add: Profit during the year	-	(26,636,849)	(26,636,849)
Balance as at 31 March 2020	62,833,340	149,131,646	211,964,986

**Notes:**

- 1 Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 2 Securities premium is created in issue of shares during previous financial years

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

As per our report of even date attached

For **R.K.KHANDELWAL & CO.**  
Chartered Accountants,  
Firm Registration No. 105054W

**Ramkrishan Khandelwal**  
(R.K.KHANDELWAL)  
Partner  
Membership No. 030054

Place : Mumbai  
Date : 27th. June 2020

For **KEYNOTE CAPITALS LIMITED**

**RAKESH CHOUDHARI**  
Managing Director

**UDAY PATIL**  
Director

**DEVIN JOSHI**  
CFO

**SUJEET MORE**  
Company Secretary