

# KEYNOTE

Ref # Key22/Stock Exchange Let/Rc (46)

3<sup>rd</sup> September, 2022

The Manager  
**BSE Limited,**  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 512597**

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

Dear Sir/Madam,

**Sub: Submission of 29<sup>th</sup> Annual Report of the Company under Regulation 34 (1) Obligations and Disclosure Requirements) Regulations, 2015.**

We are pleased to inform you that the 29<sup>th</sup> Annual General Meeting (“the AGM”) of the Company is to be held on Wednesday, 28<sup>th</sup> September, 2022 at 2:00 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) in compliance with the applicable provisions of the Companies Act, 2013 (“the Act”) read with rules framed there under read with MCA General Circular 02 & 03/2022 dated May 05, 2022 (“MCA Circulars”) to transact the businesses as set out in the Notice convening the AGM.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith the copy of 29<sup>th</sup> Annual Report of the Company for the Financial Year 2021-2022. Further, the 29<sup>th</sup> Annual Report of the Company is also available on the website of the Company at [www.keynoteindia.net](http://www.keynoteindia.net).

You are requested to take the above on record.

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

Yours faithfully,  
For **Keynote Financial Services Limited**



**Renita Crasto**  
**Company Secretary & Compliance Officer**



Encl: a/a

**Keynote Financial Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 6826 6000 · Fax: 91 22 6826 6088 Email: [info@keynoteindia.net](mailto:info@keynoteindia.net) • Website: [www.keynoteindia.net](http://www.keynoteindia.net)

CIN-L67120MH1993PLC072407

KEYNOTE



KEYNOTE FINANCIAL SERVICES LIMITED

**KEYNOTE FINANCIAL SERVICES LIMITED  
ANNUAL REPORT 2021 - 2022**

<b>CONTENTS</b>	<b>PAGE NO.</b>
• Board of Directors .....	03
• Notice .....	04
• Explanatory Statement .....	16
• Directors Report .....	20
• Management Discussion and Analysis .....	42
• Report on Corporate Governance .....	45
• Auditors' Report to the Shareholders .....	74
• Balance Sheet .....	85
• Profit and Loss Account .....	87
• Cash Flow Statement .....	89
• Notes to the Accounts .....	92
 <b>CONSOLIDATED ACCOUNTS</b>	
• Auditor's Report .....	129
• Balance Sheet .....	136
• Profit and Loss Account .....	137
• Cash Flow Statement .....	138
• Notes to the Accounts .....	141
• Statement pursuant to first proviso to sub-section 219 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 Relating to Subsidiary Companies .....	183

**BOARD OF DIRECTORS**

**Shri. Vineet Suchanti**  
Managing Director (*w.e.f 12<sup>th</sup> August, 2022*)

**Shri. Uday S. Patil**  
Director & CFO

**Smt. Rinku Suchanti**  
Director

**Shri. Shishir Dalal**  
Independent Director

**Shri. Manish Desai**  
Independent Director

**Shri. Anish Malhotra**  
Independent Director

**BOARD COMMITTEES**

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>
Shri. Shishir Dalal – Chairman	Shri. Manish Desai – Chairman
Shri. Manish Desai – Member	Shri. Anish Malhotra – Member
Shri. Uday S. Patil – Member	Shri. Shishir Dalal – Member
<b>Management Committee</b>	<b>Stakeholders Relationship Committee</b>
Shri. Vineet Suchanti – Chairman	Shri. Manish Desai – Chairman
Shri. Uday S. Patil – Member	Shri. Vineet Suchanti – Member
	Shri. Uday S. Patil – Member

**COMPANY SECRETARY**

Ms. Renita Crasto (*w.e.f. 7<sup>th</sup> September, 2021*)

**REGISTERED OFFICE**

Keynote Financial Services Limited  
The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg,  
Dadar (West), Mumbai – 400 028  
CIN - L67120MH1993PLC072407  
Email: [investors@keynoteindia.net](mailto:investors@keynoteindia.net)  
Website: [www.keynoteindia.net](http://www.keynoteindia.net)

**BANKERS**

Indian Bank  
State Bank of India  
ICICI Bank Limited  
Punjab National Bank  
Kotak Mahindra Bank Limited

**SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.,  
C 101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel : (022) 49186000, Fax No. (022) 49186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**AUDITORS**

S M S R & CO LLP  
Chartered Accountants,  
A-005, Gr. Floor, Western Edge-II,  
Off Western Express Highway,  
Borivali (East), Mumbai – 400 066

**Twenty-Ninth Annual General Meeting**  
**On Wednesday, 28<sup>th</sup> Spetember, 2022 at 2:00 p.m.**  
**Through Video Conference or Other Audio-Visuals Means (“VC/OAVM”)**

### NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KEYNOTE FINANCIAL SERVICES LIMITED WILL BE HELD ON WEDNESDAY, 28<sup>TH</sup> SEPTEMBER, 2022 AT 2:00 P.M. INDIAN STANDARD TIME (“IST”). THE ANNUAL GENERAL MEETING SHALL BE HELD BY MEANS OF VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and Auditor’s thereon.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31<sup>st</sup> March, 2022, together with the Reports of the Board of Directors and Auditor’s thereon for the Financial Year ended 31<sup>st</sup> March, 2022, placed before the 29<sup>th</sup> Annual General Meeting be and are hereby received, considered and adopted.”

- 2. To declare dividend for the Financial Year ended 31<sup>st</sup> March, 2022.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the company a dividend at the rate of 10% (i.e. ₹1/- per share) for the year ended 31<sup>st</sup> March, 2022, on the fully paid Equity Shares of the Company be paid to those Shareholders of the Company whose names appear in the Company’s Register of Members on 21<sup>st</sup> September, 2022.

- 3. To appoint a Director in place of Shri. Vineet Suchanti (DIN: 00004031), who retires by rotation and being eligible offers himself for reappointment.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri. Vineet Suchanti (DIN: 00004031), who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation.”

#### **SPECIAL BUSINESS:**

- 4. Approval for change in designation of Shri. Vineet Suchanti (DIN: 00004031), Whole Time Director to “Managing Director”.**

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 2 (54), 196, 197, 198 and 203 read with Schedule V of Companies Act, 2013 (the “Act”), as amended from time to time and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and pursuant to provisions of the Articles of Association of the Company and approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings, and subject to such other approvals, consents, sanctions and permissions, as may be

necessary, the consent of the shareholders be and is hereby accorded to designate Shri. Vineet Suchanti (DIN: 00004031), Whole Time Director of the Company as the “Managing Director” of the Company w.e.f 12<sup>th</sup> August, 2022, liable to retire by rotation with the existing terms and conditions of his appointment.

**RESOLVED FURTHER THAT** the Company hereby accords its approval for the revision of remuneration, if any payable to Shri. Vineet Suchanti (DIN: 00004031) during the period of his tenure with the liberty to the Board of Directors to alter and vary the terms of appointment so as to not exceed the limits set out in Schedule V to the Companies Act, 2013 including statutory modifications or re-enactment thereof for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between the Board and Shri. Vineet Suchanti.

**RESOLVED FURTHER THAT** the Director(s)/Officer(s) of the Company be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, to file requisite forms or applications with statutory/regulatory authorities, with power to settle all questions, difficulties or doubts that may arise in this regard, as he/she may in his/her sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any other Director(s)/Officer(s) of the Company, to give effect to this Resolution.”

**5. To approve the related party transactions which may exceed 10% of the annual consolidated turnover of the Company as per the Company’s last Audited Financial Statements within the financial year 2022-23.**

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the applicable provisions of the Companies Act, 2013 and any other applicable provisions of law, including any amendments, modifications, variations or re-enactments thereof, the members of the Company do hereby accord its approval to the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include any committee constituted/ empowered by the Board from time to time to exercise its powers conferred by this resolution) for entering into transaction(s) and /or continuing with arrangements (whether individual transactions or transactions taken together or series of transactions or otherwise) with the related parties as defined under the provisions of the SEBI (LODR) Regulations, 2015 and which are identified by the Company as related parties, including transactions of giving Inter Corporate Loans for an amount not exceeding ₹15 Crores (Rupees Fifteen Crores only) during the Financial Year 2022-23 on such terms and conditions, against such consideration as agreed upon or as may be mutually agreed upon from time to time between the Company and Related Parties, notwithstanding the fact that all these transactions within the Financial Year 2022-23 in aggregate may exceed 10% of the annual consolidated turnover of the Company as per the Companies last audited financial statements, and the Company may take approval of the Audit Committee as and when required.”

**RESOLVED FURTHER THAT** the Director(s)/Officer(s) of the Company be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, to file requisite forms or applications with statutory/regulatory authorities, with power to settle all questions, difficulties or doubts that may arise in this regard, as he/she may in his/her sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any other Director(s)/ Officer(s) of the Company, to give effect to this Resolution.”

### 6. To ratify the remuneration paid to Executive Directors who are members of Promoter Group

To consider and if thought fit, to pass the following Resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(6) (e) (ii) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to ratify the payment of remuneration paid to Executive Directors, Shri. Vineet Suchanti, (DIN: 00004031) and Smt. Rinku Suchanti, (DIN: 00012903) as per existing terms and conditions as approved by the shareholders at the earlier Annual General Meetings till the expiry of their current term as such i.e. 31<sup>st</sup> March, 2024 (Shri. Vineet Suchanti) and 24<sup>th</sup> May, 2023 (Smt. Rinku Suchanti).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution.”

**By Order of the Board of Directors  
Keynote Financial Services Limited**

**Date: 12<sup>th</sup> August, 2022**

**Place: Mumbai**

**Sd/-**

**Renita Crasto**

**Company Secretary and Compliance Officer**

#### NOTES:

- 1) In accordance with the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020, January 13, 2021, December 08, 2021 and May 05, 2022 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“the AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members (also referred as “Shareholders”) at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular {amended from time to time}, the AGM of the Company is being held through VC / OAVM and Members can attend and participate in the ensuing AGM through VC / OAVM.

For this purpose, necessary arrangements have been made by the Company with **Central Depository Services (India) Limited (“CDSL”)** and instructions for the process to be followed for attending and participating in the ensuing AGM through VC/OAVM is forming part of this Notice.

- 2) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses set out at Item Nos. 4 to 6 of this Notice to be transacted at the Annual General Meeting (AGM) is annexed hereto in Annexure-1. Additional information, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), in respect of the directors seeking appointment/re-appointment at the AGM in Item No. 3 & 4 is furnished as Annexure-2 to the Notice. The directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules there under.
- 3) The Register of Members and share transfer books of the Company will remain closed from **Thursday, 22<sup>nd</sup> September, 2022 to Wednesday, 28<sup>th</sup> September, 2022** (both days inclusive).
- 4) The Dividend for the financial year 31<sup>st</sup> March, 2022, as recommended by the Board of Directors, if approved by the Members, will be paid after Annual General Meeting to those Members holding shares in physical form whose names shall appear on the Company’s Register of Members on closure of business hours i.e. **Wednesday, 21<sup>st</sup> September, 2022**; in respect of the shares held in dematerialized form the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on **Wednesday, 21<sup>st</sup> September, 2022**.

- 5) The Dividend is proposed to be disbursed by way of National Electronic Clearing Service (NECS). For this purpose, the details such as, name of the Bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the Bank, account type, account number etc. are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.
- 6) Members wishing to claim dividends, which have remained unclaimed, are requested to correspond with Registrar & Share Transfer Agent and Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection fund constituted by the Central Government. The details of Dividends paid by the Company and the proposed dates of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government are as under:

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Proposed date for transfer to Investor Education and Protection Fund (IEPF)</b>
29 <sup>th</sup> September, 2015	2014 - 2015	6 <sup>th</sup> November, 2022
29 <sup>th</sup> July, 2016	2015 - 2016	5 <sup>th</sup> September, 2023
23 <sup>rd</sup> August, 2017	2016 - 2017	30 <sup>th</sup> September, 2024
9 <sup>th</sup> August, 2018	2017 - 2018	16 <sup>th</sup> September, 2025
13 <sup>th</sup> August, 2019	2018 - 2019	20 <sup>th</sup> September, 2026
30 <sup>th</sup> September, 2020	2019 - 2020	7 <sup>th</sup> November, 2027
29 <sup>th</sup> September, 2021	2020 - 2021	6 <sup>th</sup> November, 2028

All the members are requested to note that as per the notification of Ministry of Corporate Affairs (MCA) dated 10<sup>th</sup> May, 2012, full details of shareholders and dividend amount pending encashment have been uploaded on website of MCA (i.e. [www.mca.gov.in](http://www.mca.gov.in)) and Company (i.e. [www.keynoteindia.net](http://www.keynoteindia.net)). Said information for the period up to 31<sup>st</sup> March, 2022 has been made available and will be updated as per the requirements. The members may check the details for unclaimed dividend if any and approach the Company and Registrar for getting the same paid. During Financial Year 2021-2022, company has transferred a sum of ₹ 1, 40,667/- (Rupees One Lakh Forty Thousand Six hundred Sixty-seven only) Unclaimed Dividend of Financial Year 2013-2014 to Investor Education and Protection Fund (IEPF) on 3<sup>rd</sup> November, 2021.

- 7) Equity Share due for transfer to IEPF:

Equity shares in respect to which dividend has not been encashed for seven consecutive years or more will be required to be transferred to Investors Education and Protection Fund (IEPF) pursuant to Section 124(6) of the Companies Act, 2013. Relevant details in this respect are posted on the Company's website [www.keynoteindia.net](http://www.keynoteindia.net) in **Compliance > Investor Relation section**.

The Company sends communication in this respect to concerned shareholders from time to time as may be necessary. Shareholders are requested to contact Company or RTA to encash the unclaimed dividend and in case any pending legal disputes, provide certified copy of order from Court/Authority restraining transfer, payment of dividend etc. During the financial year 2021-2022, the Company has transferred 4,754 Equity Shares to the Investor Education and Protection Fund (IEPF) authority.

- 8) All relevant documents referred to in this Notice requiring the approval of the Members at the meeting shall be available for inspection by the Members. Members who wish to inspect the documents are requested to send an email to [investors@keynoteindia.net](mailto:investors@keynoteindia.net) / [info@keynoteindia.net](mailto:info@keynoteindia.net) mentioning their name, folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email. The Notice and the Annual Report are also available on the Company's website at the link - <http://www.keynoteindia.net> and on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).



- 9) Members are requested to:
- Intimate changes, if any, in their registered address at the earliest.
  - Furnish PAN with Income Tax Ward/Range/District to the Company.
  - Quote ledger folio nos. in all the correspondence with the Company and the Transfer Agent. In case shares are held in dematerialized mode, please quote the DP ID No. and client ID in all the correspondence.
  - Send the queries, if any, **at least 7 (Seven) days in advance** of the meeting so that the information can be made available at the meeting.
- 10) Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 and Circular No.18/2011 dated 29<sup>th</sup> April, 2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Limited, **Unit: Keynote Financial Services Limited**, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, for the purpose of service of documents under Section 20 of the Companies Act, 2013. The members are also requested to update their e-mail address in the Depository Account holding shares of the Company in dematerialized mode enabling the Registrar to consider the same. The form for sending the response is annexed at the end of the Annual Report.
- 11) In accordance with the General Circular No. 20/2020 dated May 5, 2020, read with the circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 08, 2021 and May 05, 2022 issued by the Ministry of Corporate Affairs(MCA) and in accordance with circular dated May 12, 2020, January 15, 2021 and May 13, 2022 issued by the Securities and Exchange Board of India providing relaxations to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively "Applicable Circulars"), electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with instructions to attend the AGM through video-conferencing/other audio-visual means are being sent by email to those Members whose email addresses have been made available to the Company/ Depository Participants. For Members who have not registered their email addresses, kindly register the same with our RTA, M/s Link Intime India Private Limited as copies of this Notice as well as the other documents will **not** be sent to them in physical mode and will be sent only by email in accordance with Applicable Circulars.
- 12) Members who have not updated their latest email addresses in the records of the Company/RTA/ their Depository Participants are requested to update the same at the earliest by **21<sup>st</sup> September, 2022**. The notice and documents will be sent by email only to those Members who register their email addresses prior to this date.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- 13) Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates.

For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [investors@keynoteindia.net](mailto:investors@keynoteindia.net) by 6:00 p.m. IST on 23<sup>rd</sup> September, 2022. The requisite forms are available on the website of the Company at [www.keynoteindia.net](http://www.keynoteindia.net).

The Shareholders may download these forms from the company's website and send: (a) physical copies of the duly filled forms / documents to the Registered Office of the Company at – The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 at Maharashtra, or (b) scanned copies of the duly filled forms / documents to Company's e-mail ID [investors@keynoteindia.net](mailto:investors@keynoteindia.net).

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [investors@keynoteindia.net](mailto:investors@keynoteindia.net).

**It may please be noted that Forms received after the said date and incomplete or incorrect forms shall not be considered and shall not be eligible for non-deduction or lower deduction of tax.**

**By submission of Form 15G/15H and Form 10F, along with the requisite supporting documents, the Shareholder is deemed to confirm to the Company that:**

- a. the Shareholder satisfies the requisite criteria for submission of the same and takes full responsibility for availing the TDS deduction exemption;
- b. the Company or Registrar and Transfer Agent i.e. Link Intime India Private Limited will not be held responsible / liable and no claims shall lie against them in this regard;
- c. the online submission of the Form 15G/Form 15H (if made) shall be deemed to have been signed by the Shareholder. The forms for download are available at Company's website at: <https://keynoteindia.net/investor-relations>.

#### **14) Voting through Electronic means:**

- In compliance with provisions of Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 29<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM.
- The E-voting period for all items of business contained in this Notice shall commence from **Sunday, 25<sup>th</sup> September, 2022** (10:00 a.m. IST.) and will end on **Tuesday, 27<sup>th</sup> September, 2022** (5:00 p.m. IST.). During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialized form as on **21<sup>st</sup> September, 2022** i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently or cast vote again.
- The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting.
- Any person, who acquires shares of the Company, becomes a member of the company after dispatch of the Notice and holding shares as of the cut-off date may follow the same procedure as mentioned for e-Voting.
- The Company has appointed an Independent Professional (Practicing Company Secretary - M/s. Uma Lodha & Co.) as Scrutinizer to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of e-voting at the Virtual General Meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing who shall countersign the same.
- The results along with Scrutinizer's report shall be placed on the website (i.e. [www.keynoteindia.net](http://www.keynoteindia.net)) of the Company and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

- 15) Since the Annual General Meeting will be held through VC/OAVM, the Route Map is not annexed to this Notice.

### **PROCESS AND MANNER FOR AVAILING REMOTE E-VOTING FACILITY**

1. The General Meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 03/2022 dated May 05, 2022 in continuation of Circular No. 14/2020 dated April 8, 2020, Circular No. 17 /2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 20/2021 dated December 08, 2021. The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.keynoteindia.net](http://www.keynoteindia.net) The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 03/2022 dated May 05, 2022 in continuation with MCA Circular No. 20/2021 dated December 08, 2021, Circular No. 02/2021 dated January 13, 2021, Circular No. 14/2020 dated April 8, 2020, Circular No. 17 /2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 03/2022 dated May 05, 2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2021, or become due in the year 2022, to conduct their AGMs on or before December 31, 2022, in accordance with the requirements provided in the above mentioned circular.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR E-VOTING AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The Voting period begins on **Sunday, 25<sup>th</sup> September, 2022 (10:00 a.m. IST.)** and ends on **Tuesday, 27<sup>th</sup> September, 2022 (5:00 p.m. IST.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **Wednesday, 21<sup>st</sup> September, 2022** i.e. the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the e-voting facility provided at the AGM through VC.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System My easi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>

Type of shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or Contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) .
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for “**Keynote Financial Services Limited**” to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@keynoteindia.net](mailto:investors@keynoteindia.net) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM / EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their Name, Demat Account number/Folio number, Email ID, Mobile number at [investors@keynoteindia.net](mailto:investors@keynoteindia.net) up to **21<sup>st</sup> September, 2022** (IST 5.00 p.m.). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their Name, Demat Account number/Folio number, Email ID, Mobile number at [investors@keynoteindia.net](mailto:investors@keynoteindia.net) up to **21<sup>st</sup> September, 2022** (IST 5.00 p.m.). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [investors@keynoteindia.net](mailto:investors@keynoteindia.net) or RTA at [satyan.desai@linkintime.co.in](mailto:satyan.desai@linkintime.co.in).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****In respect of Item No. 4: Approval for change in designation of Shri. Vineet Suchanti (DIN: 00004031), Whole Time Director to “Managing Director”.**

Shri. Vineet Suchanti was appointed as the Whole Time Director of the Company w.e.f 1<sup>st</sup> April, 2021. He is associated with Company since September, 1997. Shri Vineet Suchanti is also part of the promoter group of the Company and has provided immense contribution for development of Keynote Financial Services Limited.

The Board considers that his continued association has been of immense benefit to the Company and wants him to take charge of the daily affairs of the company. Board of Directors, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Shareholders and any other approvals as may be required, at its meeting held on 12<sup>th</sup> August, 2022, has approved the change in designation of Shri. Vineet Suchanti, Whole Time Director of the Company to “Managing Director” of the Company w.e.f 12<sup>th</sup> August, 2022 with the existing terms and conditions of his appointment.

**Disclosure Pursuant to Section II of Part II of Schedule V of the Companies Act, 2013****I. General Information:****1. Nature of Industry**

Merchant Baking/Financial Advisory Services

**2. Date or expected date of commencement of commercial production**

Not Applicable

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable

**4. Financial performance based on given indicators during financial year ended 31<sup>st</sup> March, 2022**

(₹ In Lakhs)

Total Income	:	921.18
Expenses	:	558.64
Profit	:	365.71
EPS (₹)	:	5.21
Total Assets	:	6587.14

**5. Foreign investment or collaborators, if any**

As on 31<sup>st</sup> March, 2022, the foreign shareholding in the company is 5, 15,684 Equity Shares representing 7.35% of the total capital.

**II. Information about Shri Vineet Suchanti, Managing Director****1. Background Details:**

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

**2. Past remuneration:**

For the Financial Year 2021-2022, total remuneration paid to Shri. Vineet Suchanti was ₹ 51.73 Lakhs.

**3. Recognition or awards:**

Shri Vineet Suchanti is a Master in Business Administration (MBA) with specialization in finance from University of Rochester, New York, USA. He adds innovations, perseverance and dynamism to the profession.

