

# KEYNOTE

## DIRECTORS' REPORT

To,  
The Members of KEYNOTE COMMODITIES LIMITED

**1. INTRODUCTION:**

Dear Shareholders,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2019.

**2. FINANCIAL SUMMARY OF THE COMPANY:**

(Rs.In lacs)		
Particulars	2018-19	2017-18
Total Income	25.73	62.67
Total Expenses	23.26	17.50
<b>Profit before depreciation</b>	<b>2.46</b>	<b>45.16</b>
Less: Depreciation	Nil	Nil
<b>Profit before Tax</b>	<b>2.46</b>	<b>45.16</b>
Provision for Taxation:		
- Current Tax	1.59	10.48
- Short/ (Excess) Provision of Taxation for Earlier Years	0.63	Nil
- Deferred Tax Liability / (Asset)	Nil	(0.03)
<b>Profit after tax</b>	<b>0.24</b>	<b>34.71</b>
Profit brought forward from Previous Years	257.29	222.57
Surplus carried forward	257.53	257.29

**3. REVIEW OF OPERATIONS/PERFORMANCE:**

During the financial year, the Company has earned total income of Rs.25.73/-lacs as compared to Rs.62.67/- lacs for the previous year. Profit after Tax stood at Rs.0.24/- lacs as compared to Rs.34.71/- lacs for the previous year.

**4. DIVIDEND:**

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

**5. CHANGE IN NATURE OF BUSINESS, IF ANY:**

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

**Keynote Commodities 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-U72900MH2000PLC127047

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

The Company is a wholly owned subsidiary of "Keynote Capitals Limited".  
The Company does not have any Subsidiary, Associate and Joint Venture Company at the year end.

**9. 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 2019.

**10. STATUTORY AUDITORS:**

The reappointment of M/s. RSVA & Co. Chartered Accountants, having (Firm Registration Number: 110504W), as the Statutory Auditors of the Company was ratified in the previous Annual General Meeting to hold office till the conclusion of ensuing Annual General Meeting.

The Board recommends their re-appointment for the financial year 2019-20 and to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next/forthcoming Annual General Meeting.

The Company has received a consent letter from them to the effect that their re-appointment for the financial year 2019-20, if made, would be in conformity with the limits prescribed under Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 139 of the said Act.

**11. 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, your Company being a Unlisted Step Down Subsidiary of Keynote Financial Services Limited and Wholly Owned Subsidiary of Keynote Capitals Limited 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 2019.



**12. 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.

**13. 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 Differential Rights:**

The Company has not issued any Equity Shares with 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.

**14. 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.

**15. 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:**

- a) The foreign exchange earnings - Nil (previous year Nil).
- b) The foreign exchange expenditure - Nil (previous year Nil).

**16. 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.

**17. DIRECTOR & KEY MANAGERIAL PERSONNEL:**

**(i) Non- Independent Director:**

There is no change in the composition of the Non-Executive & Non-Independent Director of the company during the financial year under review.

The composition of the Non-Executive & Non-Independent Director comprising as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Vineet Suchanti	00004031	Non- Executive Director
2.	Rakesh Choudhari	00009093	Non- Executive Director
3.	Manish Desai	02925757	Non- Executive Director
4.	Uday S. Patil	00003978	Non-Executive Director

**(ii) Independent Director:**

As such, the provisions for appointment of 'Independent Director' are not applicable to the Company under the Companies Act, 2013 and the necessary rules made thereunder.

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

As such, the provisions for appointment of 'Key Managerial Personnel (KMP)' are not applicable to the Company under the Companies Act, 2013 and the necessary rules made thereunder.

**18. 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. Rakesh Choudhari (DIN: 00009093), 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.



**19. AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND MANAGEMENT COMMITTEE:**

**(a) Audit and Nomination and Remuneration Committee:**

As such, the provision for constituting Audit Committee and Nomination and Remuneration Committee is not applicable to the Company under the Companies Act, 2013 and the necessary rules made thereunder.