**4. Job profile and his suitability:**

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

**5. Remuneration proposed:**

As per existing terms and conditions of his appointment.

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

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

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

Shri Vineet Suchanti is one of the person forming part of Promoter Group of the Company and apart from the remuneration stated above, Shri. Vineet Suchanti, has no other pecuniary relationship directly or indirectly with Company.

Accordingly, your Board of Directors recommends the passing of ordinary resolution contained in Item No. 4 of the accompanying Notice.

Except Shri. Vineet Suchanti, Smt. Rinku Suchanti and their relatives, none of the other Directors, Key Managerial Personnel or their relatives, are concerned / interested in the above resolution.

**In respect of Item No. 5 : To approve the related party transactions which may exceed 10% of the annual consolidated turnover of the Company as per the Companies last Audited Financial Statements within the financial year 2022-23.**

The provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") requires shareholders' approval by means of a ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis.

A transaction with a related party shall be considered material if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial Year 2022-23, may exceed(s) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

The Audit Committee of the Company has granted omnibus approval for the related party transactions proposed to be entered into by the Company with Related Parties. Accordingly, as per the Listing Regulations, approval of the Members is sought for entering into transaction(s) and /or continuing with arrangements (whether individual transactions or transactions taken together or series of transactions or otherwise) with the related parties as defined under the provisions of the SEBI (LODR) Regulations, 2015 and which are identified by the Company as related parties, including transactions of giving Inter Corporate Loans for an amount not exceeding ₹ 15 crores (Rupees Fifteen Crores only) during the Financial Year 2022-23 on such terms and conditions, against such

consideration as agreed upon or as may be mutually agreed upon from time to time between the Company and Related Parties, notwithstanding the fact that all these transactions within the financial year 2022-23 in aggregate may exceed 10% of the annual consolidated turnover of the Company as per the Companies last audited financial statements, and the Company may take approval of the Audit Committee as and when required.

Accordingly, your Board of Directors recommends the passing of ordinary resolution contained in Item No. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel or their relatives, are concerned / interested in the above resolution.

The Members may please note that in terms of the provisions of the Listing Regulations, the related parties as defined there under (whether the member is a related party / party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 5.

### **In respect of Item No. 6: To Ratify Remuneration paid to Executive Directors who are members of Promoter Group**

As members are aware, Shri. Vineet Suchanti who is a member of the Promoter Group was appointed as 'Executive Director' w.e.f. 1<sup>st</sup> April, 2021. The remuneration payable to Shri. Vineet Suchanti was approved by Nomination & Remuneration Committee of the Company and is within the limits prescribed by Section 197 of Schedule V of the Companies Act, 2013. The members have approved the appointment of Shri. Vineet Suchanti in the AGM held on 29<sup>th</sup> September, 2021. The members of the Company are also aware that Smt. Rinku Suchanti, who is also a member of Promoter Group, is already appointed as 'Executive Director' in the AGM held on 30<sup>th</sup> September, 2020. As a result there are Two (2) Executive Directors who are members of the Promoter Group. Regulation No. 17(6) (e) (ii) of SEBI (LODR) (Amendment) Regulations, 2018, prescribes that where there is more than one (1) Executive Director who is member of the Promoter Group and if the aggregate annual remuneration payable to such Directors exceeds 5% of the net profits of the listed Company, same is subject to the approval of the shareholders by "special resolution" in general meeting whereas the resolution for appointment of these Directors was passed as "ordinary resolution." Passing of resolution as 'special' resolution is as prescribed under the aforesaid LODR regulation. Since the aggregate annual remuneration is more than the limit as prescribed under the aforesaid Regulation, the ratification resolution at Item No. 6 is recommended for the approval of the members as special resolution. The approval of the shareholders' under this provision will be valid till the expiry of the term of such Director i.e. in case of Shri. Vineet Suchanti till 31<sup>st</sup> March, 2024 and in the case of Smt. Rinku Suchanti till 24<sup>th</sup> May, 2023. The Board of Directors in its meeting held on 27<sup>th</sup> May, 2022 ratified the payment of remuneration to these Executive Directors on recommendation of Nomination & Remuneration Committee of the Company. The Managerial Remuneration approved by the Board of Directors is within the limits specified under section 197 of the Companies Act 2013. However, as required in terms of Regulation No. 17(6) (e) (ii) of SEBI (LODR) (Amendment) Regulations, 2018, the payment of remuneration to these Directors requires ratification by the members & hence the said resolution is recommended.

Except Shri. Vineet Suchanti and Smt. Rinku Suchanti and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, in the said resolution.

The Board recommends the resolution as set out in the Item No. 6 of accompanying notice for the approval of members of the Company as Special Resolution.

**Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36 (3) of the Listing Regulations and applicable secretarial standards:**

**1. Shri. Vineet Suchanti - Whole-Time Director:** Due to retire by rotation seeking re-appointment & designated as the “Managing Director” of the Company.

**A. A Brief resume of the director and Nature of his expertise in specific function areas:**

Shri. Vineet Suchanti is a Bachelor of Commerce from University of Mumbai and Master in Business Administration (MBA) with specialization in finance from University Rochester, New York, USA.

He adds innovations, perseverance and dynamism to the profession. He has been largely responsible for introducing state-of-the-art technology and modern methods of analysis and valuations in structuring and marketing, thereby taking Keynote close to international standards in terms of creativity and services.

Being new generation manager with responsibility of overall supervision he is best suited for the responsibility of managing the affairs of the Company in a most profitable manner.

**B. Disclosure of relationships between directors inter-se:**

Smt. Rinku Suchanti, Director of the Company is the spouse of Shri. Vineet Suchanti. None of the other directors on the Board are related to Shri. Vineet Suchanti.

**C. Name of the listed entities in which the person also holds the directorship and the membership of Committees of the board:**

<b>Name of the Company</b>	<b>Directorship</b>	<b>Membership of Committees</b>
LKP Finance Limited	Independent Director	<ul style="list-style-type: none"> <li>• Chairman - Audit Committee</li> <li>• Member- Share Transfer Committee</li> <li>• Member - Stakeholder Relationship Committee</li> <li>• Chairman - Nomination &amp; Remuneration Committee</li> <li>• Member - CSR Committee</li> </ul>

**D. Shareholding in the Company:**

11,977 Equity shares as on 31<sup>st</sup> March, 2022.

## ANNUAL REPORT 2021-22

### DIRECTORS' REPORT

Dear Shareholder(s),

Your Directors have pleasure in presenting their 29<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2022.

#### FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Total Income	921.18	1,127.76
Gross Operating Profit	391.02	710.40
Depreciation	28.48	31.92
Exceptional Items	—	—
Profit Before Tax	362.54	678.48
Provision for :		
Current Tax	24.60	78.75
Deferred Tax Liability/(Assets)	-27.67	137.49
Profit After Tax	365.71	462.23
Other Comprehensive Income	1.65	2.56
Profit/(loss) brought forward from Previous year	2,742.29	2,347.68
Surplus available for appropriations	3,109.65	2,812.47
Proposed Dividend	70.18	70.18
Tax on Dividend	—	—
Transferred to General Reserve	—	—
Balance carried forward	3,038.82	2,742.29

#### DIVIDEND

Your directors are pleased to recommend dividend of ₹1/- per Equity Share having a face value of ₹10/- each, (i.e. 10%) for the year ended 31<sup>st</sup> March, 2022 and the same will be paid subject to the approval of the shareholders at the 29<sup>th</sup> Annual General Meeting (AGM) of the Company.

#### COVID – 19

The Covid – 19 pandemic continued to be a global challenge which created disruptions in the world. It continued to affect the economies globally during financial year 2021-22. The first quarter of FY 2022 witnessed second wave of pandemic, adversely affecting business & economic activities of the Company. Your Company adopted several measures to fight against Covid-19 to ensure business continuity.

During April 2021 to May 2021, the Company provided 'Work From Home' facility to all the employees and functioned accordingly. With ease of Covid-19, your Company began functioning from the office for 3 times a week from June 2021 to January 2022. The office became fully functional from February 2022. During this period, Company tried its best to continue to provide services to the clients. However, the functioning of the office was imbalanced which affected the overall business. Company continued with provisions for hand sanitizing, wearing of mask (for staff members & visitors) & taking precautions to avoid spread of Covid-19.

**OPERATIONS**

Total revenue from operations on standalone basis for Financial Year 2021-22 was ₹ 921.18 Lakhs as against ₹ 1,127.76 Lakhs for Financial Year 2020-21. The total revenue on standalone basis comprised of ₹ 280.91 Lakhs on account of net gain on fair value changes. There was a fall in net gain on account of fair value changes. There was a fall of about 18% in the total income of the Company as compared to the previous financial year. The net profit of the Company on standalone basis for the FY 2022 was at ₹ 361.71 lakhs as compared to ₹ 462.23 lakhs registering a decline of 21% over the previous year period.

Total revenue from operations on consolidated basis for Financial Year 2021-22 was ₹ 3,174.35 Lakhs as against ₹ 2,274.89 Lakhs for Financial Year 2020-21. The total revenue on consolidated basis comprised of ₹ 1,342.31 Lakhs on account of net gain on fair value changes.

The net profit on a consolidated basis for FY 2021-22 was at ₹ 1,608.31 lakhs as compared to ₹ 1127.41 lakhs, for previous year registering increase of about 43% over previous year period.

The FY 2021-22 was affected adversely on account of second wave of Covid – 19. Overall public equity fund raising also dropped during the financial year. Though overall response from the public to the primary market issuances was good, the resource raising activity declined in the last quarter of the financial year.

Your Company continued to provide services to various corporates & could complete assignments of Delisting, Rights Issue, Buy Back Offers besides providing Valuations, Advisory & Merchant Banker Certifications to various clients. The Company continued to offer service provider for ESOP Advisory & Valuation.

During the financial year, SEBI, w.e.f. November 2021, mandated Alternative Investment Funds (AIFs) to get certification from Merchant Banker in respect of their Registrations and New Schemes. The regulators also mandated Annual Certification by Merchant Bankers for the existing AIFs. This offered a good opportunity for your Company to equip for providing the required services on the background of vast experience in due diligence & other services. Your Company developed teams & processes to specifically cater to the said requirements and were able to market its services to various AIFs. Company bagged the mandates from large AIFs including funds being launched by a large private sector Bank, large NBFCs, Real Estate players, big business conglomerates etc. Your Company also received certain mandates on retainership & advisory services to AIFs. With the experienced teams, Company is able to provide the competitive & efficient services to AIFs and have provided diligence & other allied services to various AIFs.

The overall financial performance of the company remained subdued. However, your Company is able to sustain the adverse condition & presently have good mandates on various financial advisory services including few large IPOs, Takeovers etc. The management is looking to strengthen the teams on equity research, institutional marketing & other fronts to be able to remain competitive in the relevant markets. As a result, Company is looking forward to better & larger business opportunities in the coming years.

**OPERATIONS OF SUBSIDIARIES**

At present, your company has two subsidiaries namely Keynote Capitals Limited (KCL), an integrated broking house and Keynote Fincorp Ltd. (KFIN), a NBFC. KCL is a member of BSE & NSE as well as Depository Participant of Central Depository Services (India) Limited. Maple Leaf Trading & Services Ltd. (Formerly known as “Keynote Commodities Limited”) is no longer a wholly-owned subsidiary of Keynote Capitals Ltd. w.e.f. 29<sup>th</sup> June, 2022.

Presently the Company is debt free. On a consolidated basis Company has reported total revenue of ₹ 3,174.35 Lakhs & profit of ₹1,608.31 Lakhs. The networth of the Company on consolidated basis is ₹ 10,114.93 Lakhs.

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

Keynote Capitals limited (KCL) and Keynote Fincorp limited (KFIN) are subsidiary companies of KFSL. Maple Leaf Trading & Services Ltd. (Formerly known as “Keynote Commodities Limited”) is no longer a wholly-owned subsidiary of Keynote Capitals Ltd. w.e.f. 29<sup>th</sup> June, 2022.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

The financial statement of the subsidiary Companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statement of its subsidiary companies to the shareholders upon their request. The statements are also available on the website of the Company i.e. [www.keynoteindia.net](http://www.keynoteindia.net).

As stipulated by Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] the consolidated financial statement have been prepared by the Company in accordance with the applicable Accounting standards. The audited consolidated financial statements together with Auditors Report form part of the Annual Report.

The company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on the company's website at <https://keynoteindia.net/wp-content/uploads/2022/03/Material-Subsidiary-Policy.pdf>

### **RECLASSIFICATION UNDER REGULATION 31A of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Company has received approval from BSE Limited & National Stock Exchange of India Limited on 16<sup>th</sup> June, 2022 for reclassification of Shri. B. Madhuprasad from promoter group to public shareholder in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other than mentioned above, there is no change in classification of Promoter and Promoter group.

### **TRANSFER TO RESERVES**

During the year your Company has not transferred any amount to general reserve.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Regulation 34 of the Listing Regulations with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Companies Act, 2013 and Listing Regulations require compliances with specified Corporate Governance practices. These practices have been fully implemented and a certificate from the Practicing Company Secretary as well as a detailed report on Corporate Governance approved by the Board of Directors of the Company is set out in this Annual Report. Your Company has also been enlisted in the new SEBI Complaint Redressal System (SCORES) enabling the investors to register their complaints if any for speedy redressal.

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company continued to be listed and traded on the BSE and NSE. The scrip code number of the Equity Shares of the Company on BSE is 512597/KEYFINSER and on NSE is KEYFINSERV.

The Company has paid up to date listing fees to both the stock exchanges.

**DEMATERIALIZATION**

The Equity Shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Ltd. (NSDL), Central Depository Services (India) Ltd. (CDSL) and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders. The International Securities Identification Number (ISIN), allotted to the Company is INE681C01015. The Equity Shares of the Company are listed and traded on BSE and NSE. On BSE the equity shares of the Company are traded in "B" segment. The Equity Shares of the Company are being traded in compulsory dematerialized mode.

Presently, as on 31<sup>st</sup> March, 2022, 98.43% of equity capital of the company is in dematerialized mode.

**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 there under during the year ended 31<sup>st</sup> March, 2022.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees and investment have been disclosed in the notes to the financial statements.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has Internal Control System, commensurate with the size, scale and complexity of its operations.

The scope and authority of the Internal Audit function is well defined. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the other Directors.

The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and based on the report of internal audit the management undertakes corrective action in the respective areas and thereby strengthens the controls. Significant audit observations and recommendations if any, along with corrective actions thereon are required to be presented to the Audit Committee of the Board. During this financial year no such observations have been made.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company understands and values Corporate Social Responsibility (CSR) initiatives of the Government and has also noted the requirements of CSR activities in terms of Companies Act, 2013. The requirement of mandatory implementation of CSR activity is presently not applicable to your company.

**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 ₹ 9.98 Lakhs (previous year ₹ 13.18 Lakhs).
- b) The foreign exchange expenditure ₹ 1.55 Lakh (previous year - Nil).

### **STATE OF AFFAIRS**

The information on the state of affairs of the Company has been given as part of Management Discussion and Analysis Report forming part of Annual Report of the Company.

### **DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013**

There are no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

### **DIRECTOR AND KEY MANAGERIAL PERSONNEL (KMP)**

#### **(i) Changes in Director and Key Managerial Personnel (KMP):**

During the year, Shri. Vineet Suchanti (DIN: 00004031) was re-designated as an Executive Director of the Company for period of 3 (three) years with effect from 1<sup>st</sup> April, 2021 which was approved by the shareholders at the 28<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021.

Further, Shri. Vineet Suchanti has been designated as the "Managing Director" of the Company w.e.f. 12<sup>th</sup> August, 2022 with the existing terms and conditions of his appointment.

Shri. Uday Patil (DIN: 00003978) was re-appointed as the Whole-time Director of the Company for further period of 2 (Two) years with effect from 13<sup>th</sup> November, 2021 which was approved by the shareholders at the 28<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021.

Shri. Sujeet More, Company Secretary and Compliance Officer resigned w.e.f. 13<sup>th</sup> August, 2021.

Ms. Renita Crasto was appointed as the Company Secretary and Compliance Officer w.e.f 7<sup>th</sup> September, 2021.

#### **(ii) Retirement by rotation:**

Based on the terms of appointment, Executive Directors and the Non-Executive and Non-Independent Directors are subject to retirement by rotation. Shri. Vineet Suchanti (DIN: 00004031) who is liable to retire, being eligible, seeks reappointment. The Board recommends his re-appointment.

#### **(iii) Declaration of Independence**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 16 (1) (b) of the Listing Regulations. The Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV to the Act and Code of Conduct for Directors and Senior Management Personnel.

#### **(iv) Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Listing Regulations. Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Regulation 19 of the Listing Regulations the Board of Directors had formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEES**

Your Board of Directors duly met four (4) times during the financial year i.e. **15<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 11<sup>th</sup> February, 2022** 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.

The Audit Committee duly met four (4) times during the financial year i.e. on **15<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 11<sup>th</sup> February, 2022** 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 Nomination and Remuneration Committee duly met three (3) times during the financial year i.e. on **1<sup>st</sup> April, 2021, 13<sup>th</sup> August, 2021 and 11<sup>th</sup> February, 2022** 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 Stakeholders Relationship Committee duly met only once during the financial year on **11<sup>th</sup> February, 2022** in respect of which proper notice was given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) They have 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 the financial year and of the loss of the company for that period;
- c) They have 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) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE**

In terms of regulation 34(3) read with schedule V of the Listing Regulations, the Company has obtained a Certificate from Uma Lodha & Co., Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said Certificate is annexed as part of this Report.

### **PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER**

In accordance with the provisions of section 197(12) of the Companies Act, 2013, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub section 12 of Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as "**Annexure [A]**".

In accordance with provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection in electronic mode. Any Shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer at the Registered Office of the Company.

### **EXTRACT OF THE ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2022 is available on the Company's website and can be accessed at <http://keynoteindia.net/investor-relations>

### **AUDIT REPORTS AND AUDITORS**

#### **AUDIT REPORTS**

##### **Statutory Audit Report**

The observations made by the Statutory Auditors in their Report for the Financial Year Ended 31<sup>st</sup> March, 2022, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

##### **Secretarial Audit Report**

The Secretarial Auditor has submitted their Report as on 31<sup>st</sup> March, 2022. The Secretarial Audit Report is annexed herewith as "**Annexure [B]**"

Further, the Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2022 was obtained from M/s. Uma Lodha & Co., Practicing Company Secretaries, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued there under, pursuant to requirement of Regulation 24A of Listing Regulations. The said Report is annexed as part of this Annual Report.

The Secretarial Audit Report and Secretarial Compliance Report do not contain any other qualification, reservation or adverse remark except those mentioned in the report.

Further, pursuant to the provisions of Regulation 24A of Listing Regulations, the Secretarial Audit Report of Keynote Capitals Ltd. (KCL) and Keynote Fincorp Ltd. (KFIL) is available at website of the Company at [www.keynoteindia.net](http://www.keynoteindia.net), and forms a part of this Annual Report.

## **AUDITORS**

### **Statutory Auditors**

M/s. S M S R & CO LLP Chartered Accountants, Mumbai (Firm Registration No. 110592W/W100094) was reappointed as Statutory Auditors of the Company at 28<sup>th</sup> Annual General Meeting which was held on 29<sup>th</sup> September, 2021 to hold the office as Statutory Auditor for second term of five (5) years from the conclusion of 28<sup>th</sup> Annual General Meeting till conclusion of 33<sup>rd</sup> Annual General Meeting of the Company.

### **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 has appointed M/s. Uma Lodha & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. Further, in terms of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015, listed companies shall have a whistle blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

The purpose of the "Whistle blower Policy" is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy. The Vigil Mechanism/ Whistle Blower Policy has been uploaded on the website of the Company at <https://keynoteindia.net/wp-content/uploads/2022/03/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

## **RELATED PARTY TRANSACTIONS**

All related party transactions entered into during the Financial Year 2021-2022 were on an arm's length basis. There are no other 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.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as "Annexure [C]". The Board of Directors of the Company has, on the commendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Regulations. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at <https://keynoteindia.net/wp-content/uploads/2022/03/Related-Party-Transaction-Policy.pdf>

## **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website at <https://keynoteindia.net/wp-content/uploads/2022/03/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-1.pdf>.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have complied compliance with the Code.

### **RISK MANAGEMENT**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Regulation 17 of Listing Regulations the Company has formulated risk management policy and the same has been placed on the company's website at <https://keynoteindia.net/wp-content/uploads/2022/03/Risk-Management-Policy.pdf>.

At present the company has not identified any element of risk which may adversely affect functioning of the Company.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. Said code of conduct is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have complied with the Code. The Code of Conduct for Prevention of Insider Trading is uploaded on the website of the Company at <https://keynoteindia.net/wp-content/uploads/2022/03/Code-of-Conduct-to-Regulate-Monitor-and-Reporting-by-Insiders-PIT.pdf>.

The Company has also adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Code of Practices and Procedures for Fair Disclosure of UPSI is uploaded on the website of the Company at <https://keynoteindia.net/wp-content/uploads/2022/02/Code-of-Fair-Disclsoure-UPSI-1.pdf>

### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

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

### **DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), have been complied with.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

#### **a) Transfer of Unclaimed Dividend to IEPF:**

As required under section 124 of the Act, the unclaimed dividend amount of ₹ 1,40,667/- (Rupees One Lakh Forty Thousand Six Hundred Sixty-Seven only) pertaining to the Financial Year 2013-2014 lying with the Company for a period of seven years was transferred during the financial year 2021-22, to the Investor Education and Protection Fund (IEPF) established by the Central Government on 3<sup>rd</sup> November, 2021.

#### **b) Transfer of Equity Shares to IEPF:**

In terms of the provisions of the Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) and other applicable rules, notifications and circulars, if any, every Company is required to transfer the shares,

in respect of which dividend remains unpaid/ unclaimed for a period of seven (7) consecutive years, to the Investor Education and Protection Fund (IEPF) Authority.

The Company sends communication in this respect to concerned shareholders from time to time as maybe necessary. Shareholders are requested to Contact Company or RTA to encash the unclaimed dividend and in case any pending legal disputes, provide certified copy of order from Court/Authority restraining transfer, payment of dividend etc. During the financial year 2021-2022 Company has transferred 4,754 Equity Shares to the Investor Education and Protection Fund (IFPF) Authority on 3<sup>rd</sup> December, 2021.

- c) The details of Dividends paid by the Company and the proposed dates of transfer of unclaimed/un-encashed dividends to the IEPF Authority are as under:

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Proposed date for Transfer to Investor Education and Protection Fund (IEPF)</b>	<b>Amount of Unpaid/ Unclaimed Dividend As on 31<sup>st</sup> March, 2022 (in ₹)</b>
29 <sup>th</sup> September, 2015	2014 - 2015	6 <sup>th</sup> November, 2022	1,62,565.00
29 <sup>th</sup> July, 2016	2015 - 2016	5 <sup>th</sup> September, 2023	1,59,993.00
23 <sup>rd</sup> August, 2017	2016 - 2017	30 <sup>th</sup> September, 2024	1,68,126.00
9 <sup>th</sup> August, 2018	2017 - 2018	16 <sup>th</sup> September, 2025	1,97,853.00
13 <sup>th</sup> August, 2019	2018 - 2019	20 <sup>th</sup> September, 2026	80,432.00
30 <sup>th</sup> September, 2020	2019 - 2020	7 <sup>th</sup> November, 2027	81,244.40
29 <sup>th</sup> September, 2021	2020 - 2021	6 <sup>th</sup> November, 2028	73,904.03

**POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under and can be accessed on Company’s website at <https://keynoteindia.net/wp-content/uploads/2022/08/POSH-Policy.pdf>

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

During the Financial Year 2021-22, the Company has not received any complaint on sexual harassment.

**GENERAL DISCLOSURES**

- **DISCLOSURE UNDER SECTION 43(a) (ii) OF THE COMPANIES ACT, 2013**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 54(1) (d) OF THE COMPANIES ACT, 2013**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 62(1) (b) OF THE COMPANIES ACT, 2013**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

- **DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

### **ACKNOWLEDGMENT**

We take this opportunity to express deep sense of gratitude to Members of Board of Directors, Shareholders of the Company, 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), Association of Investment Bankers of India (AIBI), Link Intime India Private Limited, M/s. S M S R & CO. LLP Statutory Auditors, M/s. R. B. Pandya & Co., Internal Auditors, Uma Lodha & Co., Secretarial Auditors, Praxis database, our Clients, Bankers, Employees and other Stakeholders and Government Agencies for their continued support.

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

**Date: 12<sup>th</sup> August, 2022  
Place: Mumbai**

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

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

**“Annexure [A]” to Director’s Report**

**Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

**Particulars of employees**

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

<b>Directors</b>	<b>Ratio to median remuneration</b>
Shri. Manish Desai	0.11
Shri. Shishir Dalal	0.11
Shri. Anish Malhotra	-
Smt. Rinku Suchanti	7.75
Shri. Vineet Suchanti	10.81
Shri. Uday S. Patil	8.53

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% Increase in remuneration in the financial year</b>
Shri. Vineet Suchanti	-
Shri. Uday S. Patil	13.12
Shri. Manish Desai	-
Shri. Shishir Dalal	-
Shri. Anish Malhotra	-
Smt. Rinku Suchanti	23.08
Shri. Sujeet More	-
Ms. Renita Crasto	-

**c. The percentage increase in the median remuneration of employees in the financial year: (-11.15 %)**

**d. The number of permanent employees on the rolls of Company: 13**

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase during the last financial year was around 13.09 % after accounting for promotions and other event based compensation revisions.



The management wish to retain the well settled manpower by making annual increment irrespective of Company's financial performance. Increase in the managerial remuneration for the year was 17.89 %.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

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

**Date: 12<sup>th</sup> August, 2022  
Place: Mumbai**

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

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

“Annexure [B]” to Directors Report

Form MR - 3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

To

The Members of  
Keynote Financial Services Limited  
(Formerly known as Keynote Corporate Services Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. Keynote Financial Services Limited (CIN: L67120MH1993PLC072407) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes’ books, forms and returns filed and other records maintained by M/s. Keynote Financial Services Limited for the financial year ended 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not Applicable as the Company has not issued any further share capital during the period under review]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period under review]**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]**
  - (f) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not applicable during the period under review]** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the period under review]**

vi) other laws specifically applicable to the Company:

- Securities Exchange Board of India (Merchant Bankers) Regulation, 1992.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. A request for issue of Duplicate share Certificate representing 100 equity shares of the company held by concerned shareholder in physical form was processed in seventy one days as against a period of thirty days from the date of such lodgment as per Regulation 39(2) of SEBI LODR, 2015.

Also, the Company should have submitted the information regarding loss of share certificates received on 19th December, 2020 and issue of the duplicate certificates issued on 21<sup>st</sup> April, 2021, to the stock exchange within two days of its getting information about the same.

2. During the year under review, the Company submitted the Notice of Annual General Meeting to the Stock Exchange on 2<sup>nd</sup> September 2021 as prescribed under Regulation 34 of LODR and the same was to be published simultaneously in Newspaper pursuant to Regulation 47(3) of SEBI LODR, 2015. However, the Company published the same in the newspaper on 4th September 2021.
3. During the year under review, the fees/compensation payable to Executive Directors, and who are promoters/ members of the promoter group exceeds 5 per cent of the net profits of the listed Company. The fee payable to such Executive Directors was approved by the shareholders by way of ordinary Resolution as against Special Resolution as required under Regulation 17(6) (e) (ii) of SEBI LODR, 2015.

**We further report that** during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Uma Lodha & Co.**

**Uma Lodha  
Proprietor**

**FCS No. : 5363**

**C.P. No.2593**

**UDIN:F005363D000757565**

**Place: Mumbai**

**Date:08/08/2022**

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A(i)' and forms an integral part of this report.

**ANNEXURE A(i)'**

**To,  
The Members,  
Keynote Financial Services Limited  
(Formerly known as Keynote Corporate Services Limited)**

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Uma Lodha & Co.**

**Uma Lodha  
Proprietor  
FCS No. : 5363  
C.P. No.2593  
UDIN:F005363D000757565**

**Place: Mumbai  
Date:08/08/2022**

**M/s. Uma Lodha & Company**  
**Company Secretaries**  
**Mumbai**

Dear Madam,

**Ref: Our submissions in respect of observations in your Secretarial Audit Report (MR-3) for the financial year ended 31<sup>st</sup> March, 2022**

We thankfully acknowledge your Secretarial Audit Report (MR-3) dated 08.08.2022 for the financial year ended 31<sup>st</sup> March, 2022 and have noted the observations made by you. We wish to make herewith our submissions clarifying the status.

**Observation -1:**

**A request for issue of Duplicate share Certificate representing 100 equity shares of the company held by concerned shareholder in physical form was processed in seventy one days as against a period of thirty days from the date of such lodgment as per Regulation 39(2) of SEBI LODR, 2015. Also, the Company should have submitted the information regarding loss of share certificates received on 19th December, 2020 and issue of the duplicate certificates issued on 21<sup>st</sup> April, 2021, to the stock exchange within two days of its getting information about the same.**

Our Submission:

As per Registrar and Share Transfer Agent appointed by the company, they could not process the request within prescribed 30 days time due to COVID-19 pandemic second wave situation.

Duplicate share certificate for physical shares were issued to the concerned shareholder within reasonable time. However, intimation of loss and issuance of duplicate share certificate could not be made due to work from home situation on account of COVID-19 second wave.

**Observation -2:**

**During the year under review, the Company submitted the Notice of Annual General Meeting to the Stock Exchange on 2<sup>nd</sup> September 2021 as prescribed under Regulation 34 of LODR and the same was to be published simultaneously in Newspaper pursuant to Regulation 47(3) of SEBI LODR, 2015. However, the Company published the same in the newspaper on 4th September 2021.**

Our Submission:

Due to some technical reasons, the advertisement could not be published on 3<sup>rd</sup> September 2021. However, it was published on 4<sup>th</sup> September, 2021, the next day.

**Observation -3:**

**During the year under review, the fees/compensation payable to Executive Directors, and who are promoters/members of the promoter group exceeds 5 per cent of the net profits of the listed Company. The fee payable to such Executive Directors was approved by the shareholders by way of ordinary Resolution as against Special Resolution as required under Regulation 17(6) (e) (ii) of SEBI LODR, 2015.**

Our Submission:

Approval of shareholder for appointment and payment of compensation to the executive directors was obtained in the AGM held on 30<sup>th</sup> September, 2020 & 29<sup>th</sup> September, 2021 as an 'ordinary resolution' in compliance with Companies Act requirement. Company has noted and undertaken to get the same ratified from shareholders in ensuing AGM as a 'special resolution' as prescribed in SEBI (LODR) Regulations.

We are confident that you will find the above in order & request you to please take a note of the above. This letter will also be placed before the shareholders as a part of the Annual Report for FY 2021-2022.

For **Keynote Financial Services Limited**

**Sd/-**

**Uday S. Patil**

**Director**

**DIN: 00003978**

**Place : Mumbai**

**Date : 8<sup>th</sup> August, 2022**

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF KEYNOTE FINANCIAL SERVICES LIMITED  
(FORMERLY KNOWN AS KEYNOTE CORPORATE SERVICES LIMITED)**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**I, Mrs. Uma Lodha, Company Secretary in Practice, Proprietor of Uma Lodha & Co. have examined:**

- (a) all the documents and records made available to us and explanation provided by **Keynote Financial Services Limited** ("the Company"),
- (b) the filings/ submissions made by the Company to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March 2022 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

**The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -**

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable during the Review Period**
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulations, 2021; - **(Not Applicable during the Review Period).**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **(Not Applicable during the Review Period)**
- Clause 6(A) and 6 (B) of SEBI circular CIR/ CFD/ CMD1/ 114/ 2019 dated 18th October 2019 on Resignation of statutory auditors from listed entities and their material subsidiaries; - **Not Applicable during the Review Period**

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) Keynote Financial Services Limited, the listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below wherein abbreviations have been noticed: -

**KEYNOTE FINANCIAL SERVICES LIMITED**

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 39 (2) & (3) of SEBI LODR, 2015	<p>A request for issue of Duplicate share Certificate representing 100 equity shares of the company held by concerned shareholder in physical form was processed in seventy one days as against a period of thirty days from the date of such lodgement as per Regulation 39(2) of SEBI LODR, 2015.</p> <p>Also, the Company should have submitted the information regarding loss of share certificates received on 19<sup>th</sup> December, 2020 and issue of the duplicate certificates issued on 21<sup>st</sup> April, 2021, to the stock exchange within two days of its getting information about the same.</p>	<p>As per Registrar and Share Transfer Agent appointed by the company, they could not process the request within prescribed 30 days time due to COVID-19 pandemic second wave situation.</p> <p>As submitted by the company duplicate share certificate for physical shares were issued to the concerned shareholder within reasonable time. However, intimation of loss and issuance of duplicate share certificate could not be made due to work from home situation on account of COVID-19 second wave.</p>
2	Regulation 47(3) of SEBI LODR, 2015.	The Company submitted the Notice of Annual General Meeting to the Stock Exchange on 2 <sup>nd</sup> September 2021 as prescribed under Regulation 34 of LODR and the same was to be published simultaneously in Newspaper. The Company published the same in the newspaper on 4 <sup>th</sup> September 2021.	As per the Company, Due to some technical reasons, the advertisement could not be published on 3 <sup>rd</sup> September 2021. However, it was published on 4 <sup>th</sup> September, 2021, the next day.
3	Regulation 17(6)(e) SEBI LODR, 2015.	The fees /compensation payable to Executive Directors, and who are promoters /members of the promoter group exceeds 5 per cent of the net profits of the listed Company. The fee payable to such Executive Directors was approved by the shareholders by way of ordinary Resolution as against Special Resolution as required under Regulation 17(6) (e) (ii) of LODR.	As submitted by the company, approval of shareholder for appointment and payment of compensation to the executive directors was obtained in the AGM held on 30 <sup>th</sup> September, 2020 & 29 <sup>th</sup> September, 2021 as an ordinary resolution in compliance with Companies Act requirement. Company has noted and undertaken to get the same ratified from shareholders in ensuing AGM as a special resolution as prescribed in SEBI (LODR) Regulations.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.



## ANNUAL REPORT 2021-22

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations made in the secretarial compliance report for the previous year ended FY 2020-2021	Observations made in the secretarial compliance reports prior to the previous year ended FY 2020-2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NA				

**For Uma Lodha & Co.  
Practicing Company Secretaries**

Place: Mumbai  
Date: 18/05/2022

Sd/-  
Uma Lodha  
(Proprietor)  
FCS No.: 5363  
C.P No.:2593  
UDIN: F005363D000342216

**“ANNEXURE [C]” TO DIRECTOR’S 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 arm’s length transaction under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at arm’s length basis:**

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	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 arrangements or transactions at arm’s length basis:**

Sr. No.	Particulars	Details
a)	Name (s) of the related party and nature of relationship	NIL
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e)	Date(s) of approval by the Board, if any:	
f)	Amount paid as advance, if any:	

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

Date: 12<sup>th</sup> August, 2022  
Place: Mumbai

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

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry structure and developments

The shadow of Covid-19 pandemic remained on account of outbreak of second wave of Covid-19. Despite the same, resource raising by Indian Corporates through public equity markets remained strong. About 52 Indian Corporates raised money through Main Board IPOs in the FY 2021-22. The financial year witnessed tremendous response from retail investors to the IPOs mainly on account of strong listing performance by many IPOs. Overall resource raising activity gained momentum except the number of Rights Issues. By number, the financial year witnessed only 10 Companies using the Rights issue route as against 20 Companies in the previous year.

The key highlights of IPO market in FY 2021-22 was the IPOs from loss making technology startups, strong retail participation & huge listing gains. The resource raising activity dropped drastically in the last quarter of FY 2021-22 where only 5 IPOs were witnessed during the last quarter.

Your Company continued to provide services to various corporates & could complete assignments of Delisting, Rights Issue, Buy Back Offers besides providing Valuations, Advisory & Merchant Banker Certifications to various clients. The Company continued to be service provider for ESOP Advisory & Valuation.

During the financial year, SEBI, w.e.f. November 2021, mandated Alternative Investment Funds (**AIFs**) to get certification from Merchant Banker in respect of their Registrations and New Schemes. The regulators also mandated Annual Certification by Merchant Bankers for the existing AIFs. This offered a good opportunity for your Company to equip for providing the required services on the background of vast experience in due diligence & other services. Your Company developed teams & processes to specifically cater to the said requirements and were able to market its services to various AIFs. Company bagged the mandates from large AIFs including funds being launched by a large private sector Bank, large NBFCs, Real Estate players, big business conglomerates etc. Your Company also received certain mandates on retainership & advisory services to AIFs. With the experienced teams, Company is able to provide the competitive & efficient services to AIFs and have provided diligence & other allied services to various AIFs.

The overall financial performance of the company remained subdued. However, your Company is able to sustain the adverse condition & presently have good mandates on various financial advisory services including few large IPOs, Takeovers etc. The management is looking to strengthen the teams on equity research, institutional marketing & other fronts to be able to remain competitive in the relevant markets. As a result, Company is looking forward to better & larger business opportunities in the coming years.

#### Opportunities & Threats

The capital market is likely to remain volatile on account of various factors. However, many Indian Corporates are waiting to raise resources through capital market. The activity of filing of draft offer documents with regulators to raise resources is likely to be buoyant. With focused approach & conscious marketing your Company sees many opportunities to tap in the market with expansion of current team and with focus on equity research analysis, institutional & HNI marketing, strengthening of distribution of financial products, your Company is well equipped to grab the opportunities of the market.

The volatility in the capital market is very huge. This coupled with substantial fall in the market price of some of the IPO stocks in new age technology Companies is considered as a great concern. Selling pressure from foreign portfolio investors also adversely affects the price movement creating uncertainty with regard to the direction of the capital market. Though your Company is making whole hearted efforts to enhance service portfolio and bag various mandates, the size & market rate remains a challenge in times to come.

#### Segment-wise performance

The income of the company comprised of fees received on account of advisory services provided in Investment Banking, Corporate Finance & Valuation and ESOP Advisory. During the current financial year, the Company

added another piece of advisory services i.e. issuing due diligence services to AIFs as mandated by SEBI from November 2021. On a consolidated basis the income component comprises of brokerage, depository services, profit on trading activity besides interest on loans & advances. During the current year on a standalone basis, company reported improvement in revenue & profitability. Further, due to better performance by subsidiaries, there has been an improvement in consolidated revenues and profitability. However, the improvement in the revenue and profitability is on account of net gain on fair value investments by the company and its subsidiaries.

### **Outlook**

The outlook for the current financial year remains uncertain. The IPO activity is likely to remain muted at least for 2 quarters of the forthcoming financial year. The overall volatility in the market is likely to remain mainly because of Russia Ukraine imbroglio, overall liquidity especially from FPIs & rate hikes by Global Central Banks.

### **Risks & Concerns**

The size of your Company is a concern given the segment in which it operates. However, your Company also enjoys a niche in the segment in which it operates for providing value added and efficient services to its clients. It may be increasingly difficult to compete for your Company for securing large size mandates.

### **Internal Control systems and their adequacy**

The company being in existence as Merchant Banker since past several years has developed well-structured internal control systems to conduct the business within the framework of Regulations. The present structure & systems are adequate and commensurate to the size of operations of your company.

### **Discussion on financial performance with respect to operational performance**

Your company has been continuing to adopt the policy of being selective while accepting the assignments. Company has been able to bag mandates from good corporate houses and companies. Improved financial market is likely to have positive impact on financial performance of the company. The management is striving hard to continue to look out for good and large mandates to execute enabling the company to sustain its performance.

### **Material developments in Human Resources/Industrial Relations front, including number of people employed**

There are no material developments in human resources /industrial relations front. The Company continues to operate with a sleek employee structure. However, company had adopted the cautious policy by reducing the compensation structure for the mid & senior level management during earlier financial year. On gradual relaxation in lock down norms the business environment is beginning to become normal. The management has restored the pay packages to earlier levels and expects to have an improved business.

**Significant changes in Key Financial Ratios** (i.e. change of 25% or more as compared to the immediately previous financial year) along with detailed explanations thereof

#### **(i) Debtors Turnover**

Debtors to turnover ratio was at around 8.73 times as against around 15.43 times as at the end of previous financial year. Your company is a service provider and has adopted the policy of raising the invoices on the clients on completion of the milestone as per respective engagement letters. As a result, the outstanding debtors are not significant. However, some of the debtors remain outstanding at the end of financial year which are mostly recovered in the next financial year.

#### **(ii) Inventory Turnover**

Being into services business not applicable.

**(iii) Interest Coverage Ratio**

Your company is debt free.

**(iv) Current Ratio**

Current Ratio for this financial year is about 19.14 % as against 31.89 % for the previous financial year. This is particularly on account of provision for fair value adjustments in current investment as per requirements of IND-AS.

**(v) Debt Equity Ratio**

Your company is debt free.

**(vi) Operating Profit Margin (%)**

The operating profit margins stood at 0.39 % as against the 0.60 % reported in the previous financial year. During the year profitability is affected adversely on account of reduced net gain in fair value investments as per accounting standards & general down turn of business.

**(vii) Net Profit Margin (%)**

The net profit margin is at 0.40 % during current financial year.

**(viii) Sector-specific equivalent ratios:**

Not applicable

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

The Return of networth for current financial year is 0.06 % as against 0.08 % for previous financial year. Same is attributed to marginal decline in business activity & fall in fair value of investments as compared to previous year.

**DISCLOSURE OF ACCOUNTING TREATMENT**

Your Company follows Accounting Standards as prescribed by Institute of Chartered Accountants of India (ICAI) for preparation of financial statements; there is no other such different treatment followed for the same.

**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

**COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

**GOVERNANCE FRAMEWORK**

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

**BOARD STRUCTURE:**

**Board Leadership:**

The Company has a well-balanced Board of Directors with members from diverse backgrounds who have experience and expertise in various fields. Out of 6 members on the Board, 3 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence. The Board over the period of years has created a culture of leadership to provide long-term vision and policy approach to improve performance and quality of governance in the Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

**Board Committees:**

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

**BOARD OF DIRECTORS**

**Composition:**

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

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2022 is as follows:

<b>Category</b>	<b>:</b>	<b>Name of Directors</b>
Non-Independent Directors	:	* Shri. Vineet Suchanti - Executive Director * Smt. Rinku Suchanti - Executive Director Shri. Uday S. Patil - Executive Director
Independent Directors	:	Shri. Anish Malhotra - Non-Executive Director Shri. Manish Desai - Non-Executive Director Shri. Shishir Dalal - Non-Executive Director

\* Promoter Director

## ANNUAL REPORT 2021-22

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

Shri. Vineet Suchanti was appointed as an Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2021.

### Board Meetings held during the financial year 2021-2022.

The Board of Directors had met 4 (Four) times during the Financial Year 2021-2022. These meetings were held on **15<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021** and **11<sup>th</sup> February, 2022**.

The Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31<sup>st</sup> March, 2022, as applicable, is tabulated hereunder :

Name of the Director	No. of Board Meeting attended	Attendance at previous AGM on 29/09/2021	*No. of outside Directorships held (Excluding Keynote Financial Services Limited)	No. of Membership/ Chairmanship in other Board Committees (Excluding Keynote Financial Services Limited)		Nature of Directorship in the Company
				Member	Chairman	
Shri Vineet Suchanti [DIN : 00004031]	4	Yes	4	3 #	2 ##	Executive
Shri Uday S. Patil [DIN : 00003978]	4	Yes	3	Nil	Nil	Executive
Shri Anish Malhotra [DIN : 02034366]	1	No	Nil	Nil	Nil	Non-Executive & Independent
Shri Manish Desai [DIN : 02925757]	4	Yes	2	Nil	Nil	Non-Executive & Independent
Smt. Rinku Suchanti [DIN : 00012903]	4	Yes	1	Nil	Nil	Executive
Shri Shishir Dalal (DIN : 00007008)	4	Yes	5	3 @	5@@	Non-Executive & Independent

\* Excludes Directorship in Private Limited companies, Foreign Companies and companies registered under Section 8 of the Companies Act, 2013.

# Member of “Stakeholder Relationship Committee”, “Corporate Social Responsibility (CSR) Committee” and “Share Transfer Committee” of LKP Finance Limited.

## Chairman of “Audit Committee” and “Nomination and Remuneration Committee” of LKP Finance limited.

@ Member of “Nomination and Remuneration Committee”, “Risk Management Committee” and “Executive (Credit) Committee” of Sustainable Agro-Commercial Finance Limited.