**(b) 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 and borrowing facilities as and when granted by the Banks, Financial Institution and other entities and execution of documents for these facilities. There were two committee meetings duly held on 31<sup>st</sup> May 2018 and 27<sup>th</sup> July 2018 during the financial year 2018-19.

The Composition of Management Committee comprising as follows:

Sr. No.	Name of the Director	Designation in the Committee
1.	Rakesh Choudhari	Chairman & Member
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 six (06) times during the financial year under review, i.e. on 4<sup>th</sup> April, 2018, 23<sup>rd</sup> May, 2018, 29<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 7<sup>th</sup> January, 2019 and 13<sup>th</sup> March, 2019 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. ADMISSION OF THE COMPANY'S SECURITIES (EQUITY SHARES) IN THE DEPOSITORY SYSTEM OF CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED:**

Pursuant to the notification published by Ministry of Corporate Affairs (MCA) on September 10, 2018 regarding (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 came into force with effect from 2<sup>nd</sup> October, 2018 regarding dematerialization of securities by Unlisted Public Companies.

Your Directors at their meeting held on 12<sup>th</sup> November 2018 has appointed M/s. Bigshare Services Pvt. Ltd as Registrar & Transfer Agent (RTA) for admitting the Securities of the Company in the Depository system of Central Depository Services (India) Limited to dematerialize the physical securities (Equity shares) of the Company.

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

The Particulars of Loans, Guarantees and Investment 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 **Annexure-II**.

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

There were no Contracts or Arrangements made with the related parties as per the provisions of Section 188 of the Companies Act, 2013 during the year under review.

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

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

**24. 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.

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

The provisions 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]" is not applicable to the company.

**26. 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.



**27. ACKNOWLEDGMENT:**

We take this opportunity to express our deep sense of gratitude to Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), Registrar of Companies (ROC), M/s. RSVA & Co. (Statutory Auditors), our Clients, Bankers and other Government Agencies for their continued support.

By order of the Board  
For KEYNOTE COMMODITIES LIMITED



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Director  
(DIN: 00009093)

Place: Mumbai  
Date: 2<sup>nd</sup> May 2019



**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 2019

[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)	:	U72900MH2000PLC127047
2.	Registration Date	:	07-06-2000
3.	Name of the Company	:	KEYNOTE COMMODITIES 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	:	N.A.

**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 (Commodity Broking)	6612	100

**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 Capitals Limited The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	(CIN: U67120MH1995PLC088172)	Holding	100	2(46)



SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

## I. CATEGORY-WISE SHARE HOLDING

[illegible]

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	
2.. Non-Institutions									
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
Sub-Total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	350,000	350,000	100	Nil	350,000	350,000	100	Nil

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 Pledge d/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1.	Keynote Capitals Limited	350,000	100	Nil	350,000	100	Nil	Nil
	Total	350,000	100	Nil	350,000	100	Nil	Nil



**III) CHANGE IN PROMOTERS' SHAREHOLDING:  
(THERE IS NO CHANGE MADE DURING THE YEAR)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.	-	-	-	-
		-	-	-	-
	At the end of the year	-	-	-	-

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.	-	-	-	-
		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.	-	-	-	-
	At the End of the year	-	-	-	-

VI). DETAILS OF INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Not Applicable)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01-04-2018</b>				
i). Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year - 31-03-2019</b>	-	-	-	-
i). Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-



**VII). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

- (a) Remuneration to Managing Director, Whole-Time Directors and/or Manager:  
Not Applicable

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. In lacs)
1.	Gross Salary		
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(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	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of Profit	-	-
	- Others specify	-	-
5.	Others, please specify (Bonus)	-	-
	Ceiling as per the Act	-	-
	Total	-	-