@ @ Chairman of “Audit Committee” of Windsor Machines Limited and Sustainable Agro-Commercial Finance Limited. Chairman of “Nomination and Remuneration Committee” of Windsor Machines Limited. Chairman of “Corporate Social Responsibility (CSR) Committee” of Windsor Machines Limited and Sustainable Agro-Commercial Finance Limited

## KEYNOTE FINANCIAL SERVICES LIMITED

Name of other listed entities where Directors of the Company are Directors and Category of Directorship:

Sr. No.	Name of Director	Name of Listed entities in which the concerned Director is a Director	Category of Directorship
1.	Shri Vineet Suchanti	LKP Finance Limited	Independent Director
2.	Shri Uday S. Patil	_____	_____
3.	Smt. Rinku Suchanti	_____	_____
4.	Shri Shishir Dalal	Windsor Machines Limited Sustainable Agro-Commercial Finance Limited Transwarranty Finance Limited Remsons Industries Limited	Independent Director
5.	Shri Manish Desai	_____	_____
6.	Shri Anish Malhotra	_____	_____

### Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Sr. No.	Skills / expertise / competencies	Name of the Directors
1.	Business Strategy, Marketing, Administration, Decision Making	Shri. Vineet Suchanti and Shri. Uday S. Patil
2.	Financial and Management skills	Shri. Vineet Suchanti, Shri. Uday S. Patil and Smt. Rinku Suchanti
3.	Professional skills and specialized knowledge in relation to Company's business.	Shri. Vineet Suchanti, Shri. Uday S. Patil, Shri. Shishir Dalal, Shri. Manish Desai and Shri. Anish Mohotra.
4.	Legal, Compliance & Governance, Information Technology	Shri. Uday S. Patil

### INDEPENDENT DIRECTORS:

The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the Listing Regulations; a statement in this regard forms part of the Board's Report. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: [https://keynoteindia.net/wp-content/uploads/document-hosting/AppointmentLetters\\_CorporateGovernance/Appointment%20Letters%20to%20Independent%20Directors.pdf](https://keynoteindia.net/wp-content/uploads/document-hosting/AppointmentLetters_CorporateGovernance/Appointment%20Letters%20to%20Independent%20Directors.pdf)



## ANNUAL REPORT 2021-22

The shareholding of the Executive and Non-Executive & Independent Directors of the company as on 31<sup>st</sup> March, 2022 is as follows:

Name of the Director	Nature of Directorship	No. of Shares held	% to the paid up Share Capital
Shri. Vineet Suchanti	Whole Time Director	11,977	0.17
Shri. Uday S. Patil	Whole Time Director & CFO	2,500	0.03
Smt. Rinku Suchanti	Whole Time Director	3,802	0.05
Shri. Anish Malhotra	Independent Director	Nil	Nil
Shri. Manish Desai	Independent Director	Nil	Nil
Shri. Shishir Dalal	Independent Director	Nil	Nil

### Board Procedures

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

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

Presentations are also made by the Executive Directors on the Company's plans, performance, operations and other matters on a periodic basis. The Board has complete access to any information within the Company which includes the information as specified in Part A of Schedule II SEBI (LODR) Regulations, 2015 and they are updated about their roles and responsibilities in the Company.

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

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

### Directors' Induction and Familiarization

The provision of an appropriate induction for new Directors and ongoing familiarization for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

The Management is responsible for ensuring that such familiarization programme is provided to Directors.

The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

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

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

The details of Director's induction and familiarization are available on the Company's website at <https://keynoteindia.net/wp-content/uploads/2022/03/Details-of-Familiarization-Programmes-for-Independent-Directors-during-the-Financial-Year-2021-22.pdf>

### **Separate Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on **11<sup>th</sup> February, 2022**, without the attendance of Non-Independent Directors and members of the management. The Company Secretary of the Company acts as the Secretary to the Independent Directors' Meeting.

### **Evaluation of Board Effectiveness**

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Part D of Schedule II of SEBI (LODR) Regulations, 2015, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March, 2022. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

### **Committees of the Board**

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The minutes of Committee meetings are tabled at the Board meetings and the Chairman of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013.

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

### **AUDIT COMMITTEE**

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes oversight of the financial reporting process, the audit process, the adequacy of internal

## ANNUAL REPORT 2021-22

controls and compliance with applicable laws and regulations. The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The members of the Audit Committee are financially literate and have requisite experience in financial management.

The Committee invites the Non Executive Director, Chief Financial Officer (CFO) and Statutory Auditor to attend its meetings.

The previous Annual General Meeting (AGM) of the Company was held on 29<sup>th</sup> September, 2021 and was attended by Shri. Shishir Dalal, Chairman of Audit Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March, 2022 are detailed below:

The Audit Committee comprises of three (3) members namely Shri. Shishir Dalal, Shri. Uday Patil and Shri. Manish Desai.

The Committee met Four (4) times during the year under review. The audit committee met prior to the finalization of the accounts for the year ended 31<sup>st</sup> March, 2022.

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended upto 31 <sup>st</sup> March, 2022
1.	Shri. Shishir Dalal	Chairman	Independent	4
2.	Shri. Manish Desai	Member	Independent	4
3.	Shri. Uday S. Patil	Member	Executive	4

The necessary quorum was present for all the meetings. The Company Secretary of the Company acts as Secretary to the Audit Committee.

The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

### **A. The Role of the Audit Committee, inter alia, includes the following:**

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

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

**B. The Audit Committee shall mandatorily review the following information:**

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- 3) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- 4) Internal audit reports relating to internal control weaknesses; and
- 5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

6) Statement of deviations:

- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### NOMINATION AND REMUNERATION COMMITTEE

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

The composition of the “Nomination and Remuneration Committee” is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The Committee met three (3) times during the financial year ended 31<sup>st</sup> March, 2022 on **1<sup>st</sup> April, 2021, 13<sup>th</sup> August, 2021** and **11<sup>th</sup> February, 2022**. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2022 is detailed below:

**The details of Nomination and Remuneration Committee are as follows:**

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri Manish Desai	Chairman	Independent
2.	Shri Anish Malhotra	Member	Independent
3.	Shri Vineet Suchanti *	Member	Non-Independent

\* Shri. Vineet Suchanti resigned as a Member of Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> April, 2021.

During the period, Shri. Vineet Suchanti, Director of the Company was appointed as an Executive Director w.e.f. 1<sup>st</sup> April, 2021. As per the Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”) the Members of the “Nomination and Remuneration Committee” should be Non-Executive Directors.

Accordingly, Shri. Vineet Suchanti resigned as a Member of Nomination and Remuneration Committee and Shri. Shishir Dalal was appointed as Member of Nomination and Remuneration Committee.

Accordingly, Nomination and Remuneration Committee was reconstituted in the Board Meeting held on 15<sup>th</sup> June, 2021 as under:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company	No. of Meetings attended up to 31 <sup>st</sup> March, 2022
1.	Shri. Manish Desai	Chairman	Independent	3
2.	Shri. Anish Malhotra	Member	Independent	0
3.	Shri. Shishir Dalal **	Member	Independent	3

\*\* Shri. Shishir Dalal was appointed as a Member of Nomination and Remuneration Committee w.e.f. 1<sup>st</sup> April, 2021.

The Company Secretary of the Company acts as Secretary to the “Nomination and Remuneration Committee.

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

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

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

**Nomination and Remuneration Policy of the Company:**

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

1. **Formulate the criteria for appointment as a Director:** The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. **Identify persons who are qualified to be Directors:** The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. **Nominate candidates for Directorships subject to the approval of Board:** The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. **Approve the candidates required for Senior Management positions:** The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director, CFO, Company Secretary and Executive Directors of the Company.
5. **Evaluate the performance of the Board:** The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. **Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive compensation:** The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of each financial year. The Committee shall also approve his/her/their compensation package(s) in accordance with applicable laws, in line with the Company’s objectives, shareholders’ interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.

- 7. Review performance and compensation of Senior Management:** The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- 8. Recommend to the Board, commission (if any) to the Non-Executive Directors:** The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

### Details of remuneration paid to Non-Executive Directors during the year 2021 - 2022:

During the financial year ended 31<sup>st</sup> March, 2022, the Company paid ₹ 90,000/- (Rupees Ninety Thousand only) as sittings fees for attending the Board meetings to the Independent Directors.

### Details of the remuneration paid to the Executive Directors of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 is as follows:

During the financial year ended 31<sup>st</sup> March, 2022, the Company paid a total amount of ₹ 76,87,608/- (Rupees Seventy-Six Lakh Eighty-Seven thousand Six hundred eight only) to Whole-Time Directors of the Company.

Company has not granted any stock options to any of its Directors.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

The details of Stakeholders Relationship Committee is as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship in the Company
1.	Shri. Vineet Suchanti *	Chairman	Non Executive
2.	Shri. Uday S. Patil	Member	Executive
3.	Shri. Manish Desai	Member	Independent

\* Shri. Vineet Suchanti resigned as a Chairman of Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2021. The Company Secretary of the Company acts as Secretary to the “Stakeholders Relationship Committee”

During the period Shri. Vineet Suchanti, Director of the Company appointed as an Executive-Director w.e.f. 1<sup>st</sup> April, 2021. As per the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 (“Listing Regulations”) the Chairman of the Stakeholders Relationship Committee should be Non-Executive Director.

Accordingly, Shri. Vineet Suchanti resigned as a Chairman of Stakeholders Relationship Committee and Shri. Manish Desai, Independent Director was appointed as the Chairman of Stakeholders Relationship Committee.

Accordingly, Stakeholders Relationship Committee was reconstituted at the Board meeting held on 15<sup>th</sup> June, 2021 as under:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship in the Company</b>	<b>No. of Meetings attended up to 31<sup>st</sup> March, 2022</b>
1.	**Shri. Manish Desai	Member	Independent	1
2.	Shri. Vineet Suchanti	Chairman	Executive	1
3.	Shri. Uday S. Patil	Member	Executive	1

\*\* Shri Manish Desai was appointed as the Chairman of Stakeholders Relationship Committee w.e.f. 15<sup>th</sup> June, 2021.

During the Financial Year 2021-2022, few communications were received from shareholders and Investors. These communications were of routine nature regarding corrections/change in address, and issuance of demand draft against dividend warrant due to expiry of the date etc and were addressed promptly.

All valid requests for share transfer received during 2021-2022 have been acted upon by the Company and no transfer/grievances/complaints are pending.

The details of the complaints resolved during the Financial Year ended on 31<sup>st</sup> March, 2022 are as follows:

<b>Number of Complaints</b>	<b>Received</b>	<b>Resolved</b>	<b>Closing</b>
0	2	2	0

#### **MANAGEMENT COMMITTEE**

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

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation in Committee</b>	<b>Nature of Directorship in the Company</b>
1.	Shri Vineet Suchanti	Chairman	Executive
2.	Shri Uday S. Patil	Member	Executive

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

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

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

#### **THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2) OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

During the financial year the company has complied with all the requirements of Corporate Governance as specified in regulation 17 to 27 and Regulation 46(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.



## ANNUAL REPORT 2021-22

### GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2018-2019	Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, 141, Shahid Bhagat Singh Road, (Town Hall compound), Fort, Mumbai – 400 001	13 <sup>th</sup> August, 2019	10.00 a.m.
2019-2020	Through Video Conference or Other Audio-Visuals Means	30 <sup>th</sup> September, 2020	11.00 a.m.
2020-2021	Through Video Conference or Other Audio-Visuals Means	29 <sup>th</sup> September, 2021	11.00 a.m.

Details of Special Resolutions passed in previous three Annual General Meetings.

Date of Annual General Meeting	Number of Special Resolutions passed	Details of Special Resolutions Passed
13 <sup>th</sup> August, 2019	2	<ul style="list-style-type: none"> <li>To Re-appoint Shri. Manish Desai (DIN: 02925757), as an Independent Director of the Company for a second term. (w.e.f. 9<sup>th</sup> September, 2019 up to 8<sup>th</sup> September, 2024).</li> </ul>
		<ul style="list-style-type: none"> <li>To Re-appoint Shri. Anish Malhotra (DIN: 02034366), as an Independent Director of the Company for a second term. (w.e.f. 9<sup>th</sup> September, 2019 up to 8<sup>th</sup> September, 2024).</li> </ul>
30 <sup>th</sup> September, 2020	1	To Re-appoint Shri. Shirshir Dalal (DIN: 00007008), as an Independent Director of the Company for a second term. (w.e.f. 29 <sup>th</sup> September, 2020 up to 28 <sup>th</sup> September, 2025).
29 <sup>th</sup> September, 2021	1	To approve the related party transactions which may exceed 10% of the annual consolidated turnover of the Company as per the Companies last Audited Financial Statements within the financial year 2021-22.

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

### Extraordinary General Meeting

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

### Postal Ballot

Pursuant to Sections 108, 110 of the Companies Act, 2013 (“the Act”) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020 and 17 /2020 dated 13<sup>th</sup> April, 2020 read with other relevant Circulars, including General Circular No. 20/2021 dated 8<sup>th</sup> December, 2021, issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) a notice of postal ballot dated 11<sup>th</sup> February, 2022 (hereinafter referred to as “Postal Ballot Notice”), sent to the Members of the Company holding shares on the cut-off date of Friday, 18<sup>th</sup> February, 2022. The Notice was dispatched by electronic mode to those Members whose e-mail id(s) were registered with the Company or depository participant for their approval.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Companies Act, 2013 read with the relevant rules, the Company provided e-voting facility to all its Members in order to enable them to cast their votes electronically. CDSL was appointed as an agency for providing e-voting facility to all its Members

to enable them to cast their votes electronically. The e-voting portal of CDSL for voting purpose remained open from Monday, 28<sup>th</sup> February, 2022 at 10:00 A.M (1ST) to Tuesday, 29<sup>th</sup> March, 2022 at 5:00 P.M (1ST) and thereafter the same was disabled. Ms. Uma Lodha (Certificate of Practice No. 2593), Proprietor of firm M/s Uma Lodha & Co., Practicing Company Secretary, the Scrutinizer had carried out the scrutiny of votes polled electronically up to 5:00 P.M on 29<sup>th</sup> March, 2022 and submitted the report on 30<sup>th</sup> March, 2022.

**Summary of the voting results is as under:**

Particulars of Resolution	Only through remote e-voting				
	No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
Reclassification of certain promoters/ promoter group entities to "Public" Shareholder category.	40,49,269	40,49,169	100	99.9975	0.0025
The resolution was passed with requisite majority.					

**MEANS OF COMMUNICATION**

**1. Publication of quarterly financial results:**

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in English and vernacular language newspapers, viz., Free Press Journal and Navshakti, Mumbai newspapers. "Limited Review" by the Statutory Auditors of the Company for the quarterly results was sent to BSE Limited and National Stock Exchange of India Limited where the shares of the company are listed.

Shareholders can also access the quarterly results on the website of these exchanges where the equity shares of the company are listed i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com).

**2. Website and News Releases:**

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

**3. Stock Exchange:**

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

**4. NEAPS (NSE Electronic Application Processing System) and NSE Digital Portal:**

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

NSE Digital Portal is a web-based application designed by NSE for corporates. All Corporate Announcements and other disclosures are filed electronically through this portal.

**5. BSE Corporate Compliance & Listing Centre:**

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

## ANNUAL REPORT 2021-22

### GENERAL SHAREHOLDER'S INFORMATION

#### Annual General Meeting

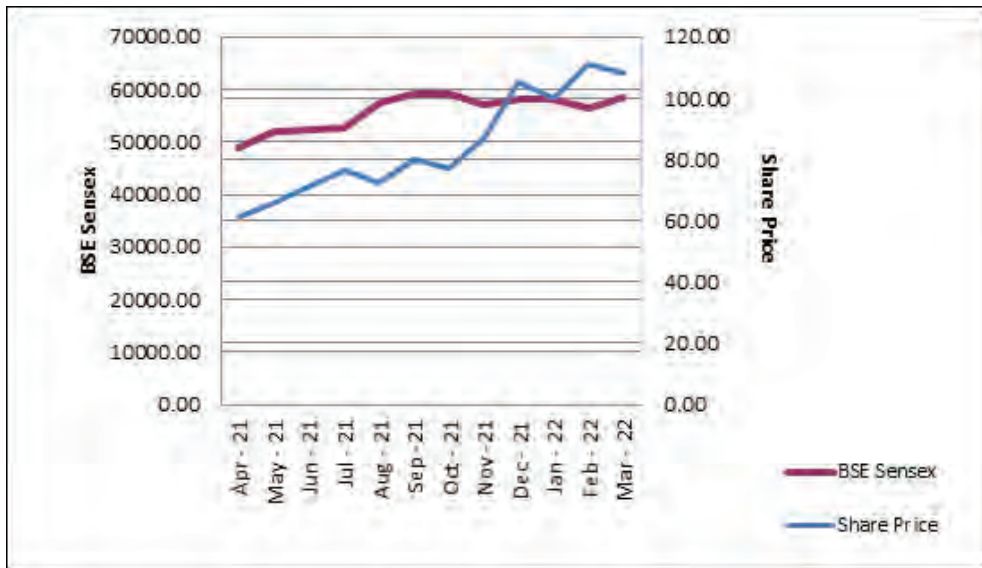
<b>Date and time</b>	: 28 <sup>th</sup> September, 2022 at 2:00 p.m.
<b>Venue / Mode</b>	: Through Video Conference or Other Audio-Visuals Means (VC/OVAM)
<b>Financial Year Ending</b>	: 31 <sup>st</sup> March, 2022
<b>Tentative Schedule for declaration of results during the financial year 2022-2023</b>	
• 1 <sup>st</sup> Quarter (June, 2022)	: Second week of August, 2022
• 2 <sup>nd</sup> Quarter (September, 2022)	: First week of November, 2022
• 3 <sup>rd</sup> Quarter (December, 2022)	: Second week of February, 2023
• 4 <sup>th</sup> Quarter (March, 2023) and Audited Financial Results for the year ended 31 <sup>st</sup> March, 2023.	: Last week of May, 2023
<b>Date of Book Closure</b>	: From 22 <sup>nd</sup> September, 2022 to 28 <sup>th</sup> September, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend which will be subject to approval of shareholders.
<b>Dividend Payment date</b> • Final Dividend 2021-2022 recommended by the Board of Directors at its Meeting held on 12 <sup>th</sup> August, 2022.	: After 28 <sup>th</sup> September, 2022 (Subject to approval of the shareholders)
<b>Listing on Stock Exchange and Stock Code</b>	: Equity Shares of the Company are listed at BSE Limited, (Scrip Code : 512597) and National Stock Exchange of India Limited, (Symbol: KEYFINSERV).
<b>Face Value of Equity Shares</b>	: ₹10/- each.

#### Monthly High/Low price of Equity Shares of the Company during the financial year 2021-2022 on BSE Limited and National Stock Exchange of India Limited.

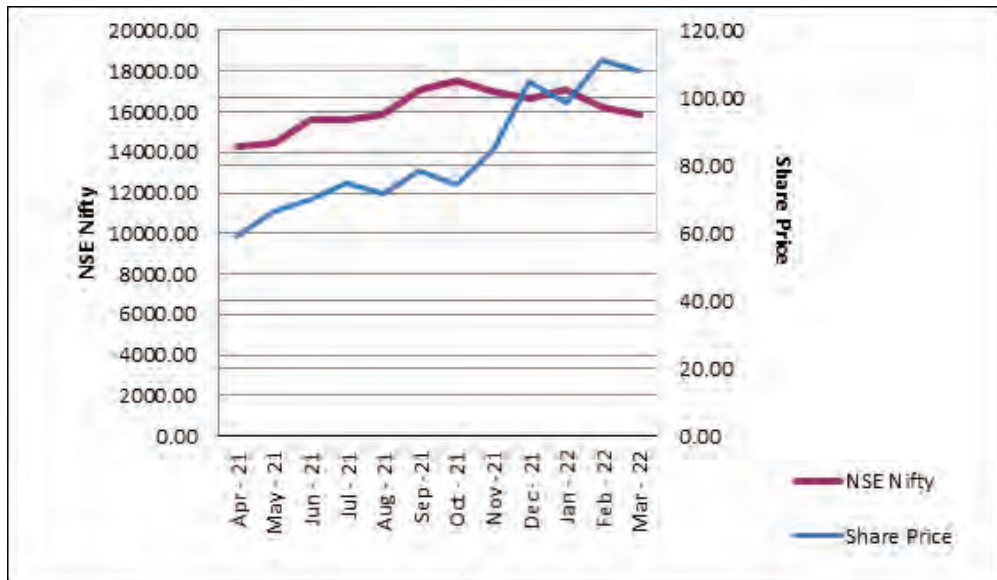
Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April, 2021	63.35	52.85	64.05	53.80
May, 2021	76.75	53.30	75.95	53.95
June, 2021	78.75	63.10	84.30	64.20
July, 2021	79.20	68.40	80.00	69.05
August, 2021	91.80	66.40	91.45	68.00
September, 2021	96.40	72.45	95.70	71.90
October, 2021	85.00	69.20	84.45	72.00
November, 2021	115.50	69.30	116.40	73.05
December, 2021	129.10	80.00	131.65	80.15
January, 2022	112.95	88.85	109.65	86.20
February, 2022	160.60	93.05	160.65	92.05
March, 2022	118.95	100.25	120.60	102.70

Source: BSE and NSE website

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



Graphical Representation of Performance of Keynote’s share price in comparison with NSE Nifty.



**REGISTRAR AND TRANSFER AGENT**

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

**Link Intime India Pvt. Ltd.,**  
 C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083  
 Tel: (022) 4918 6000, Fax : (022) 4918 6060  
[www.linkintime.co.in](http://www.linkintime.co.in)

## ANNUAL REPORT 2021-22

### SHARE TRANSFER SYSTEM

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

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

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2022

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
1 to 500	3705	94.22	334311	4.76
501 to 1000	117	2.98	90577	1.30
1001 to 2000	44	1.12	68199	0.98
2001 to 3000	25	0.63	65391	0.93
3001 to 4000	7	0.18	26202	0.37
4001 to 5000	7	0.18	32824	0.47
5001 to 10000	6	0.16	40218	0.57
10001 and above	21	0.53	6360617	90.62
<b>TOTAL</b>	<b>3932</b>	<b>100.00</b>	<b>7018339</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2022

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<b>Promoter &amp; Promoter Group :</b>		
	(a) Individuals/Hindu Undivided Family	7,04,352	10.04
	(b) Bodies Corporate	33,57,866	47.84
	Sub Total :	40,62,218	57.88
(B)	<b>Public Shareholding :</b>		
	1. Institutions		
	(a) Financial Institutions/Banks	300	0.00
	(b) Foreign Institutional Investors	5,15,684	7.35
	2. Non-Institutions		
	(a) Individuals	7,96,042	11.34
	(b) Trust	14,51,902	20.69
	(c) Hindu Undivided Family	24,717	0.35
	(d) Non-Resident (Non-Repatriable)	2,519	0.04
	(e) Non-Resident Indians (Repat)	3,648	0.05
	(f) Clearing Members	4,170	0.06
	(g) Investor Education and Protection Fund Authority Ministry of Corporate Affairs	98,372	1.40
	(h) Bodies Corporate	58,766	0.84
	(i) Body Corp-Ltd Liability Partnership	1	0.00
	Sub Total :	29,56,121	42.12
	<b>GRAND TOTAL</b>	<b>70,18,339</b>	<b>100.00</b>

**Dematerialization of Shares:** 69, 08,831 Equity Shares of ₹ 10/- each (i.e. 98.43%) of the total capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2022. Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/dematerialized form.

For any clarification, assistance or information, please contact the Registrar and Transfer Agent of the Company.

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March, 2022.

**ADDRESS FOR CORRESPONDENCE**

**Keynote Financial Services Limited**

The Ruby, 9th Floor,  
Senapati Bapat Marg,  
Dadar (West),  
Mumbai – 400 028.

E-mail: [investors@keynoteindia.net](mailto:investors@keynoteindia.net)

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

**National Electronic Clearing System (NECS) for dividend:**

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

**For shares held in physical form:**

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

**For shares in electronic/dematerialized form:**

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

**Transfer of unclaimed dividend to Investor Education and Protection Fund:**

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

### OTHER DISCLOSURES

#### a. Related Party Transactions:

During the financial year 2021-2022, the Company had Material Related Party Transaction (RPT) and the details are mentioned in the Directors Report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: <https://keynoteindia.net/wp-content/uploads/2022/03/Related-Party-Transaction-Policy.pdf>.

#### b. Details of non-compliance by the Company:

Details of non-compliance by the Company, penalties and structures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years i.e.2018-2019, 2019-2020 & 2020-2021 respectively.

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

#### c. Whistle Blower Policy:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link: <https://keynoteindia.net/wp-content/uploads/2022/03/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

#### d. Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### e. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees and the same has been posted on the website of the company (i.e. [www.keynoteindia.net](http://www.keynoteindia.net)). The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31<sup>st</sup> March, 2022. The Annual Report of the Company contains a Certificate by the Director in terms of Regulation 34(3) and Part D of Schedule V of the Listing Regulations based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

#### f. Risk Management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

#### g. Non-mandatory requirements:

Adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, is being reviewed by the Board from time to time.

#### h. Compliances with Governance Framework:

The Company is in compliance with all mandatory requirements under SEBI (LODR) Regulations, 2015.

**i. Certificate from a Company Secretary in Practice:**

A Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**j. Recommendation of any Committee:**

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

It is not applicable to the Company. As all recommendation of committees of the Board, are accepted by the Board during the Financial Year 2021-2022.

**k. Statutory Auditors' Fees:**

Total fees paid to M/s. S M S R & Co. LLP, Chartered Accountants, Statutory Auditors on consolidated basis is ₹ 5,13,500/- for the Financial Year 2021-22.

**l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- |  |   |     |
|--|---|-----|
| a. Number of complaints filed during the financial year          | - | NIL |
| b. Number of complaints disposed of during the financial year    | - | NIL |
| c. Number of complaints pending at the end of the financial year | - | NIL |

**SUBSIDIARY COMPANIES**

Keynote Capitals Limited (KCL) and Keynote Fincorp Limited (KFIN) are subsidiary companies of KFSL. Maple Leaf Trading & Services Ltd. (Formerly known as "Keynote Commodities Limited") is no longer a wholly-owned subsidiary of Keynote Capitals Ltd. w.e.f. 29<sup>th</sup> June, 2022.

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

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at <https://keynoteindia.net/wp-content/uploads/2022/03/Material-Subsidiary-Policy.pdf>

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

**Date: 12<sup>th</sup> August, 2022  
Place: Mumbai**

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

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



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**Keynote Financial Services Limited,**  
(Formerly known as Keynote Corporate Services Limited)  
The Ruby, 9th Floor  
Senapati, Bapat Marg,  
Dadar (W), Mumbai - 400 028

We have examined the relevant registers, records, forms, returns and disclosures received from Directors of **Keynote Financial Services Limited** having CIN No. **L67120MH1993PLC072407** and having registered office at The Ruby, 9th Floor, Senapati, Bapat Marg, Dadar (W), Mumbai - 400 028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1	Mr. Uday Patil	00003978	17.09.1997
2	Mr. Anish Malhotra	02034366	29.01.2008
3	Mr. Manish Desai	02925757	31.01.2011
4	Mr. Shishir Vasant Dalal	00007008	04.05.2015
5	Mr. Vineet Suchanti	00004031	17.09.1997
6	Mrs. Rinku Suchanti	00012903	31.03.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Uma Lodha & Co.**  
**Practicing Company Secretaries**  
Sd/-  
**Uma Lodha**  
**Proprietor**  
**C.P. No. 2593**  
**M. No.5363**  
**UDIN: F005363D000757642**

**Place: Mumbai**  
**Date: 08.08.2022**

**Declaration by Director**

I, Uday S. Patil (DIN: 00003978) Director of Keynote Financial Services Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2022.

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

**Sd/-**

**Uday S. Patil  
Director**

**DIN: 00003978**

**Date: 12<sup>th</sup> August, 2022**

**Place: Mumbai**

**CERTIFICATE IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENT) REGULATIONS, 2015**

We, Vineet Suchanti (Director) and Uday S. Patil (Director & CFO) of Keynote Financial Services Limited hereby certify that:

- a) We have reviewed financial statement and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that -
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Date: 12<sup>th</sup> August, 2022  
Place: Mumbai**

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

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

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Keynote Financial Services Limited  
(Formerly known as Keynote Corporate Services Limited)**

We have examined the compliance of conditions of Corporate Governance by **M/s. Keynote Financial Services Limited (CIN: L67120MH1993PLC072407)** (the Company) for the year ended March 31, 2022 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") as referred in Regulation 15(2) of the listing regulations for the period from April 01, 2021 to March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Uma Lodha & Co.  
Practicing Company Secretaries  
Sd/-  
Uma Lodha  
Proprietor  
C.P. No. 2593  
UDIN: F005363D000757532**

**Place: Mumbai  
Date: 08.08.2022**

**Form MR-3  
SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**To  
The Members of  
Keynote Capitals Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by **M/S. KEYNOTE CAPITALS LIMITED (CIN: U67120MH1995PLC088172)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/S. KEYNOTE CAPITALS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by **M/S. KEYNOTE CAPITALS LIMITED** for the financial year ended 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - b) SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003
- (vi) The following laws are specifically applicable to the Company:
  - The Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

As per the representation given by the Company, all the existing related party transactions of the Company with its related parties are in the ordinary course of business and on arm's length basis or as per the contracts existing on the commencement of the Act, 2013.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Key Managerial Personnel, Non-Executive Directors and Independent Directors.

During the year under review, the Board at its meeting held on 29<sup>th</sup> December, 2021 considered re-appointment of Mr. Rakesh Choudhari as a Managing Director of the company for a further period of 3 years with effect from 1<sup>st</sup> February, 2022 to 31<sup>st</sup> January, 2025. The appointment was subsequently approved by the shareholders at the Extra ordinary General Meeting held on 24<sup>th</sup> January, 2022.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

During the year under review, the Company made a donation of an amount exceeding 5% of the Average Net profit of preceding three financial years for which the company has taken prior approval of the shareholders by way of Special Resolution at the Extra Ordinary General Meeting dated 12<sup>th</sup> May 2021 but the Company is yet to file Form MGT-14 for the same.

**We further report that** during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Uma Lodha & Co.  
Practicing Company Secretaries**

**Place: Mumbai  
Date: 03/06/2022**

**Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593  
UDIN NO. F005363D000456121**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE B (i)' and forms an integral part of this report.

**ANNEXURE B(i)'**

**To  
The Members  
M/S. KEYNOTE CAPITALS LIMITED**

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Uma Lodha & Co.  
Practicing Company Secretaries**

**Place: Mumbai  
Date:03/06/2022**

**Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593  
UDIN NO. F005363D000456121**

Form MR-3  
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH 2022

To  
The Members of  
Keynote Fincorp Limited

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by **M/S. KEYNOTE FINCORP LIMITED (CIN: U67120MH1995PLC084814)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **M/S. KEYNOTE FINCORP LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by **M/S. KEYNOTE FINCORP LIMITED** for the financial year ended 31<sup>st</sup>March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following laws are specifically applicable to the Company:
  - The Prevention of Money Laundering Act, 2002
  - Reserve Bank of India Act, 1934

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



## ANNUAL REPORT 2021-22

---

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Uma Lodha & Co.  
Practicing Company Secretaries**

**Place: Mumbai  
Date: 03/06/2022**

**Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593  
UDIN: F005363D000456198**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE B (i)' and forms an integral part of this report.

**ANNEXURE B (i)'**

**To  
The Members  
M/S. KEYNOTE FINCORP LIMITED**

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Uma Lodha & Co.  
Practicing Company Secretaries**

**Place: Mumbai  
Date: 03/06/2022**

**Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593  
UDIN: F005363D000456198**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Keynote Financial Services Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Keynote Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and 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 Ind AS financial statements in accordance with the requirements of applicable Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described

in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in respect of contracts involving critical estimates, as per Ind AS 115 “Revenue from Contract with Customers”.</b></p>	
<p>The Company recognises revenue with respect to income from sale of services (including other operating revenue) in accordance to achievement of milestones defined in the corresponding engagement letters or mandate letters entered with counter party which reflects the stage of completion for each performance obligation.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to recording of revenue with respect to income from sale of services (including other operating revenue) based upon time spent and efforts taken.</li> <li>• Selected a sample of continuing and new contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to time spent and efforts taken.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones</li> <li>• Performed analytical procedures and test of details for reasonableness of time spent and efforts taken</li> </ul>
<p><b>Information Other than the Standalone Ind AS Financial Statements and Auditor’s Report Thereon</b></p>	<p><b>Responsibilities of Management and Those Charged with Governance for the standalone Ind AS financial statements</b></p>
<p>The Company’s Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board’s Report, Corporate Governance and Shareholders’ Information, but does not include the standalone Ind AS Financial statements and our auditor’s report thereon.</p>	<p>The Company’s Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>
<p>Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	
<p>In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our 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.</p>	

In preparing the standalone Ind AS 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.

The Company's Management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that are 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 controls 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 system 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 auditor's report to the related disclosures in the standalone Ind AS 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 auditor's 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone Ind AS financial statements.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

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 with 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 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, based on our audit we report, to the extent applicable 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 Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, 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 with reference to these standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
  - 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, as amended 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 positions in its standalone

Ind AS financial statements. Refer Note 33 of the standalone Ind AS financial statements;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person

or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v) The final dividend proposed in the previous year, declared and paid by the Company during the year by the company is in compliance with section 123 of the Companies Act, 2013.

**For S M S R & Co LLP**  
*Chartered Accountants*  
Firm Registration No. 110592W/W100094

Place: Mumbai  
Date: May 27, 2022  
UDIN: 22040404AJSRRS7512

**Ravi Kapoor**  
*Partner*

Membership No: 040404

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Keynote Financials Services Limited of even date)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company does not have any intangible assets; hence reporting under sub-clause is not applicable.
  - (b) The company has a phased verification program in place of physically verifying its Property, Plant and Equipment and Intangible assets. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given 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, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. (a) The Company is a service company, primarily rendering services of investment banking, corporate advisory and ESOP advisory services. Accordingly, it does not hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. The Company has not granted any loans or advances in nature of loans, either repayable on demand or without specifying any terms of repayment. Accordingly, the clause 3(iii)(a) and 3 (iii) (b) of the Order are not applicable to the Company.
- (b) The Company has granted loans repayable on demand in the preceding years in respect of which repayment has not been demanded as on the balance sheet date. The payments of interest thereon are regular. There are no loans or advances in the nature of loans granted to Promoters as defined in section 2(76) of the Companies Act, 2013.
- 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 Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31 March 2022 and therefore, the



## ANNUAL REPORT 2021-22

- provisions of the clause 3(v) of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, the provisions of the clause 3(vi) of the Order are not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) There are no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute, other than those mentioned below

Name of the Statute	Nature of dues	Amount (INR)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,924	A.Y. 2016-17	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	5,61,166	A.Y. 2018-19	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	51,93,500	A.Y. 2019-20	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	43,170	A.Y. 2019-20	Deputy Commissioner of Income Tax
Maharashtra Municipal Property Tax Act, 2011	Property Tax	72,52,747	October 2011 to March 2021	Asst. Assessor and Collector G/North Ward

- viii. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-Tax Act, 1961 as income during the year.
- ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us, we report that the Company has not taken any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us by the management, the company has not utilized funds raised for short term purposes, for long term purposes.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not borrowed any funds from any person or entity on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not raised loans during the year on pledge of securities held in its subsidiaries.
- x. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not raised

- any money by way of initial public offer or further public (including debt instruments). In case of money raised by term loans, the term loans have been applied for the purpose for which they were raised. Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. a) According to the information and explanations given to us and based on examination of the books and records of the Company, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xii. In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with sections 177 and 188 of the Act where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its businesses.
- b) The reports of the Internal Auditor for the period under audit were considered by us.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is a not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us, the Group does not have any CIC. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance

as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.
- xxi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have not been any qualifications or adverse remarks

by the respective auditors in the Companies (Auditors' Report) Order ("CARO") reports of the Companies included in the consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

For **S M S R & Co LLP**

*Chartered Accountants*

Firm Registration No. 110592W/W100094

Place: Mumbai

Date: May 27, 2022

UDIN: 22040404AJSRRS7512      Membership No: 040404

**Ravi Kapoor**

*Partner*

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Keynote Financial Services Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 Financial Services Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors and 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 respective 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.

**Auditors' Responsibility for the Audit of Internal Financial Controls**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit

of internal financial controls. 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS financial statements**

A Company's internal financial control over financial reporting with reference to these standalone Ind AS 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 Ind AS financial statements includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company;

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) 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 standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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').

For **S M S R & Co LLP**

*Chartered Accountants*

Firm Registration No. 110592W/W100094

Place: Mumbai

Date: May 27, 2022

UDIN: 22040404AJSRRS7512

**Ravi Kapoor**

*Partner*

Membership No: 040404

## KEYNOTE FINANCIAL SERVICES LIMITED

### STANDALONE BALANCE SHEET AS ON 31 MARCH 2022

(₹ in lakhs)

	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>A. Financial assets</b>			
Cash and cash equivalents	3	142.23	86.22
Bank balances other than cash and cash equivalents	4	18.41	1,301.56
Receivables	5		
- Trade receivables		135.40	75.70
- Other receivables		19.02	8.60
Loans	6	186.35	185.00
Investments	7	5,251.22	3,759.88
Other financial assets	8	1.15	1.02
<b>Sub-Total - Financial assets (A)</b>		<b>5,753.78</b>	<b>5,417.98</b>
<b>B. Non-Financial Assets</b>			
Current tax assets (net)	9	49.13	3.24
Investment property	10	3.49	3.60
Property, plant & equipment & Intangibles	11	769.61	793.12
Right of use assets	12	3.05	0.71
Other non-financial assets	13	8.08	15.84
<b>Sub-Total - Non-Financial assets (B)</b>		<b>833.36</b>	<b>816.51</b>
<b>Total - Assets (A+B)</b>		<b>6,587.14</b>	<b>6,234.49</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>A. Financial liabilities</b>			
Payables			
Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.54	0.56
Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	0.55
- total outstanding dues of creditors other than micro enterprises and small enterprises		25.22	14.11

## ANNUAL REPORT 2021-22

### STANDALONE BALANCE SHEET AS ON 31 MARCH 2022 (CONTD.)

(₹ in lakhs)

	Note	31 March 2022	31 March 2021
Deposits	15	0.00	2.32
Lease liabilities	16	3.11	0.88
Other financial liabilities	17	35.40	31.38
<b>Sub-total - Financial liabilities (A)</b>		<b>64.27</b>	<b>49.80</b>
<b>B. Non- Financial liabilities</b>			
Provisions	18	61.84	58.92
Deferred tax liabilities (net)	19	164.52	191.55
Other non-financial liabilities	20	114.81	49.70
<b>Sub-total - Non-Financial liabilities (B)</b>		<b>341.17</b>	<b>300.17</b>
<b>C. Equity</b>			
Equity Share capital	21	701.83	701.83
Other Equity	22	5,479.87	5,182.69
<b>Sub-total - Equity (C)</b>		<b>6,181.70</b>	<b>5,884.52</b>
<b>Total - Liabilities and Equity (A+B+C)</b>		<b>6,587.14</b>	<b>6,234.49</b>
Significant accounting policies	2		

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 S M S R & Co LLP**

*Chartered Accountants*

Firm Registration No: 110592W/W100094

**Sd/-**

**Ravi Kapoor**

*Partner*

Membership No: 040404

Date : 27 May 2022

Place : Mumbai

**For and on behalf of the Board of Directors of  
Keynote Financial Services Limited**

CIN No: L67120MH1993PLC072407

**Sd/-**

**Vineet Suchanti**

*Director*

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

**Sd/-**

**Uday Patil**

*Director & CFO*

DIN : 00003978

**Sd/-**

**Renita Crasto**

*Company Secretary*

## KEYNOTE FINANCIAL SERVICES LIMITED

### STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

	Note	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>A. Revenue from operations</b>			
Sale of services	23	446.13	545.25
Net gain on fair value changes	24	280.91	424.60
Other operating income	25	3.66	6.93
<b>Total revenue from operations</b>		<b>730.70</b>	<b>976.78</b>
<b>B. Other income</b>	26	190.48	150.98
<b>Total income (A+B)</b>		<b>921.18</b>	<b>1,127.76</b>
<b>C. Expenses</b>			
Finance costs	27	0.43	4.79
Fees and commission expense	28	30.50	10.44
Impairment on financial instruments	29	(8.29)	10.34
Employee benefits expense	30	306.27	221.69
Depreciation and amortisation expense	31	28.48	31.92
Other expenses	32	201.24	170.11
<b>Total Expenses (C)</b>		<b>558.63</b>	<b>449.29</b>
<b>Profit / (Loss) before tax (A+B-C)</b>		<b>362.54</b>	<b>678.47</b>
<b>D. Tax Expense</b>	46		
- Current tax		24.50	75.94
- Deferred tax and Minimum alternate tax (MAT)		(27.67)	137.49
- Taxation for earlier years		-	2.81
<b>Total Tax Expenses (D)</b>		<b>(3.17)</b>	<b>216.24</b>
- Current tax		24.50	15.04
Minimum alternate tax (MAT)		-	(1.01)
- Deferred tax and Minimum alternate tax (MAT)		27.67	(42.84)
- Taxation for earlier years		-	(8.05)
<b>Profit / (loss) for the year (A+B-C-D)</b>		<b>365.71</b>	<b>462.23</b>



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(₹ in lakhs)

	Note	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>E. Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
- Remeasurement gains /(losses) of defined benefit plans		2.29	3.55
Income tax on the above		(0.64)	(0.99)
<b>(ii) Items that will be reclassified to profit or loss</b>			
<b>Other Comprehensive Income (E)</b>		<u>1.66</u>	<u>2.56</u>
<b>Total Comprehensive Income for the year (net of tax) (A+B-C-D+E)</b>		<u><u>367.37</u></u>	<u><u>464.79</u></u>
<b>Earnings per equity share (face value of INR 10 each)</b>			
Basic & diluted (INR)	36	5.21	6.59
Significant accounting policies	2		

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 S M S R & Co LLP**

*Chartered Accountants*

Firm Registration No: 110592W/W100094

**Sd/-**

**Ravi Kapoor**

*Partner*

Membership No: 040404

Date : 27 May 2022

Place : Mumbai

**For and on behalf of the Board of Directors of**

**Keynote Financial Services Limited**

CIN No: L67120MH1993PLC072407

**Sd/-**

**Vineet Suchanti**

*Director*

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

**Sd/-**

**Uday Patil**

*Director & CFO*

DIN : 00003978

**Sd/-**

**Renita Crasto**

*Company Secretary*

## KEYNOTE FINANCIAL SERVICES LIMITED

### STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
<b>(A) Cash flows from operating activities:</b>		
<b>Profit / (loss) before tax</b>	<b>362.54</b>	<b>678.47</b>
<b>Adjustments for</b>		
Depreciation and amortisation	28.48	31.92
Provision for gratuity	5.62	7.85
Provision for compensated absences	(0.28)	4.51
Impairment on financial instruments	(8.29)	10.34
Net (gain) / loss on fair value changes	(280.91)	-
Interest expenses	0.43	4.79
Dividend income	(77.99)	(22.30)
Interest Income	(83.55)	(99.29)
Sundry balances written back (net)	-	(6.35)
Lease income	(5.45)	(7.88)
<b>Operating profit before working capital changes</b>	<b>(59.40)</b>	<b>602.07</b>
<b>Adjustment for working capital changes</b>		
- (Increase) / decrease in trade and other receivables	(61.84)	(8.38)
- (Increase) / decrease in loans	(1.35)	0.69
- (Increase) / decrease in other financial assets	(0.11)	(17.35)
- (Increase) / decrease in other non-financial assets	7.76	19.84
- (Decrease) / Increase in trade and other payable	10.55	3.01
- (Decrease) / Increase in other financial liabilities	4.03	(5.70)
- (Decrease) / Increase in other non-financial liabilities	65.11	21.60
- (Decrease) / Increase in deposits	(2.32)	0.25
- (Decrease) / Increase in lease liabilities	2.22	(0.99)
- (Decrease) / Increase in provisions	(0.76)	2.45
<b>Cash generated from / (used) in operations</b>	<b>(36.11)</b>	<b>617.49</b>
Taxes paid (net of refunds)	(69.76)	(43.31)
<b>Net cash generated from / (used) in operating activities (A)</b>	<b>(105.87)</b>	<b>574.18</b>

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

**(B) Cash flows from investing activities:**

Purchase of plant, property and equipment and intangible assets	(7.21)	(4.40)
Sale of investments (net)	(1,210.43)	(430.45)
Deposits placed in banks and unpaid dividend accounts (net)	1,283.14	(1,282.30)
Rent received	5.45	7.88
Interest received	83.55	99.29
Dividend received	77.99	22.30

**Net cash generated from / (used in) investing activities (B)** 232.49 (1,587.68)

**(C) Cash flow from financing activities:**

Dividend paid	(70.18)	(70.18)
Dividend distribution tax paid	-	-
Interest paid	(0.43)	(4.79)

**Net cash generated from / (used in) financing activities (C)** (70.61) (74.97)

**Net increase / (decrease) in cash and cash equivalents (A+B+C)** 56.01 (1,088.47)

Cash and cash equivalents as at beginning of year 86.22 1,174.69

**Cash and cash equivalents as at the end of the year** 142.23 86.22

**Notes to cash flow statement :**

**1 Cash and cash equivalents as at the end of the year comprise of:**

Cash on hand	3.72	3.58
Balances with banks		
- In current accounts	132.19	76.29
- In fixed deposits accounts (with original maturity of 3 months or less from the reporting date)	6.32	6.36
	<u>142.23</u>	<u>86.22</u>

**2** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard) Rules, 2015.

**3** Cash and cash equivalents comprises cash on hand, current accounts and deposits with banks (with an original maturity of three months or less) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**4** The corresponding previous year figures have been regrouped or reclassified wherever necessary to confirm with the presentation of current year's figures.