**B. Remuneration of other Directors:**

**I. Independent Directors: Not Applicable**

Particulars of Remuneration	Name of Directors		Amount (Rs. In lacs)
Fees for attending board committee meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (1)	Nil	Nil	Nil

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

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

C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD:  
Not Applicable

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	Company Secretary	CFO	Total Amount (. In lacs)
1.	Gross Salary				
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b). Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - As % of Profit - Others specify	Nil	Nil	Nil	Nil
5.	Others, please specify (Bonus)	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

By order of the Board  
For KEYNOTE COMMODITIES LIMITED



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Director  
(DIN: 00009093)

Place: Mumbai  
Date: 2<sup>nd</sup> May 2019





# ANNEXURE - II TO THE DIRECTORS' REPORT

## Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis: (Not Applicable)

Name of the Related Party & Nature of Relationship	---	---	---	---	---	---
Nature of Relationship	---	---	---	---	---	---
Nature of contracts/arrangements/transactions	---	---	---	---	---	---
Duration of the contracts / arrangements/ transactions	---	---	---	---	---	---
Salient terms of the contracts or arrangements or transactions including the value, if any	---	---	---	---	---	---
Justification for entering into such contracts or arrangements or transactions	---	---	---	---	---	---
Date(s) of approval by the Board	---	---	---	---	---	---
Amount paid as advances, if any	---	---	---	---	---	---
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	---	---	---	---	---	---
	---	---	---	---	---	---
	---	---	---	---	---	---

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

Name of the Related Party	Keynote Capitals Limited
Nature of Relationship	-
Nature of contracts/arrangements/transactions	-
Duration of the contracts / arrangements/transactions	-
Salient terms of the contracts or arrangements or transactions including the value, if any	-
Date(s) of approval by the Board, if any,	-
Amount paid as advances, if any	-

By order of the Board  
For KEYNOTE COMMODITIES LIMITED



Uday Patil  
Director  
(DIN: 00003978)



Rakesh Choudhari  
Director  
(DIN: 00009093)

Place: Mumbai  
Date: 2<sup>nd</sup> May 2019



**RSVA & CO. (REGD.)**

CHARTERED ACCOUNTANTS

Andheri Branch:- <sup>102</sup>210, New Apollo Estate  
Premises C.S. Ltd, Old Nagardas Road,  
Behind Hanuman Hotel, Mogra Village,  
Andheri (E), Mumbai - 400069.  
Mob-9892016809  
E-Mail : rsatax601@yahoo.com  
rsa601@yahoo.co.in

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**KEYNOTE COMMODITIES LIMITED**

### Report on the standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **KEYNOTE COMMODITIES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and its profit and Loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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.

#### Responsibility of Management for the standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 financial statements.

### **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, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



**RSVA & CO. (REGD.)**

CHARTERED ACCOUNTANTS

Andheri Branch:- 210, New Apollo Estate  
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E-Mail : rsatax601@yahoo.com  
rsa601@yahoo.co.in

- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. 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 disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 28 of Notes to Accounts of the Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

For **RSVA & CO.**  
**Chartered Accountants,**  
Firm Registration No. 110504W

  
**CA R. S. AGARWAL - Partner**  
Membership No. 041817



Place : Mumbai

Date

02 MAY 2019





### **“Annexure A” to the Independent Auditor’s Report**

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us 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, there is no immovable property held in the name of the Company.
- ii. The Company is a Service Company, primarily rendering commodities brokerage services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has granted unsecured loans and advances to bodies corporate of Rs. 4,49,42,230/- 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 and 186 of the Companies Act, 2013 with respect to loans and investments made.





**RSVA & CO. (REGD.)**

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- v. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013 and the rules made thereunder.
- 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) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, GST, Cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and based on the records of the Company examined by us there are no material dues of Provident Fund, Employees' State Insurance, Income Tax, GST, Cess which have not been deposited with the appropriate authority on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
INCOME TAX ACT, 1961	INCOME TAX	88,16,570/-	2014-15	CIT (APPEALS)

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. According to the information and explanations given to us, 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.