As per our report of even date attached

**For S M S R & Co LLP**

Chartered Accountants

Firm Registration No: 110592W/W100094

Sd/-

**Ravi Kapoor**

Partner

Membership No: 040404

Date : 27 May 2022

Place : Mumbai

**For and on behalf of the Board of Directors of**

**Keynote Financial Services Limited**

CIN No: L67120MH1993PLC072407

Sd/-

**Vineet Suchanti**

Director

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

Sd/-

**Uday Patil**

Director & CFO

DIN : 00003978

Sd/-

**Renita Crasto**

Company Secretary

## KEYNOTE FINANCIAL SERVICES LIMITED

### STANDALONE STATEMENT OF CHANGES IN EQUITY AS ON 31 MARCH 2022

(₹ in lakhs)

#### A. Equity Share Capital

Particulars	Equity share capital	
	No. of Shares	Amount
<b>Balance as at 1 April 2020</b>	<b>70.18</b>	<b>701.83</b>
Changes in equity share capital during the year	-	<b>0.00</b>
<b>Balance as at 31 March 2021</b>	<b>70.18</b>	<b>701.83</b>
Changes in equity share capital during the year	-	<b>0.00</b>
<b>Balance as at 31 March 2022</b>	<b>70.18</b>	<b>701.83</b>

#### B. Other Equity

Particulars	Reserves and surplus			Other items of other comprehensive income	Total
	Securities premium	General reserve	Retained earnings		
<b>Opening reinstated balance as on 1 April 2020</b>	<b>2,306.48</b>	<b>133.92</b>	<b>2,347.68</b>	-	<b>4,788.08</b>
Profit / (loss) after tax for the year	-	-	462.23	-	462.23
Other comprehensive income (net of tax)	-	-	2.56	-	2.56
Appropriations towards dividend paid (including corporate tax dividend)	-	-	70.18	-	70.18
<b>Balance as at 31 March 2021</b>	<b>2,306.48</b>	<b>133.92</b>	<b>2,742.29</b>	-	<b>5,182.69</b>
Profit / (loss) after tax for the year	-	-	365.71	-	365.71
Other comprehensive income (net of tax)	-	-	1.66	-	1.66
Appropriations towards dividend paid	-	-	70.18	-	70.18
<b>Balance as at 31 March 2022</b>	<b>2,306.48</b>	<b>133.92</b>	<b>3,039.47</b>	-	<b>5,479.87</b>

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 S M S R & Co LLP

Chartered Accountants

Firm Registration No: 110592W/W100094

Sd/-

**Ravi Kapoor**

Partner

Membership No: 040404

Date : 27 May 2022

Place : Mumbai

#### For and on behalf of the Board of Directors of Keynote Financial Services Limited

CIN No: L67120MH1993PLC072407

Sd/-

**Vineet Suchanti**

Director

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

Sd/-

**Uday Patil**

Director & CFO

DIN : 00003978

Sd/-

**Renita Crasto**

Company Secretary

### 1. Corporate Information

Keynote Financial Services Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its registered office is located at Mumbai. Its shares are listed on two stock exchanges in India. i.e., BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).

The Company is engaged in providing services of Investment banking, Corporate advisory and ESOP advisory services etc.

### 2. Significant Accounting Policies

#### (a) Basis of preparation

These standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value. These accounting policies have been applied consistently over all the periods presented in these standalone Ind AS financial statements.

The financial statements were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP”.)

#### (b) Presentation of the financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Statement of Changes

in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 52 of the standalone Ind AS financial statements.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- (i) The normal course of business
- (ii) The event of default
- (iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

#### (c) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 2(v) of the standalone Ind AS financial statements.

#### (d) Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost of acquisition less accumulated depreciation and accumulated impairment, (if any). Such cost includes purchase price including import duties and other non-refundable purchase taxes or levies, borrowing cost and any cost directly

attributable to bringing the assets to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Assets costing INR 5,000 or less are fully depreciated in the year of purchase.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognised.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Tangible assets	Useful life
Premises	60 years
Furniture and fixtures	10 years
Electrical fittings	10 years
Air conditioners	10 years
Office equipments	5 years
Computers and peripherals	3 years
Vehicles	8 years

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

**(e) Investment Property**

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on property (Flat) classified as investment property has been provided on the straight-line method over a period of 60 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Schedule II to the Companies Act 2013.

Though the Company initially measures investment property using cost based measurement. The said is measured subsequently at the fair value which are determined based on an annual evaluation as per Management's best estimates.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition. The date of disposal of an item of investment property is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

**(f) Intangible assets and amortization**

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life, which is the Management's estimate of its useful life.

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit and loss when the asset is derecognized. The date of disposal of an item of intangible assets is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(g) Investments in subsidiaries and trust**

Investments in subsidiaries and trust are carried at cost less accumulated impairment losses, if any in the Separate Financial Statements as permitted under Ind AS 27 - "Separate financial statements".

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and trust, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

**(h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

**(i) Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at each reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for in the standalone Ind AS financial statements.

Contingent liabilities are disclosed when there is a possible obligation arising from past events,

the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(j) Foreign currency translation**

**Functional and presentation currency**

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

**(k) Employee benefits**

**(i) Short-term obligations**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation

to make such payments as a result of past events and a reliable estimate of the obligation can be made.

**(ii) Post-employment obligations**

**(I) Defined contribution plans**

**(a) Provident Fund:** The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**(b) Employees' State Insurance:** The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

**(II) Defined benefit plans**

**(a) Gratuity:** The Company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.



Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- (i) Service costs comprising current and past service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

**(III) Other Long-term employee benefits**

- (a) Compensated absences** - Privilege leave entitlements are recognised as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognised using the projected unit credit method at the actuarially determined value by an appointed independent actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

**(I) Leases**

- (I) Operating lease as lessee** - The Company has adopted Ind AS 116 - "Leases" effective 1 April, 2019, using the "full retrospective method". Further, the Company has applied the standard to its leases with the full impact recognised on the date of initial application.

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange

for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in

an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

- (II) Operating lease as lessor:** In respect of assets given on operating lease, lease rentals are recognised on a straight-line basis over the term of lease unless;
- (i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
  - (ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

**(m) Income tax**

**Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Minimum Alternate Tax**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company

recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit". The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**Deferred Tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(n) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(o) Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**Initial recognition and measurement:**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortised cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**Classification and subsequent measurement**

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold them to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income (FVOCI)

Such financial assets are subsequently measured at amortised cost using the Effective Interest rate method. Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest on the principal outstanding. Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

### Equity Investments

The Company accounts for equity investments in subsidiaries at cost less impairment.

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in

Statement of Profit and loss when the Company's right to receive payment is established.

### Fair Value Hierarchy

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48 of the standalone Ind AS financial statements.

### Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- (i) Trade receivables
- (ii) Financial assets measured at amortised cost (other than trade receivables)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash

flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

### **Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries are credited to the statement of profit and loss.

### **De-recognition of financial instruments**

- (a) **Financial asset** - A financial asset or a part thereof is primarily de-recognised when:
- (i) The right to receive contractual cash flows from the asset has expired, or
  - (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (a) The Company has transferred substantially all the risks and rewards of the asset, or
- (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss.

- (b) **Financial liabilities:** The Company de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

### **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **(p) Revenue Recognition**

The Company recognises revenue from contracts with customers based on a five-step model set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer.

An asset is transferred when (or as) the customer obtains control of that asset

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.**

- (i) **Interest income** - Interest income is recognised using the effective interest rate (EIR) method by considering all contractual terms of the financial instrument in estimating the cash flows.
- (ii) **Dividend income** - Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.
- (iii) **Net gain on fair value changes** - Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured

as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

- (iv) **Sale of services** - Income from services (including other operating revenues) are recognized with reference to achievement of milestones defined in the corresponding engagement or mandate letters entered with counter party which reflects the stage of each performance obligation.
- (v) **Dividend income** - The Company recognises dividend income in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(vi) **Contract Balances**

**Trade Receivables** - A receivable represents the Company's right to an amount of consideration that is unconditional.

**Unbilled Revenue** - Unbilled revenue represents value of services performed in accordance with reference to achievement of milestones defined in the corresponding engagement or mandate letters entered with counter party with the contract terms but not billed.

**Contract Liabilities** - A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(q) **Cash flow statement**

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, as they are considered an integral part of cash management of the company.

**(r) Earnings per share**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(s) Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors and consequently approved by the shareholders of the company.

**(t) Segment information**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments

The accounting policies adopted for Segment reporting are in line with the accounting policies of the company with the following additional policies:

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 enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

**(u) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(v) Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- (i) Estimated useful life of PPE - refer Note 2(d) and 11
- (ii) Estimation of tax expenses and tax payable - refer Note 2(m) and 46
- (iii) Fair value of financial instruments - refer Note 2(o) and 48
- (iv) Estimation of Defined benefit obligations - refer Note 2(k) and 44
- (v) Probable outcome of matters included under Contingent Liabilities - refer note 2(i) and 33

Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

	31 March 2022	31 March 2021
<b>3 Cash and cash equivalents</b>		
Cash on hand	3.72	3.58
<b>Balances with banks</b>		
- In current accounts	132.19	76.29
- In fixed deposits accounts (with maturity of 3 months or less)	6.32	6.35
	<b>142.23</b>	<b>86.22</b>

Note:

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting periods disclosed in the financial statements.

	31 March 2022	31 March 2021
<b>4 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks (with maturity of more than 3 months)	9.17	1,291.06
Earmarked balances with banks towards unpaid dividend accounts	9.24	10.50
	<b>18.41</b>	<b>1,301.56</b>

Notes:

- There are no repatriation restrictions with regard to bank balances other than cash and cash equivalents as at the end of the reporting periods disclosed in the financial statements.
- There are no bank deposits and balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments as at the end of the reporting periods disclosed in the financial statements.
- Bank balances include restricted bank balances of INR 9,24,117 (P.Y: 10,49,990) on account of bank balances held as unpaid dividends.

	31 March 2022	31 March 2021
<b>5 Receivables</b>		
<b>Trade receivables</b>		
Receivables considered good - unsecured	124.52	67.95
Unbilled revenue	10.88	7.75
Receivables - credit impaired	18.11	26.46
Less : Impairment loss allowance	(18.11)	(26.46)
	<b>135.40</b>	<b>75.70</b>
<b>- Other receivables</b>		
Receivables considered good - unsecured	19.02	8.60
Less : Impairment loss allowance	-	-
	<b>19.02</b>	<b>8.60</b>
	<b>154.42</b>	<b>84.30</b>

- The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for receivables at an amount equal to lifetime ECLs. The ECLs on receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired receivables. The Company considers a receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a receivable is credit impaired, it is written off against receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. Further, the Company has recognised ECL on credit impaired assets only.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade and other receivables are non-interest bearing and the same is relied upon by the Auditor.
- Trade receivables includes receivables from related parties INR NIL (P.Y NIL).
- Other receivables includes receivables from related parties INR 9,75,282 (P.Y INR 8,59,928) (refer note 46(iii)).

Trade Receivable ageing schedule as at 31st March, 2022

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivable-Consided good	118.52	0.72	9.80	2.95	10.23	142.22
(ii) Undisputed Trade receivable-Consided doubtful						
(iii) Disputed Trade receivable-Consided good						
(iv) Disputed Trade receivable-Consided doubtful						

Trade Receivable ageing schedule as at 31st March, 2021

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivable-Consided good	54.76	9.32	5.90	19.06	5.24	94.29
(ii) Undisputed Trade receivable-Consided doubtful						
(iii) Disputed Trade receivable-Consided good						
(iv) Disputed Trade receivable-Consided doubtful						

	31 March 2022	31 March 2021
<b>6 Loans</b>		
<b>(A) Measured at amortised cost / fair value through profit or loss</b>		
<b>At amortised cost</b>		
Loans repayable on demand (Refer notes below)	150.00	150.00
Interest accrued on		
- Loans	34.05	32.85
<b>At fair value through profit or loss</b>		
Loan to employees - considered good	2.30	2.15
	<b>186.35</b>	<b>185.00</b>
Less : Impairment loss allowance	-	-
	<b>186.35</b>	<b>185.00</b>
<b>(B) Secured / Unsecured</b>		
(i) Secured by tangible assets	50.00	50.00
(ii) Unsecured	136.35	135.00
	<b>186.35</b>	<b>185.00</b>
Less : Impairment loss allowance	-	-
	<b>186.35</b>	<b>185.00</b>
<b>(C) Of the above</b>		
(i) Loans in India		
- Public sector	-	-
- Others	186.35	185.00
	<b>186.35</b>	<b>185.00</b>
Less : Impairment loss allowance	-	-
	<b>186.35</b>	<b>185.00</b>
(ii) Loans outside India	-	-
Less : Impairment loss allowance	-	-
	<b>186.35</b>	<b>185.00</b>
<b>(D) Stage wise breakup of loans</b>		
(i) Low credit risk (Stage 1)	186.35	185.00
(ii) Significant increase in credit risk (Stage 2)	-	-
(iii) Credit impaired (Stage 3)	-	-
	<b>186.35</b>	<b>185.00</b>
Less : Impairment loss allowance	-	-
	<b>186.35</b>	<b>185.00</b>

Notes:

- The Company had given a secured loan to Bela Properties Private Limited amounting to INR 50,00,000 at the rate of 12% p.a., repayable on demand. Further, the said loan is secured against 2,51,022 equity shares of Credo Brands Marketing Private Limited and a demand promissory note.
- The company had given an unsecured loan to Siddha Real Estate Development Private Limited amounting to INR 1,00,00,000 at the rate of 12% p.a., repayable on demand.
- The Company considers the secured / unsecured loans given to other parties as fully recoverable i.e. at Stage 1 category (low credit risk) at the various reporting periods. Accordingly, in line with the Company's accounting policy no impairment allowance was created at the end of the aforesaid mentioned reporting periods.



# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

### 7 Investments

Sr No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
<b>(A) Investments measured at amortised cost</b>							
<b>(i) Investments in debt securities</b>							
1	Series II 8% Partly convertible debentures - Netambit Valuefirst Services Private Limited	7,500	7,500	Unquoted	1,000	75.00	75.00
<b>Total (A- i)</b>						<b>75.00</b>	<b>75.00</b>
<b>(ii) Investments in equity instruments</b>							
1	Keynote Financial Services Ltd ( <i>held by Keynote Trust</i> )	1,451,702	1,451,702	Quoted	10	129.71	129.71
<b>Total (A- ii)</b>						<b>129.71</b>	<b>129.71</b>
<b>(iii) Investments in subsidiaries</b>							
1	Keynote Capitals Limited	11,266,607	11,266,607	Unquoted	10	1,755.00	1,755.00
2	Keynote Fincorp Limited	1,999,994	1,999,994	Unquoted	10	375.00	375.00
3	Keynote Trust ( <i>initial corpus fund</i> )	-	-	Unquoted	-	0.20	0.20
<b>Total (A- iii)</b>						<b>2,130.20</b>	<b>2,130.20</b>
<b>Total (A = i+ii+iii)</b>						<b>2,334.91</b>	<b>2,334.91</b>
<b>(B) Investments measured at fair value through profit or loss</b>							
<b>(i) Investments in mutual funds / exchange traded funds</b>							
1	HDFC Ultra Short Term Fund-Direct Plan-Weekly Dividend Option	7,601	69,425	Unquoted	100	0.76	6.98
2	HDFC Liquid Fund Growth	-	122	Unquoted	100	-	4.94
3	Quant Quantamental Fund-Collection A/c	909,641	-	Unquoted	100	109.86	-
4	ICICI Prudential Ultra Short Term Fund - Growth	-	476,975	Unquoted	100	-	102.87
5	ICICI Prudential Nifty Index Fund-Growth	115,466	-	Unquoted	100	197.31	-
6	ICICI Prudential Liquid Fund-Growth	17,951	-	Unquoted	56.21	-	-
7	Nippon India Balanced Advantage Fund	204,741	-	Unquoted	246.85	-	-
8	Kotak Savings Fund - Growth (Regular Plan)	8,492	60,939	Unquoted	10	363.37	20.56
9	Kotak Saving Fund	716,502	-	Unquoted	1,000	249.99	-
10	Parag Parikh Flexi Cap Fund - Regular Plan - Growth	394,631	394,631	Unquoted	10	195.25	149.97
11	Mahindra Manulife MF Collection Pool A/c	2,923	-	Unquoted	1,000	40.18	-
12	Nippon India Liquid Fund-Growth Plan-Growth Option (LFIGG)	5,729	-	Unquoted	1	295.85	-
<b>Total (B - i)</b>						<b>1,755.62</b>	<b>285.31</b>
<b>(ii) Investments in debt securities</b>							
1	Non convertible debentures - JM Financial Products Limited Tranche III	-	20,000	Quoted	1,000	-	233.40
2	J M Fin ASST RECON CO LTD-TR XXXV BR NCD 11JULY24	9	-	Quoted	-	90.00	-
3	12% Non convertible debentures - ECL Finance Limited	-	10,000	Quoted	1,000	-	-
<b>Total (B - ii)</b>						<b>90.00</b>	<b>233.40</b>
<b>(iii) Investments in equity instruments</b>							
1	Godrej Properties Limited	2,000	2,000	Quoted	5	33.44	28.17
2	HDFC Bank Limited	2,652	2,021	Quoted	1	38.98	30.18
3	Kotak Mahindra Bank Limited	-	276	Quoted	5	-	4.84
4	Info Edge (India) Limited	20	125	Quoted	10	0.90	5.35
5	Shree Cement Limited	-	23	Quoted	10	-	6.78
6	Page Industries Limited	1	15	Quoted	10	0.43	4.55
7	Pidlite Industries Limited	-	174	Quoted	1	-	3.15
8	P I Industries Limited	-	258	Quoted	1	-	5.82
9	Havells India Limited	-	476	Quoted	1	-	5.00
10	Britannia Industries Limited	-	101	Quoted	1	-	3.66
11	Bajaj Finance Limited	214	347	Quoted	2	15.53	17.87
12	Bajaj Finserv Limited	13	73	Quoted	5	2.22	7.06
13	City Union Bank Limited	-	11,400	Quoted	1	0.00	17.77

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

Sr No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
14	Steelcast Limited	6,000	6,000	Quoted	5	20.99	8.39
15	Asian Paints Limited	135	163	Quoted	1	4.16	4.13
16	Astral Ltd	2,209	3,127	Quoted	1	44.69	50.55
17	Cholamandalam Investment and Finance Company Ltd	567	2,866	Quoted	2	4.07	16.02
18	Bella Casa Fashion & Retail Limited	-	4,757	Quoted	10	0.00	6.23
19	CESC Limited	2,220	222	Quoted	10	1.68	1.32
20	Reliance Industries Limited	865	710	Quoted	10	22.78	14.22
21	Divi's Laboratories Limited	-	177	Quoted	2	-	6.43
22	Larsen & Toubro Ltd	66	181	Quoted	2	1.17	2.57
23	Thermax Ltd	650	800	Quoted	2	12.63	10.77
24	Vinati Organics Ltd	-	80	Quoted	1	-	1.12
25	Stanrose Mafatlal Investments and Finance Limited	-	12,690	Quoted	10	-	9.78
26	ICICI Bank Ltd	3,251	1,658	Quoted	2	23.74	9.64
27	ICICI Securities Limited	-	271	Quoted	5	-	1.03
28	PSP Projects Ltd	-	1,850	Quoted	10	-	8.57
29	State Bank of India	3,204	742	Quoted	1	15.81	2.70
30	Jubilant Foodworks Ltd	-	255	Quoted	10	0.00	7.43
31	Dabur India Ltd	2,000	720	Quoted	1	10.73	3.89
32	Coffee Day Enterprises Ltd	-	3,498	Quoted	10	-	0.91
33	Care Ratings Ltd	-	186	Quoted	10	-	0.76
34	Fortis Healthcare Ltd	2,357	2,619	Quoted	10	6.84	5.21
35	Kalpataru Power Transmission Ltd	-	600	Quoted	2	0.00	2.26
36	Maruti Suzuki India Ltd	29	9	Quoted	5	2.19	0.62
37	Polycab India Ltd	-	365	Quoted	10	-	5.04
38	Tata Motors Ltd -New NPP FV 2 CLASS	3,199	1,900	Quoted	2	13.87	5.74
39	Thomas Cook (India) Ltd	-	2,159	Quoted	1	-	1.06
40	Titan Company Ltd	160	246	Quoted	1	4.06	3.83
41	Varun Beverages Ltd	-	83	Quoted	10	-	0.83
42	Zee Entertainment Enterprises Ltd	2,924	-	Quoted	1	8.43	-
43	India Bulls Real Estates Ltd	6,800	7,866	Quoted	2	6.89	6.39
44	IndiaMART InterMESH Ltd	-	129	Quoted	10	-	9.97
45	Housing Development Finance Corporation Ltd	135	100	Quoted	2	3.22	2.50
46	Grasim Industries Limited	-	125	Quoted	2	-	1.82
47	United Spirits Ltd	197	320	Quoted	2	1.75	1.78
48	Poly Medicure Ltd	56	768	Quoted	5	0.53	6.28
49	ISGEC Heavy Engineering Ltd	-	-	Quoted	1	-	-
50	J B Chemicals & Pharmaceuticals Ltd	182	182	Quoted	2	2.87	2.28
51	Infosys Limited	1,830	1,302	Quoted	5	34.90	17.81
52	DFM Foods Ltd	2,182	970	Quoted	2	6.45	3.55
53	Bharti Airtel Ltd	2,200	619	Quoted	5	16.50	3.20
54	Tech Mahindra Ltd	-	107	Quoted	5	-	1.06
55	Raymond Ltd	-	1,148	Quoted	10	-	4.15
56	Piramal Enterprises Ltd	101	271	Quoted	2	2.21	4.75
57	ITC Ltd	1,174	699	Quoted	1	2.94	1.53
58	Hindustan Unilever Ltd	95	77	Quoted	1	1.95	1.87
59	Forbes and Company Ltd	-	440	Quoted	10	0.00	7.59
60	Engineers India Ltd	1,107	2,714	Quoted	5	0.71	2.09

## ANNUAL REPORT 2021-22

### Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

Sr No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
61	Delta Corp Ltd	-	334	Quoted	1	-	0.54
62	A U Small Finance Bank Ltd	-	523	Quoted	10	-	6.41
63	Aditya Birla Capital Ltd	2,200	2,200	Quoted	10	2.37	2.63
64	Voltas Ltd	975	975	Quoted	1	12.13	9.77
65	Torrent Pharmaceuticals Ltd	-	163	Quoted	5	-	4.14
66	Ultratech Cement Ltd	34	149	Quoted	10	2.24	10.04
67	Vidhi Speciality Food Ingredients Ltd	6,000	4,200	Quoted	1	25.07	8.94
68	Tata Consultancy Services Ltd	-	138	Quoted	1	-	4.39
69	IDFC Ltd	10,409	8,370	Quoted	10	6.41	3.96
70	Hatsun Agro Product Ltd	-	706	Quoted	1	-	5.12
71	Eicher Motors Ltd	-	143	Quoted	1	-	3.72
72	Central Depository Services India Ltd	-	1,344	Quoted	10	-	8.82
73	Bharat Petroleum Corporation Ltd	140	323	Quoted	10	0.50	1.38
74	Healthcare Global Enterprises Ltd	2,223	2,723	Quoted	10	6.00	5.20
75	Tv18 Broadcast Ltd	7,500	11,396	Quoted	2	5.56	3.28
76	Tata Elxsi Limited	67	283	Quoted	10	5.92	7.62
77	Oracle Financial Services Software Ltd	-	36	Quoted	5	-	1.15
78	Dixon Technologies (India) Ltd	34	103	Quoted	2	1.47	3.78
79	CCL Products (India) Ltd	-	311	Quoted	2	-	0.73
80	Angel Broking Ltd	506	1,533	Quoted	10	7.77	4.46
81	VIP Industries Ltd	-	380	Quoted	2	-	1.35
82	Tata Steel Limited	428	1,480	Quoted	10	5.59	12.02
83	Tanla Platforms Ltd	296	197	Quoted	1	4.52	1.61
84	Tata Communications Ltd	212	129	Quoted	10	2.60	1.37
85	Sasken Technologies Ltd	357	491	Quoted	10	3.27	4.29
86	Prism Johnson Ltd	731	1,380	Quoted	10	0.84	1.81
87	Orient Refractories Ltd (RHI Magnetia India Ltd)	1,273	1,697	Quoted	1	7.80	3.85
88	Nirfon Ltd	793	793	Quoted	10	3.25	2.17
89	Multi Commodity Exchange of India Limited	-	81	Quoted	10	-	1.23
90	Indostar Capital Finance Ltd	2,908	1,256	Quoted	10	6.15	3.92
91	Hindalco Industries Ltd	2,039	1,742	Quoted	1	11.61	5.69
92	Greenpanel Industries Ltd	-	2,042	Quoted	1	-	3.27
93	Den Networks Ltd	5,964	4,356	Quoted	10	2.20	2.15
94	Cera Sanitaryware Ltd	-	146	Quoted	5	0.00	5.70
95	Burger King India Ltd	-	645	Quoted	10	-	0.83
96	Blue Dart Express Ltd	114	119	Quoted	10	7.80	6.63
97	Apl Apollo Tubes Limited	-	192	Quoted	2	-	2.69
98	Fermenta Biotech Ltd (DIL Limited)	-	724	Quoted	5	-	1.81
99	Cipla Ltd	245	637	Quoted	2	2.50	5.19
100	Cadila Healthcare Ltd	666	329	Quoted	1	2.32	1.45
101	Ajanta Pharma Ltd	28	348	Quoted	2	0.51	6.24
102	Aarti Industries Ltd	-	392	Quoted	5	0.00	5.16
103	Edelweiss Financial Services Ltd	8,860	-	Quoted	10	5.20	-
104	EPL Limited	2,210	-	Quoted	10	4.28	-
105	Nucleus Software Exports Ltd	723	-	Quoted	10	3.00	-
106	PVR Ltd	600	-	Quoted	10	11.53	-

## KEYNOTE FINANCIAL SERVICES LIMITED

### Notes to the Standalone Ind AS financial statements (₹ in lakhs)

Sr No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
107	Thyrocare Technologies Ltd	222	-	Quoted	10	1.72	-
108	REDINGTON INDIA LTD	2,656	-	Quoted	10	3.85	-
109	NATCO PHARMA LTD	551	-	Quoted	10	4.17	-
110	INTELECT DESIGN ARENA LTD	916	-	Quoted	10	8.68	-
111	INDIA PESTICIDES LTD.	562	-	Quoted	10	1.51	-
112	HINDUJA GLOBAL SOLUTIONS LTD	250	-	Quoted	10	2.56	-
113	Axis Bank Ltd	3,212	-	Quoted	10	24.43	-
114	ARVIND FASHIONS LTD	1,156	-	Quoted	10	3.28	-
115	DHAR TEXTILE MILLS LTD	400	-	Quoted	10	0.04	-
116	INDU NISSAN OXO CHEM	76	-	Quoted	10	0.01	-
117	TPI India Ltd	400	-	Quoted	10	0.01	-
118	3M India Ltd	4	-	Quoted	10	0.79	-
119	Abbott India Ltd	6	-	Quoted	10	1.06	-
120	BEML Ltd	32	-	Quoted	10	0.58	-
121	Brigade Enterprises Ltd	1,565	-	Quoted	10	8.10	-
122	Cartrade Tech Ltd	29	-	Quoted	10	0.17	-
123	Coforge Ltd	36	-	Quoted	10	1.60	-
124	Computer Age Management Services Ltd	44	-	Quoted	10	1.02	-
125	Crompton Greaves Consumer Electrical Ltd	233	-	Quoted	10	0.87	-
126	Dodla Dairy Ltd	214	-	Quoted	10	0.96	-
127	Dr Lal Pathlabs Ltd	20	-	Quoted	10	0.52	-
128	Equitas Holdings Ltd	1,770	-	Quoted	10	1.89	-
129	Fine Organic Industries Ltd	37	-	Quoted	10	1.49	-
130	Garware Technical Fibres Ltd	42	-	Quoted	10	1.19	-
131	HDFC Life Insurance Company Ltd	71	-	Quoted	10	0.38	-
132	ICICI Lombard General Insu Company Lte	206	-	Quoted	10	2.74	-
133	Indigo Paints Ltd	98	-	Quoted	10	1.57	-
134	Jash Engineering Ltd	1,500	-	Quoted	10	7.66	-
135	KNR Constructions Ltd	167	-	Quoted	10	0.47	-
136	Kotak Mahindra Bank Ltd	39	-	Quoted	10	0.68	-
137	Lnt Technology Services Ltd	19	-	Quoted	10	0.97	-
138	Metropolis Healthcare Ltd	35	-	Quoted	10	0.71	-
139	Mphasis Ltd	74	-	Quoted	10	2.50	-
140	Music Broadcast Ltd	9,238	-	Quoted	10	2.38	-
141	Navin Fluorine International Ltd	39	-	Quoted	10	1.59	-
142	Nestle India Ltd	25	-	Quoted	10	4.34	-
143	Newgen Software Technologies Ltd	143	-	Quoted	10	0.67	-
144	Nykaa	45	-	Quoted	10	0.76	-
145	Orient Electric Ltd	222	-	Quoted	10	0.71	-
146	Persistent Systems Ltd	61	-	Quoted	10	2.91	-
147	Phoenix Mills Ltd	51	-	Quoted	10	0.56	-
148	Saregama India Ltd	31	-	Quoted	10	1.50	-
149	SBI Card and Payment Services Ltd	205	-	Quoted	10	1.75	-
150	Sequent Scientific Ltd	627	-	Quoted	10	0.84	-
151	Suven Pharmaceuticals Ltd	140	-	Quoted	10	0.87	-
152	Vedant Fashions Ltd	73	-	Quoted	10	0.70	-

## ANNUAL REPORT 2021-22

### Notes to the Standalone Ind AS financial statements (₹ in lakhs)

Sr No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
153	Trent Ltd	1,648	-	Quoted	10	21.04	-
154	Religare Enterprises Ltd	2,277	-	Quoted	10	2.96	-
155	K.P.R Mill Ltd	1,515	-	Quoted	10	9.44	-
156	Hitachi Energy India Ltd	219	-	Quoted	10	7.71	-
157	Gujarat Fluorochemicals Ltd	241	-	Quoted	10	6.62	-
158	Godrej Industries Ltd	978	-	Quoted	10	4.53	-
159	EUREKA FORBES LTD	2,700	-	Quoted	10	10.57	-
160	EICHER Motors Ltd	20	-	Quoted	10	0.49	-
161	Balrampur Chini Mills Ltd	1,716	-	Quoted	10	8.41	-
162	Scan point Geomatics Limited	400	400	Quoted	2	0.06	0.06
163	Mitcon Consultancy & Engineering Services Limited	-	40,000	Quoted	10	-	16.40
164	Dugar Finance India Limited	700	700	Unquoted	10	0.03	0.03
165	Dugar Housing Limited	800	800	Unquoted	10	0.10	0.10
166	Stellar Exports Limited	10,000	10,000	Unquoted	10	0.30	0.30
						<b>710.71</b>	<b>603.24</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
				<b>Total (B - iii)</b>		<b>710.23</b>	<b>602.82</b>
<b>(iv)</b>	<b>Investments in alternate investment funds</b>						
1	IIFL Special Opportunities Fund - Series 5	1,029,531	1,029,531	Unquoted	10	90.43	95.21
2	Carpediem Capital Partners Fund II	1,000	-	Unquoted	10,000	17.00	-
3	Kae Capital Fund III	33	-	Unquoted	100,000	31.14	-
4	Carpediem Capital Partners Fund - I	1,000	950	Unquoted	10,000	215.76	187.78
				<b>Total (B - iv)</b>		<b>354.33</b>	<b>282.99</b>
	- interest accrued in debt securities					6.13	20.45
				<b>Total (B = i+ii+iii+iv)</b>		<b>2,915.31</b>	<b>1,423.97</b>
				<b>Grand total (A+B)</b>		<b>5,251.22</b>	<b>3,759.88</b>
<b>Notes:</b>							
<b>1</b>	<b>Of the above</b>						
	Investment in India					5,251.70	3,760.30
	Investment outside India					-	-
						<b>5,251.70</b>	<b>3,760.30</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
						<b>5,251.22</b>	<b>3,759.88</b>
<b>2</b>	<b>Aggregate fair value of quoted/unquoted investments</b>						
	Aggregate fair value of quoted investments					929.99	965.93
	Aggregate fair value of unquoted investments					4,315.58	2,773.93
						<b>5,245.57</b>	<b>3,739.85</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
	Add: Interest accrued in debt securities					6.13	20.45
						<b>5,251.22</b>	<b>3,759.88</b>
<b>3</b>	The Company measures its equity investments at amortised cost/FVTPL, considering the investments are held for trading purposes only.						

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

8	Other financial assets	31 March 2022	31 March 2021
	<i>(Unsecured, considered good)</i>		
	<b>At amortised cost</b>		
	Security deposits	0.40	0.11
	<b>At fair value through profit or loss</b>		
	Security deposits for rental premises	0.75	0.91
		<b>1.15</b>	<b>1.02</b>

### Notes:

1. Impairment loss allowance recognised on other financial assets - NIL (P.Y : NIL).
2. Other financial assets includes receivable from related parties - NIL (P.Y NIL).

9	Current tax assets (net)	31 March 2022	31 March 2021
	Advance tax and tax deducted at source	49.13	3.24
	<i>(Net of provision for tax: 3,85,09,122; P.Y: INR 3,60,59,122)</i>		
		<b>49.13</b>	<b>3.24</b>

10	Investment property	31 March 2022	31 March 2021
	<b>Property (flat)</b>		
	<b>Gross carrying amount</b>		
	Balance at the beginning of the year	3.94	3.94
	Additions during the year	-	-
	Disposals during the year	-	-
	<b>Balance at the end of the year</b>	<b>3.94</b>	<b>3.94</b>
	<b>Accumulated depreciation</b>		
	Balance at the beginning of the year	0.34	0.23
	Depreciation during the year	0.11	0.11
	Disposals / adjustments during the year	-	-
	<b>Balance at the end of the year</b>	<b>0.45</b>	<b>0.34</b>
	<b>Net carrying amount</b>	<b>3.49</b>	<b>3.60</b>

## Notes

### 1. Income earned and expense incurred in connection with investment property

Particulars	For the year ended	
	31 March 2022	31 March 2021
Rental income derived from investment property	5.45	7.88
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	(0.28)	(0.28)
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income	-	-
Income arising from investment property before depreciation	<b>5.17</b>	<b>7.60</b>
Depreciation	(0.11)	(0.11)
Income arising from investment property (net)	<b>5.06</b>	<b>7.49</b>

### 2. Contractual obligations

There are no contractual obligations (P.Y: NIL) to purchase, construct or develop investment property.

### 3. Leasing arrangements

The Company has given a commercial property on non-cancellable operating lease. The corresponding lease agreement provides for an option to renew the lease period at the end of non-cancellable period to lessor. The initial tenure of the lease is 60 months. There are no exceptional / restrictive covenants in the lease agreement.

4. Fair value	31 March 2022	31 March 2021
Investment property	141.83	141.83

### Estimation of fair value

The fair valuation of the investment property was based upon management's best estimates instead of independent valuation. The best evidence of fair value is current prices in an active market for similar properties taking into consideration various factors such as location, facilities & amenities, quality of construction, residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation, ready reckoner published by government, etc. The fair value measurement is categorised in level 2 fair value hierarchy. Further, the fair valuation of the investment property was not determined by an independent valuer as required under Ind AS 40 and were completely based upon management's best estimates.

### 5. Reconciliation of fair value

Particulars	Investment property
<b>Balance as at 1 April 2021</b>	<b>141.83</b>
Fair value differences	<b>(0.00)</b>
<b>Balance as at 31 March 2021</b>	<b>141.83</b>
Fair value differences	-
<b>Balance as at 31 March 2022</b>	<b>141.83</b>

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

### 11 Property, plant & equipment & Intangibles

Tangible assets	Premises	Vehicles	Furniture and Fittings	Air Conditioners	Office Equipments	Computers and Peripherals	Electrical fittings	Total
Balance as at 1 April 2020	806.41	28.83	37.30	5.76	0.53	11.01	6.43	896.27
Additions during the year	-	-	-	-	-	-	-	-
Disposals / adjustments during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>806.41</b>	<b>28.83</b>	<b>37.30</b>	<b>5.76</b>	<b>0.53</b>	<b>11.01</b>	<b>6.43</b>	<b>896.27</b>
Balance as at 1 April 2021	806.41	28.83	37.30	5.76	0.53	11.01	6.43	896.27
Additions during the year	-	-	-	-	3.39	3.23	-	6.62
Disposals / adjustments during the year	-	(12.97)	-	-	-	-	0.00	(12.97)
<b>Balance as at 31 March 2022</b>	<b>806.41</b>	<b>15.87</b>	<b>37.30</b>	<b>5.76</b>	<b>3.92</b>	<b>14.25</b>	<b>6.43</b>	<b>889.92</b>
Balance as at 1 April 2020	28.22	19.42	16.30	2.36	0.05	3.08	2.86	72.28
Depreciation for the year	14.08	4.58	8.12	1.17	0.01	1.49	1.42	30.87
Disposals / adjustments during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>42.30</b>	<b>23.99</b>	<b>24.42</b>	<b>3.52</b>	<b>0.06</b>	<b>4.57</b>	<b>4.28</b>	<b>103.15</b>
Balance as at 1 April 2021	42.30	23.99	24.42	3.52	0.06	4.57	4.28	103.15
Depreciation for the year	14.09	0.22	8.13	1.17	0.19	2.16	1.42	27.38
Disposals / adjustments during the year	-	(10.22)	-	-	-	-	-	(10.22)
<b>Balance as at 31 March 2022</b>	<b>56.39</b>	<b>13.99</b>	<b>32.55</b>	<b>4.69</b>	<b>0.25</b>	<b>6.73</b>	<b>5.70</b>	<b>120.31</b>
<b>Net block</b>								
<b>As at 31 March 2021</b>	<b>764.11</b>	<b>4.84</b>	<b>12.88</b>	<b>2.24</b>	<b>0.47</b>	<b>6.44</b>	<b>2.14</b>	<b>793.12</b>
<b>As at 31 March 2022</b>	<b>750.02</b>	<b>1.88</b>	<b>4.75</b>	<b>1.07</b>	<b>3.67</b>	<b>7.52</b>	<b>0.73</b>	<b>769.61</b>

### 12 Right of use assets

Right of use assets on premises  
(Refer note below) (Refer note 48)

	31 March 2022	31 March 2021
	3.05	0.71
	<b>3.05</b>	<b>0.71</b>

**Note:** Amortisation charged during the year INR 98,455 (P.Y : INR 94,274)

### 13 Other non-financial assets

(Unsecured, considered good)

Balances with government / statutory authorities  
Prepaid expenses  
Deferred lease rentals receivable  
Advances to service providers

	31 March 2022	31 March 2021
	-	-
	8.08	12.29
	-	0.72
	-	2.83
	<b>8.08</b>	<b>15.84</b>

**Note:** Impairment loss allowance recognised on other non-financial assets - NIL (P.Y: NIL)

### 14 Payables

#### Trade payables

- total outstanding dues of micro enterprises and small enterprises  
(Refer note 39)

- total outstanding dues of creditors other than micro enterprises and small enterprises

#### Other payables

- total outstanding dues of micro enterprises and small enterprises  
(Refer note 39)

- total outstanding dues of creditors other than micro enterprises and small enterprises

	31 March 2022	31 March 2021
	-	-
	0.54	0.56
	-	0.55
	25.22	14.11
	<b>25.76</b>	<b>15.22</b>

### Notes:

- Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the respective contracts.
- Trade or other payables due to the directors or other officers of the Company either severally or jointly with any other person is NIL (P.Y: NIL). Further, trade or other payable which are due to firms or private companies respectively in which any director is a partner, a director or a member is NIL (P.Y: NIL) .
- Trade and other payables includes payables to related parties INR (P.Y: INR 3,89,805) (refer note 46(iii)) other than those covered under point 2 above.
- In the opinion of the management, the balances of payables are stated at book value and are payable.

### Trade Payables ageing schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(i) Others	0.54	-	-	-	-	0.54
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

### Trade Payables ageing schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(i) Others	0.56	-	-	-	-	0.56
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

	31 March 2022	31 March 2021
<b>15 Deposits</b>		
<b>At fair value through profit or loss</b>		
Security deposit against premise given on lease	0.00	2.32
	<b>0.00</b>	<b>2.32</b>
<b>Note:</b> Public deposits and deposits from banks is NIL (P.Y: NIL).		
<b>16 Lease liabilities</b>		
Lease Liabilities (Refer note 47)	3.11	0.88
	<b>3.11</b>	<b>0.88</b>
<b>17 Other financial liabilities</b>		
Unpaid dividends (refer note below)	9.24	10.50
Payable to employees	13.49	9.47
Provision for expenses	12.67	11.13
Deferred rent income	-	0.28
	<b>35.40</b>	<b>31.38</b>
<b>Note:</b> During the current year, the Company had transferred INR 1,41,767 (P.Y: INR 2,04,143) to Investor Education and Protection Fund under section 125 of the Companies Act, 2013.		
2. Payable to employees includes payables to related parties INR 4,66,525 (refer note 46(iii)) other than those covered under point 2 above.		
<b>18 Provisions</b>		
<b>Provision for employee benefits</b>		
- Gratuity (refer note 45(ii))	43.07	43.02
- Compensated absences (refer note 45(iii))	7.33	7.61
- Bonus and incentives	11.44	8.29
	<b>61.84</b>	<b>58.92</b>
<b>19 Deferred tax liabilities (net)</b>		
Deferred tax liabilities (net) (refer note 47)	164.52	191.55
	<b>164.52</b>	<b>191.55</b>
<b>20 Other non-financial liabilities</b>		
Statutory dues payable	24.56	14.53
Advances from customers	90.25	35.17
	<b>114.81</b>	<b>49.70</b>
<b>21 Equity Share capital</b>		
<b>Authorised :</b>		
1,50,00,000 (P.Y : 1,50,00,000) equity shares of INR 10 each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued :</b>		
1,12,74,417 (P.Y : 1,12,74,417) equity shares of INR 10 each	1,127.44	1,127.44
	<b>1,127.44</b>	<b>1,127.44</b>
<b>Subscribed and fully paid-up shares:</b>		
70,18,339 (P.Y : 70,18,339) equity shares of INR 10 each	701.83	701.83
	<b>701.83</b>	<b>701.83</b>

## (a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	70.18	701.83	70.18	701.83
Changes in equity share capital during the year	-	-	-	-
<b>At the end of the year</b>	<b>70.18</b>	<b>701.83</b>	<b>70.18</b>	<b>701.83</b>

## (b) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend & repayment of capital. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31 March 2022, the Company has proposed final dividend of INR 1 per share (P.Y: INR 1 per share) to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining net assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

## (c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	31 March 2022		31 March 2021	
	No. of Shares	% holding	No. of Shares	% holding
NSS Digital Media Limited	3,112,256	44.34	3,112,256	44.34
Keynote Trust	1,451,702	20.68	1,451,702	20.68
India Max Investment Fund Limited	561,348	8.00	561,348	8.00

Note : As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## (d) For the period of five years immediately preceding the date at which the balance sheet is prepared:

- there are no shares allotted as fully paid pursuant to contract(s) without payment being received in cash.
- there are no shares allotted as fully paid up by way of bonus shares, and
- there are no shares bought back.