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- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration 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 given to us and based on our examination of the records of the Company, 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 given 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.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For RSVA & CO.  
Chartered Accountants,  
Firm Registration No. 110504W

*Signature of CA R. S. Agarwal*

CA R. S. AGARWAL - Partner  
Membership No. 041817



Place: Mumbai

Date: 02 MAY 2019





**RSVA & CO. (REGD.)**

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## **“Annexure B” to the Independent Auditor’s Report**

### **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 COMMODITIES LIMITED ('the Company') as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 was established and maintained and if such controls operated effectively in all material respects.





**RSVA & CO. (REGD.)**

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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.



**RSVA & CO. (REGD.)**

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### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, 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 RSVA & CO.  
Chartered Accountants,  
Firm Registration No. 110504W

CA R. S. AGARWAL, Partner  
Membership No. 041817

Place: Mumbai

Date: 02 MAY 2019





# KEYNOTE COMMODITIES LIMITED

Balance Sheet as at 31st. March, 2019

( Amt. in Rs.)

	Note No.	As at 31st. March 2019	As at 31st. March 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	3,500,000	3,500,000
Reserves and Surplus	2	25,753,499	25,729,082
<b>Current Liabilities</b>			
Trade Payables	3	42,274,231	52,578,475
Other Current Liabilities	4	57,455,880	26,231,818
Short-Term Provisions	5	1,253,611	3,647,162
<b>Total</b>		<b>130,237,221</b>	<b>111,686,537</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	6	6,814	6,814
Deferred Tax Assets (Net)	7	27,507	27,521
Other Non Current Assets	8	12,035,000	10,275,000
Non Current Investments	9	50,592,035	35,563,435
<b>Current Assets</b>			
Trade Receivables	10	0	7,906,688
Cash and Cash Equivalents	11	20,565,305	19,481,961
Short Term Loans and Advances	12	44,946,230	33,604,749
Other Current Assets	13	2,064,330	4,820,369
<b>Total</b>		<b>130,237,221</b>	<b>111,686,537</b>
Significant Accounting Policies The Accompanying Notes 18 to 28 are an integral part of the Financial Statements	18		

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

FOR RSVA & CO.

Chartered Accountants

Firm Reg.No.110504W

CA R.S.AGARWAL-PARTNER

M.NO.041817

Place:Mumbai

Date:

On behalf of the Board of Directors

  
Uday Patil  
Director

  
Rakesh Choudhari  
Director





<b>KEYNOTE COMMODITIES LIMITED</b> <b>Profit &amp; Loss Statement for year ended 31st. March, 2019</b> <b>( Amt. in Rs.)</b>			
Particulars	Note No.	Year Ended 31 March, 2019	Year Ended 31st March 2018
Revenue From Operations	14	2,573,321	3,675,678
Other Income	15	-	2,591,333
<b>Total Revenue</b>		<b>2,573,321</b>	<b>6,267,011</b>
<b>Expenses:</b>			
Employee Benefit Expenses	16	328,274	335,181
Other Expenses	17	1,998,055	1,415,555
<b>Total Expenses</b>		<b>2,326,329</b>	<b>1,750,736</b>
<b>Profit /(Loss) Before Tax</b>		<b>246,992</b>	<b>4,516,275</b>
<b>Profit /(Loss) Before Tax</b>		<b>246,992</b>	<b>4,516,275</b>
Tax expense:			
Current Tax		158,920	1,048,168
Short / (Excess) Provision of Taxation for Earlier Years		63,641	-
Deferred Tax	14		(3,863)
<b>Profit (Loss) for the period</b>		<b>24,417</b>	<b>3,471,970</b>
Earnings per equity share:			
Basic		0.07	9.92
Diluted		0.07	9.92
Significant Accounting Policies The Accompanying Notes 18 to 28 are an integral part of the Financial Statements	18		

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

FOR RSVA & CO.  
Chartered Accountants  
Firm Reg.No.110504W

CA R.S. AGARWAL-PARTNER  
M.NO.041817  
Place:Mumbai  
Date: 02 MAY 2019



On behalf of the Board of Directors

  
Uday Patil  
Director

  
Rakesh Choudhari  
Director

**KEYNOTE COMMODITIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amt. in Rs.)

	Year Ended 31-Mar-19	Year Ended 31-Mar-19	Year Ended 31-Mar-18	Year Ended 31-Mar-18
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Tax and Extraordinary items		246,992		4,516,275
Adjustment For :				
Interest Income (net)	-	-	(2,591,333)	(2,591,333)
<b>Operating profit before working capital changes</b>		246,992		1,924,942
Adjustment For :				
Increase / (Decrease) in Short Term Borrowings	-	-	-	-
Increase / (Decrease) in Trade Payables	(10,304,243)		(24,195,161)	
Increase / (Decrease) in Other Current Liabilities	31,224,061		(21,402,734)	
Increase / (Decrease) in Provisions	(2,616,112)		-	
Decrease / (Increase) in Inventories (Stock In Trade)	-		-	
Decrease / (Increase) in Trade and other receivables	7,906,687		(7,786,794)	
(Increase) / Decrease in Short Term Loans & Advances	(11,341,480)		17,061,140	
Decrease / (Increase) in Other Current Assets	2,756,039	17,624,952	(2,391,635)	(38,715,184)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		17,871,944		(36,790,242)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest Received	-		2,591,333	
Sale / (Purchase) of Investments	(15,028,601)		35,738,436	
Decrease / (Increase) in Loans & Advances	(1,760,000)		(4,250,000)	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		(16,788,601)		34,079,769
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Receipt on Share Application Money				
Repayment of Secured Loans				
<b>NET CASH FROM FINANCING ACTIVITIES</b>		-		-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (i)</b>		1,083,344		(2,710,473)
Cash and cash equivalents as at 31st March, 2018 (ii)		19,481,961		22,192,434
(Opening Balance)				
Cash and cash equivalents as at 31st March, 2019 (i)+(ii)		20,565,305		19,481,961
(Closing Balance)				

**NOTES TO THE CASH FLOW STATEMENT**

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

	As at 31/03/2019	As at 31/03/2018
Cash	93,897	140,686
With Banks		
- Current Accounts	3,889,025	3,422,306
- Fixed Deposits	16,582,383	15,918,969
<b>Total cash and cash equivalents</b>	<b>20,565,305</b>	<b>19,481,961</b>

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

FOR RSVA & CO.  
Chartered Accountants  
Firm Reg.No.110504W



CA R.S.AGARWAL-PARTNER  
M.NO.041817  
Place:Mumbai  
Date: 02 MAY 2019

On behalf of the Board of Directors

Uday Patil  
Director

Rakesh Choudhari  
Director

**KEYNOTE COMMODITIES LIMITED**  
**NOTE ON ACCOUNTS FOR THE YEAR ENDED 31st. MARCH 2019**

**1. SHARE CAPITAL**

Particulars	(Amt. in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Authorised Equity Shares of Rs.10/- each 10,00,000 (10,00,000) Equity Shares	10,000,000	100,000,000
Issued, Subscribed and Paid Up Equity Shares of Rs.10/- each 3,50,000 (3,50,000) Equity Shares fully Paid up.	3,500,000	3,500,000
<b>Total</b>	<b>3,500,000</b>	<b>3,500,000</b>

The Company has only one class of shares referred to as Equity Shares having a Face Value of Rs 10/- each.

**(a) Reconciliation of No. of Shares.**

Particulars	As at 31st. March 2019	As at 31st. March 2018
	Equity Shares Number	Equity Shares Number
Shares outstanding at the beginning of the year	350,000	350,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>350,000</b>	<b>350,000</b>

**(b) Shares held by Holding Company.**

3,50,000 (100%) Equity Shares (Previous year 3,50,000) are held by, the holding company  
Keynote Capitals Limited & its Nominees

Note: The Company has only one class of equity shares having a par value of Rs 10 Per share.

**(c) Details of shares held by shareholders holding more than 5%  
of the aggregate shares in the company:**

Number of Equity Shares	350,000	350,000
Keynote Capitals Ltd, Mumbai	100%	100%

**(d) Shares reserved for issue under options :**

There are no Shares reserved for issue under any option

**(e) Shares allotted by way of fully paid up bonus shares/ pursuant  
to contract(s) without payment being received in cash (During 5 yrs  
immediately preceeding March 31,2019):**

During the period of five years immediately preceeding March 31,2019  
no shares are allotted as fully paid up by way of bonus share or  
pursuant to Contract(s) without payment being received in cash



**2. RESERVES AND SURPLUS**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Surplus</b>		
Balance at the beginning of the year	25,729,082	22,257,112
(+) Profit for the period	24,417	3,471,970
<b>Balance at the end of the year</b>	<b>25,753,499</b>	<b>25,729,082</b>
<b>Total</b>	<b>25,753,499</b>	<b>25,729,082</b>

**3. TRADE PAYABLES**

Particulars	As at 31 March 2019	As at 31 March 2018
Sundry Creditors	42,274,231	52,578,475
<b>Total</b>	<b>42,274,231</b>	<b>52,578,475</b>

**4. OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Others Payable:</b>		
Corporate & Others	55,000,000	25,000,000
Franchisee Security Deposit	8,190	8,190
Keynote Capitals Limited	2,289,858	-
New Client Deposit A/c.	-	213,907
Outstanding Expenses Payable	98,060	137,580
Profession Tax (Employees)	200	200
Salary Payable	22,518	20,017
IGST	-	843,824
TDS on Interest	23,449	-
TDS on Professional Services	13,605	8,100
<b>Total</b>	<b>57,455,880</b>	<b>26,231,818</b>

**5. SHORT TERM PROVISIONS**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Others</b>		
Provision for Income Tax A.Y. 2014-15	46,523	46,523
Provision for Income Tax A.Y. 2015-16	-	459,248
Provision for Income Tax A.Y. 2016-17	-	595,673
Provision for Income Tax A.Y. 2017-18	-	1,497,550
Provision for Income Tax A.Y. 2018-19	1,048,168	1,048,168
Provision for Income Tax A.Y. 2019-20	158,920	-
<b>Total</b>	<b>1,253,611</b>	<b>3,647,162</b>

## 6. FIXED ASSETS

### List of Tangible Assets

*Amt. in Rs.*

Asset Description	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at 1 April 2018	Additions	Deductions	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the year	Adjustment according to the Companies Act, 2013	On disposals	Balance as at 31 March 2019	Balance as at 31 March 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer System	136,275	-	-	136,275	129,461	-	-	-	6,814	6,814
Total	136,275	-	-	136,275	129,461	-	-	-	6,814	6,814
Total	136,275	-	-	136,275	129,461	-	-	-	6,814	6,814

## 7. DEFERRED TAX ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Assets	27,507	27,521
<b>Total</b>	<b>27,507</b>	<b>27,521</b>

## 8. OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits with Exchanges (In form of Cash & Cash Equivalent)	12,000,000	10,250,000
MVAT / CDSL Registration Deposit	35,000	25,000
<b>Total</b>	<b>12,035,000</b>	<b>10,275,000</b>

## 9. NON CURRENT INVESTMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
Investments in Shares (Refer Note 9.1)	50,592,035	35,563,435
<b>Total</b>	<b>50,592,035</b>	<b>35,563,435</b>

### Note 9.1 Trade Investment at Cost

10(10) Equity Shares of Navin Fluorine of Rs.2/ each Fully Paid	2,135	2,135
1,27,000(NIL) Equity Shares of Kisan Mouldings Ltd.of Rs.10/ each Fully Paid	15,100,300	15,100,300
18,500(NIL) Equity Shares of Medicamen Biotech Ltd.of Rs.10/ each Fully Paid	10,101,000	10,101,000
1,33,600(35,000) Equity Shares of Shivalik Rasayan Ltd.of Rs.5/ each Fully Paid	25,388,600	10,360,000
	<b>50,592,035</b>	<b>35,563,435</b>



#### 10. TRADE RECEIVABLES

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	81,364
Others	-	7,825,324
<b>Total</b>	<b>-</b>	<b>7,906,688</b>

#### 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2019	As at 31 March 2018
Cash in Hand	93,897	140,686
<u>Balances with Bank</u>		
Current Account	3,889,025	3,422,306
Fixed Deposit	16,582,383	15,918,969
<b>Total</b>	<b>20,565,305</b>	<b>19,481,961</b>

#### 12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2019	As at 31 March 2018
<u>Unsecured Considered good</u>		
a) Others	648,736	5,667,736
b) Temporary Advance to Related Parties	44,297,494	27,937,013
<b>Total</b>	<b>44,946,230</b>	<b>33,604,749</b>

#### 13. OTHER CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Other Current Assets	2,064,330	4,820,369
Preliminary Expenses	-	21,501
Less: Written Off	-	21,501
<b>Total</b>	<b>2,064,330</b>	<b>4,820,369</b>

**14. REVENUE FROM OPERATIONS**

Particulars	As at 31 March 2019	As at 31 March 2018
Advisory Income	300,000	-
Dividend Income	43,750	-
Income from Non Current Investments	236,875	665,127
Interest from Commodities MCX Bank Deposit	1,500,963	1,393,815
Profit from Trading of Yarn	389,483	716,681
Profit on Sale of Investments (Long Term)	-	524,127
Profit on Sale of Investments (Short Term)	102,250	375,928
<b>Total</b>	<b>2,573,321</b>	<b>3,675,678</b>

**15. OTHER INCOME**

Particulars	As at 31 March 2019	As at 31 March 2018
Interest Income	-	2,591,333
<b>Total</b>	<b>-</b>	<b>2,591,333</b>

**16. EMPLOYEE BENEFIT EXPENSES**

Particulars	As at 31 March 2019	As at 31 March 2018
Salary & Wages	311,264	335,181
Staff Welfare Expenses	17,010	-
<b>Total</b>	<b>328,274</b>	<b>335,181</b>

**17. OTHER EXPENSES**

Particulars	As at 31 March 2019	As at 31 March 2018
Annual Membership (Exchange)	75,000	86,250
Annual Subscription Fees	82,500	87,500
Annual Maintenance Charges	10,750	-
SEBI Registration Charges	100,000	100,000
Statutory Audit Fees	27,500	27,500
Office Establishment Expenses	550,227	776,858
Professional Fees	123,250	149,500
Other Operating Expenses	1,028,828	187,947
	<b>1,998,055</b>	<b>1,415,555</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **18. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

#### **18.1 : COMPANY OVERVIEW**

Keynote Commodities Ltd. Is a wholly own subsidiary company of KEYNOTE CAPITALS LIMITED, engaged in broking business of commodity.

#### **18.2 : BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These Financial Statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. Accounting policies are applied consistently to all periods presented in these financial statements.

All Assets and Liabilities have been classified as per the criteria set out in the Schedule III to the Companies Act, 2013.

#### **18.3 : CRITICAL ACCOUNTING ESTIMATES**

##### **A. REVENUE RECOGNITION :**

Revenue in respect of Brokerage of Commodity transaction is recognized on transaction base/Accrual basis.

##### **B. FIXED ASSETS & DEPRECIATION :**

As reported, the Company has not purchased fixed assets in the current year and the Company only has residual value of existing fixed assets as per the Companies Act, 2013, hence depreciation is not been provided on residual value of fixed assets and not written off during the year, as per the Companies Act, 2013.

##### **C. NON CURRENT INVESTMENTS :**

Investment is partly sold during the year following FIFO method, resulting in Short Term / Long Term Capital gain and valued consistently on lower of Cost or Market price.

##### **D. SEGMENT ACCOUNTING POLICIES:**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and Expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and Expenses, which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated"

##### **E. OTHER ACCOUNTING POLICIES:**

Other Accounting Policies are Consistent with generally accepted accounting policies.



F. AMORTISATION OF PRELIMINARY EXPENSES:

There is no preliminary expenses existed during the current year, hence it is not applicable to the Company.

G. DEFERRED TAX:

Provision for taxes has been made.

H. PROVIDEND FUND & GRATUITY:

As explained, it is not applicable to Company.

19. **EARNING PER SHARE**

The Earning per Share has been computed in accordance with Accounting Standard (AS-20).

	Year ended 31.03.2019	Year ended 31.03.2018
Net Profit/(Loss) Attributable to Equity share holder, after current And deferred tax	24,417	34,71,970
No of equity shares (Number)	3,50,000	3,50,000
Nominal Value of Equity Shares (Rs.)	10	10
Earning Per Share (Rs.)	0.07	9.92

## 20. SEGMENT DISCLOSURE

## SEGMENT REPORTING

(Rs. In Lacs)

[illegible]

## 21. RELATED PARTY DISCLOSURES

### (A) List of Related Parties

#### Ultimate Holding Company-

Keynote Financial Services Ltd. (Formerly Keynote Corporate Services Ltd.)

Key management personnel, their relatives and enterprises where significant influence exists, with whom the company had transactions.

#### Holding Company

Keynote Capitals Ltd.

Key Management Personnel, their relatives and enterprises where significant influence exists, with whom the company had transactions.

#### Key Management Personnel

Mr. Vineet Suchanti Director

Mr. Rakesh Choudhari Director

Mr. Manish Desai Director

### (B) Transaction with Related Parties

The following transactions were carried out with the related Companies in the ordinary course of the business.

Transaction	Group Company (Rs. in lakh)	
	2018-19	2017-18
Purchase of security	-	-
Sale of security	-	26.50
Others	2,339.94	1,885.36

*NOTE: Related Party relationships are as identified by the Company and relied upon by the Auditors.*

22. There is no Micro and Small Scale Business Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March 2019. This information as required under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

23. In our opinion, provision for impairment of assets is not required as carrying amount of assets do not exceed its recoverable amount.



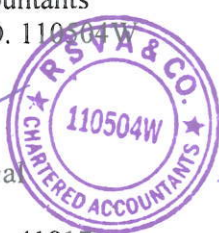
24. The Company has given loans and advances to a body corporate with prior approval by means of a special resolution passed at a general meeting w.r.t. Section 186 of the Companies Act, 2013 for business purpose.
25. The company has made provision for taxation after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.
26. Previous years figures have been re-casted, regrouped/restated, wherever necessary to confirm to current year classification.
27. Company has deposited Rs.1,20,00,000/- as Collateral Deposit with Exchanges.
28. According to information and explanations given to us, the following dues of Income Tax have not been deposited by the Company on account of disputes, We are further informed by the Management that there would be no financial impact on account of this litigation.

Name of the statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
INCOME TAX ACT, 1961	INCOME TAX	88,16,570/-	2014-15	CIT (APPEALS)

For RSVA & CO  
Chartered Accountants  
FIRM REG.NO. 110504W

On behalf of Board of Directors

CA R.S. Agarwal  
Partner  
Membership No.41817  
Date:



Uday Patil  
Director

Rakesh Choudhari  
Director