	31 March 2022	31 March 2021
<b>22 Other Equity</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	2,306.48	2,306.48
Add / (Less) : Additions / (Deductions) during the year	-	-
Balance at the end of the year	<b>2,306.48</b>	<b>2,306.48</b>
<b>General reserve</b>		
Balance at the beginning of the year	133.92	133.92
Add / (Less) : Additions / (Deductions) during the year	-	-
Balance at the end of the year	<b>133.92</b>	<b>133.92</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	2,742.29	2,347.68
Add/(Less) : Profit /(Loss) for the year	365.71	462.23
Add: Other comprehensive income for the year	1.65	2.56
	<b>3,109.65</b>	<b>2,812.47</b>
Less : Appropriations		
- Equity dividend	(70.18)	(70.18)
- Corporate tax on equity dividend	-	-
	<b>(70.18)</b>	<b>(70.18)</b>
	<b>3,039.47</b>	<b>2,742.29</b>
	<b>5,479.87</b>	<b>5,182.69</b>



# ANNUAL REPORT 2021-22

Notes to the Standalone Ind AS financial statements (₹ in lakhs)			26	Other income	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Notes:</b>						
1	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.			<b>- On financial assets measured at fair value through profit or loss</b>		
2	The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act / Law.			- Interest on loans	0.29	0.28
3	Retained earnings represent the accumulated earnings net of losses if any made by the company over the financial years and after payment of dividend (including tax on dividend) and transfer to reserves.			- Other interest income		
				- Interest on investments	20.16	19.82
				<b>Dividend income</b>		
				<b>On financial assets measured at amortised cost</b>		
				- Investments (refer note below)	14.52	14.52
23	<b>Sale of services</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	<b>- On financial assets measured at fair value through profit or loss</b>		
	<b>Income from</b>			- Investments	63.47	7.78
	- Corporate finance	212.64	332.41	Lease income & Finance Income	5.45	7.88
	- ESOP advisory	91.38	49.49	Recovery of common expenses from related parties (refer note 46(ii) and 59)	14.70	14.71
	- Merchant banking	109.00	155.77	Sundry balances written back (net)	0.00	6.35
	- Debt advisory services	33.11	7.58	Miscellaneous income	8.78	0.45
		<u>446.13</u>	<u>545.25</u>		<u>190.48</u>	<u>150.98</u>
24	<b>Net gain on fair value changes</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	<b>Note</b> : Includes dividend income earned from related parties INR 14,51,702 (P.Y: INR 14,51,702) (refer note 46(ii) & Note 59)		
	<b>Net gain / (loss) on financial instruments measured at fair value through profit or loss</b>			27	<b>Finance costs</b>	<b>For the Year ended 31 March 2022</b>
	On trading portfolio				<b>On financial instruments measured at amortised cost</b>	<b>For the Year ended 31 March 2021</b>
	- Equity shares	185.13	278.79		Interest on income tax	-
	- Mutual funds	67.69	48.45		Interest on lease liabilities (refer note 48)	0.13
	- Debt securities	-33.40	29.58		Other finance expense	0.30
	- Alternate investment funds	61.49	67.78			<u>0.43</u>
		<u>280.91</u>	<u>424.60</u>			<u>4.79</u>
	<b>Total net gain / (loss) on financial instruments measured at fair value through profit or loss</b>			28	<b>Fees and commission expense</b>	<b>For the Year ended 31 March 2022</b>
	- Realised gain / (loss)	10.48	33.31		Portfolio Management Charges	30.50
	- Unrealised gain / (loss)	270.43	391.29			<u>30.50</u>
		<u>280.91</u>	<u>424.60</u>			<u>10.44</u>
25	<b>Other operating income</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	29	<b>Impairment on financial instruments</b>	<b>For the Year ended 31 March 2022</b>
	<b>Reimbursement of expenses</b>				<b>At amortised cost</b>	<b>For the Year ended 31 March 2021</b>
	- Corporate finance	0.78	0.75		Trade receivables	(8.35)
	- ESOP advisory	2.88	1.68		Provision for Investment-Exp	0.06
	- Merchant banking	0.00	4.50			<u>(8.29)</u>
		<u>3.66</u>	<u>6.93</u>			<u>10.34</u>
26	<b>Other income</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	30	<b>Employee benefits expense</b>	<b>For the Year ended 31 March 2022</b>
	<b>Interest income</b>				Salaries, wages and bonus	277.31
	<b>- On financial assets measured at amortised cost</b>				Contribution to provident fund and other funds (refer note 44(i))	21.21
	- Interest on loans	18.00	24.00		Gratuity (refer note 44(ii))	3.96
	- Interest on deposits with banks	38.55	49.19		Compensated absences (refer note 44(iii))	(0.28)
	- Other interest income				Staff welfare expenses	4.07
	- Interest on investments	6.00	6.00			<u>306.27</u>
	- Interest on inter corporate deposits	0.56	0.00			<u>221.69</u>

**Notes to the Standalone Ind AS financial statements**  
(₹ in lakhs)

31	Depreciation and amortisation expense	For the Year ended	For the Year ended
		31 March 2022	31 March 2021
	Depreciation on property, plant and equipment (refer note 11)	27.39	30.87
	Depreciation on investment property (refer note 10)	0.11	0.11
	Amortisation on right of use assets (refer note 47)	0.98	0.94
		<b>28.48</b>	<b>31.92</b>
32	Other expenses	For the Year ended	For the Year ended
		31 March 2022	31 March 2021
	balances written off(net)	5.32	-
	Advertisement and publicity	1.84	1.30
	Rent, taxes and energy costs	7.24	11.99
	Insurance	2.12	2.49
	Repairs and maintenance	43.37	43.77
	Travelling and conveyance	7.40	1.09
	Office and administration expenses	1.92	3.76
	Communication costs	2.13	3.06
	Printing and stationery	3.89	2.26
	Legal and professional charges	105.76	79.39
	Loss on Sale of Motor Car	1.24	
	Directors' fees and expenses	0.90	1.20
	Auditors' fees and expenses (refer note 35)	5.14	6.41
	Membership and subscription expenses	10.81	11.52
	Net loss on foreign currency transaction and translation	(0.50)	0.69
	Other expenditure	2.66	1.18
		<b>201.24</b>	<b>170.11</b>

**33 Contingent liabilities and commitments**
**(i) Contingent liabilities**

(to the extent not provided for)

Sr No	Particulars	As at	
		31 March 2022	31 March 2021
(i)	Demand in respect of income tax matters that may arise in respect of which the Company is in appeal (refer note (a) below)	58.01	60.33
(ii)	Claims against the Company not acknowledged as debts (refer note (b) below)	72.53	72.53
(iii)	Corporate guarantees given by the Company on behalf of its subsidiary (refer note (c) below)	1,600.00	1,600.00

- (a) The Company is contesting the demands and the management, including its tax / legal advisors believe that its position will likely to be upheld in the appellate process. No provision has been recognised in the standalone Ind AS financial statements for the tax demands raised. The Company's Management based on its internal assessment and advice by its legal counsel believes that these income tax demands are not sustainable and expects to succeed in its appeal. Further, it is thereby determined by the management, that such demands will not have any material and adverse effect on the Company's financial position and results of operations.

In addition to the above, it is not practicable for the Company to

estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The same would be determinable only on receipt of judgements/decisions pending with various forums / authorities.

- (b) Previous year the Company had received a communication from the Ruby Mills Limited (premises in which the Company owns office space) requesting the Company to make the payment of Company's share of property tax payable to Brihanmumbai Mahanagar Palika amounting to INR 72,52,747 for the period between October 2011 to March 2021 of which 50% is payable by Keynote Capitals Limited, subsidiary company. The Company has represented to Brihanmumbai Mahanagar Palika on the grounds that the Company is entitled to exemption under Information Technology Policy of Government of Maharashtra as it has ITES registration in place besides there being discrepancy in the carpet area of its premises, basis which the share of such tax amounts to around INR 7,81,884 only. The Company has submitted relevant documents substantiating its submissions to the concerned Regulatory Authority. Accordingly, based on the calculations made by the Company, an amount of INR 3,90,997 has been paid to Brihanmumbai Mahanagar Palika (further amount of INR 3,90,997 is separately paid by the subsidiary company) and charged to standalone statement of profit & loss. Considering the pending response from the Brihanmumbai Mahanagar Palika, no further provision has been recognised by the Company.

- (c) The Company has provided corporate guarantees aggregating to INR 16,00,00,000 (P.Y: INR 16,00,00,000) to the bankers of its subsidiary, Keynote Capitals Limited towards BSE & NSE operations.

- (d) The Company does not expect any reimbursements in respect of the above contingent liabilities

**(ii) Capital commitments**

Sr No	Particulars	As at	
		31st March 2022	31st March 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

There are no additional contingent liabilities & capital commitments, other than those disclosed above and the same is relied upon by the Auditor.

**34 Segment Reporting**

As per Ind AS 108 para 4, Segment has been disclosed in Consolidated Ind AS financial statements, hence no separate disclosure has been given in standalone Ind AS financial statements of the Company.

**35 Payments to the auditor (excluding applicable taxes)**

Particulars	For the year ended	
	31st March 2022	31st March 2021
<b>(a) As Auditor :</b>		
- Statutory audit	2.50	2.50
- Tax audit	-	0.50
- Limited review fees	2.25	2.25
<b>(b) In other Capacity :</b>		
- Other services	0.20	1.10
- Reimbursement of expenses	0.19	0.06
	<b>5.14</b>	<b>6.41</b>

**36 Earnings per share (EPS)**

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per Share":

Sr No	Particulars	For the year ended	
		31st March 2022	31st March 2021
(I)	Profit / (loss) after tax as per statement of profit and loss	365.71	462.23
(II)	Weighted average number of equity shares	70.18	70.18
(III)	Earnings per share - Basic and Diluted (I / II)	5.21	6.59
(IV)	Face value per equity share	10.00	10.00

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

### 37 The provisions made during the year ended 31 March 2022 comprises of the following :

The Company has a process whereby periodically all long-term contracts (including derivative contracts, if any) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts, if any) has been made in the books of account and the same has been disclosed as follows:

Particulars	As at	Opening Balance	Provisions made during the year	Payments / reversals during the year	Closing Balance
Bonus and incentives	31 March 2022	8.29	20.38	17.23	11.44
	31 March 2021	7.10	9.79	8.60	8.29
Gratuity	31 March 2022	43.02	3.96	3.91	43.07
	31 March 2021	42.83	1.74	1.54	43.02
Compensated absences	31 March 2022	7.61	-	0.28	7.33
	31 March 2021	3.11	4.51	-	7.61
Expected credit losses / Impairment loss allowance	31 March 2022	26.46	-	8.35	18.11
	31 March 2021	16.11	10.34	-	26.46

### 38 Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006 :

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act, 2006) as at 31 March 2022. The disclosure pursuant to the said Act is as under:

Sr No	Particulars	As at	
		31st March 2022	31st March 2021
(i)	Principal amount due to suppliers under MSMED Act,2006 as at the year end	-	0.55
(ii)	Interest accrued and due to suppliers under MSMED Act,2006 on the above amount as at the year end; and unpaid	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act,2006 (Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act,2006 (other than Section 16)	-	-

### 42 Unhedged foreign currency exposures

Particulars	Foreign currency	Amount in Foreign currency		Amount in INR	
		As at		As at	
		31st March 2022	31st March 2021	31st March 2022	31st March 2021
Trade receivables	USD	1,418	1,418	9.24	1.04
Trade receivables	SGD	5,175	5,175	2.90	2.82
Advances from customers	USD	3,905	8,500	2.96	6.25

### 43 Revenue from Contracts with Customers

#### (a) Disaggregation of revenue into operating segments :

The table below presents disaggregate revenues from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Sr No	Particulars	As at	
		31st March 2022	31st March 2021
(vi)	Interest due and payable towards suppliers under MSMED Act,2006 Act for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act,2006	-	-
(viii)	Amount of further interest remaining due and payable even in the succeeding years	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

### 39 Assets pledged as security

Particulars	As at	
	31st March 2022	31st March 2021
Carrying amounts of assets pledged as security for borrowings	-	-

There are no assets pledged as security for borrowings other than those disclosed above and the same is relied upon by the Auditor.

### 40 Expenditure in foreign currency

Particulars	For the year ended	
	31st March 2022	31st March 2021
Travelling and conveyance	1.55	6.81
<b>Total</b>	<b>1.55</b>	<b>6.81</b>

### 41 Income in foreign currency

Particulars	For the year ended	
	31st March 2022	31st March 2021
Income from sale of services	9.98	13.18
<b>Total</b>	<b>9.98</b>	<b>13.18</b>

Operating Segment	For the year ended	
	31st March 2022	31st March 2021
Corporate finance	213.42	333.16
ESOP advisory	94.26	51.17
Merchant banking	109.00	160.27
Debt advisory	33.11	7.58
<b>Total</b>	<b>449.80</b>	<b>552.18</b>

**Notes to the Standalone Ind AS financial statements**  
(₹ in lakhs)

**(b) Geographical markets**

Particulars	For the year ended	
	31st March 2022	31st March 2021
India	440.82	539.00
Outside India	9.98	13.18
<b>Total</b>	<b>449.80</b>	<b>552.18</b>

**(c) Relation with customers**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Related party	-	-
Non-related party	449.80	552.18
<b>Total</b>	<b>449.80</b>	<b>552.18</b>

**(d) Timing of revenue recognition**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Services transferred at a point in time	438.92	544.43
Services transferred over time	10.88	7.75
<b>Total</b>	<b>449.80</b>	<b>552.18</b>

**(e) Reconciliation of revenue from operations**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Revenue as per Contracted price	449.80	552.18
Less: Adjustments during the year (refer notes below)	-	-
<b>Revenue from operations</b>	<b>449.80</b>	<b>552.18</b>

**Notes:**

- Due to Company's nature of business and the type of contracts entered with the customers, the Company does not have any difference between the amount of revenue recognised in the standalone statement of profit and loss and the contracted price.
- The Company satisfies its performance obligations on completion of the corresponding services provided to its customers. The payments on these contracts are due on completion of the respective services. The contracts do not contain significant financing component and the consideration is not variable.

**(f) Amount of revenue recognised from**

Particulars	For the year ended	
	31st March 2022	31st March 2021
Amounts included in contract liabilities at the beginning of the year	35.17	15.00
Performance obligation satisfied in previous year (arising out of contract modifications)	-	-

**(f) Contract balances**

Particulars	As at	
	31st March 2022	31st March 2021
Contract liabilities	90.25	35.17
<b>Total</b>	<b>90.25</b>	<b>35.17</b>

**Note:** The contract liability relates to payments received in advance (initial acceptance fees) of performance under the contract. Further, the contract liabilities are recognised as revenue as / or when we perform under the contract. In situations where there is no further progress on the mandate, the initial acceptance fees so received, is treated as income after a period of 12 months from the date of raising of debit note

**(g) Movement in contract liability during the year**

Particulars	As at	
	31st March 2022	31st March 2021
Contract liability at the beginning of the year	35.17	15.00
Contract liability at the end of the year	90.25	35.17
<b>Net increase / (decrease)</b>	<b>55.08</b>	<b>20.17</b>

**(h) Movement in Expected Credit Loss (impairment loss allowance) during the year for contract assets**

Particulars	As at	
	31st March 2022	31st March 2021
Opening balance	26.46	16.11
Provision / (reversals) (net) towards credit impaired receivables	(8.35)	10.34
<b>Closing balance</b>	<b>18.11</b>	<b>26.46</b>

**(i) Remaining performance obligation**

The aggregate value of performance obligations pertaining to completely or partially unsatisfied contracts as at 31 March 2022 was INR 47,00,000/- (P.Y: INR 48,00,000). The Company's expects that these unsatisfied performance obligation will be recognised as revenue in the subsequent financial years.

**44 Employee benefits plans**

Disclosure pursuant to Ind AS -19 "Employee Benefits" is given as below:

**(i) Defined Contribution Plans:**

Contribution to defined contribution plans, recognised as expense under Note 31 - "Employee benefits expense" in the standalone Ind AS financial statements, for the year is as under:

Particulars	For the year ended	
	31st March 2022	31st March 2021
Employers' Contribution to Provident Fund	21.00	17.61
Employers' Contribution to Employees State Insurance Scheme	0.18	0.18

**(ii) Defined Benefit Plans: Gratuity**

The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss / other comprehensive income and the funded status and amounts recognised in the balance sheet for the gratuity benefit plan :

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

### (I) Table Showing Change in the Present Value of Projected Benefit Obligation

Particulars	As at	
	31st March 2022	31st March 2021
Present Value of Benefit Obligation at the Beginning of the Period	67.20	63.85
Interest Cost	4.07	3.68
Current Service Cost	3.22	2.82
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(19.99)	-
The Effect of changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(3.81)	(0.61)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3.21	(0.69)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(3.33)	(1.85)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>50.57</b>	<b>67.20</b>

### (II) Table Showing Change in the Fair Value of Plan Assets

Particulars	As at	
	31st March 2022	31st March 2021
Fair Value of plan assets at the Beginning of the period	24.18	21.03
Interest Income	1.47	1.21
Contributions by the Employer	1.62	1.54
Expected Contributions by the employees	-	-
Assets Transferred In/ Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid From the Fund)	(19.99)	-
(Assets distributed on settlement)	-	-
(Expenses and tax for managing the Benefit Obligation - paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of changes in Foreign Exchange Rates	-	-
Return on Plan Assets, excluding interest income	0.23	0.39
<b>Fair Value of plan assets at the End of the Period</b>	<b>7.50</b>	<b>24.18</b>

### (III) Amount Recognised in the Balance Sheet

Particulars	As at	
	31st March 2022	31st March 2021
(Present Value of Benefit Obligation at the end of the Period)	(50.57)	(67.20)
Fair Value of Plan Assets at the end of the Period	7.50	24.18
Funded Status (Surplus / (Deficit))	(43.07)	(43.02)
<b>Net (Liability)/Asset Recognised in the Balance Sheet</b>	<b>(43.07)</b>	<b>(43.02)</b>

### (IV) Net Interest Cost for Current Period

Particulars	For the year ended	
	31st March 2022	31st March 2021
Present Value of Benefit Obligation at the Beginning of the Period	67.20	63.85
(Fair Value of Plan Assets at the Beginning of the Period)	(24.18)	(21.03)
Net Liability/(Asset) at the Beginning	43.02	42.83
Interest Cost	4.07	3.68
(Interest Income)	(1.47)	(1.21)
<b>Net Interest Cost for Current Period</b>	<b>2.61</b>	<b>2.47</b>

### (V) Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	For the year ended	
	31st March 2022	31st March 2021
Current Service Cost	3.22	2.82
Net Interest Cost	2.61	2.47
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense recognised in the Statement of Profit or Loss</b>	<b>5.83</b>	<b>5.29</b>

### (VI) Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period

Particulars	For the year ended	
	31st March 2022	31st March 2021
Actuarial (Gains)/ Losses on Obligations for the Period	(3.93)	(3.15)
Return on Plan assets, excluding interest income	(0.23)	(0.39)
Changes in Asset Ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>(4.16)</b>	<b>(3.55)</b>

Notes to the Standalone Ind AS financial statements  
(₹ in lakhs)

(VII) Balance Sheet Reconciliation

Particulars	As at	
	31st March 2022	31st March 2021
Opening Net Liability	43.02	42.83
Expenses Recognised in Statement of Profit or Loss	5.83	5.29
Expenses Recognised in OCI	(4.16)	(3.55)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(1.62)	(1.54)
<b>Net Liability/(Asset) Recognised in the Balance Sheet</b>	<b>43.07</b>	<b>43.02</b>

(VIII) Category of Assets

Particulars	As at	
	31st March 2022	31st March 2021
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash and Cash Equivalents	-	-
Insurance fund	7.50	24.18
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>7.50</b>	<b>24.18</b>

(IX) Other Details

Particulars	For the year ended	
	31st March 2022	31st March 2021
No of Active Members	22.00	21.00
Per Month Salary For Active Members	14.57	11.98
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
Average age	41.59 years	41.86 years
Average past service	11.59 years	13.43 years
Weighted Average Duration of the Projected Benefit Obligation	9.00	5.00
Average Expected Future Service	8.00	5.00
Projected Benefit Obligation	50.57	67.20
Prescribed Contribution For Next Year (12 Months)	14.57	11.98

(X) Maturity Analysis of the Benefit Payments

Particulars	As at	
	31st March 2022	31st March 2021
Projected Benefits Payable in Future Years From the Date of Reporting:		
1st Following Year	2.97	11.51
2nd Following Year	2.96	10.68
3rd Following Year	2.99	9.20
4th Following Year	3.03	17.19
5th Following Year	3.09	5.25
Sum of Years 6 To 10	37.84	19.87
Sum of Years 11 and above	35.22	11.34

(XI) Sensitivity Analysis

Particulars	For the year ended	
	31st March 2022	31st March 2021
Projected Benefit Obligation on Current Assumptions	50.57	67.20
Delta Effect of +1% Change in Rate of Discounting	(3.38)	(2.20)
Delta Effect of -1% Change in Rate of Discounting	3.76	2.37
Delta Effect of +1% Change in Rate of Salary Increase	2.35	1.49
Delta Effect of -1% Change in Rate of Salary Increase	(2.19)	(1.39)
Delta Effect of +1% Change in Rate of Employee Turnover	0.19	0.20
Delta Effect of -1% Change in Rate of Employee Turnover	(0.20)	(0.22)

(XII) Weighted Average assumptions used

Particulars	For the year ended	
	31st March 2022	31st March 2021
Discount Rate	0.07	0.06
Salary Escalation Rate	0.08	0.05
Attrition Rate (for all service groups)	0.18	0.16
Expected Rate of Return on Plan Assets	0.07	0.06
Retirement age	60 Years	60 & 65 years
Vesting period	5 years	5 years
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate after employment	N.A.	N.A.

Notes:

- The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.
- Risks associated with defined benefit plan**  
Gratuity is a defined benefit plan and company is exposed to the following risks:
  - Investment risk** : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
  - Interest rate risk** : A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
  - Asset Liability Matching (ALM) Risk** : The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
  - Salary risk** : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

- (e) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- (f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

3. During the year, there were no plan amendments, curtailments and settlements.
4. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
5. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation

### (iii) Other Long-term employee benefits: Compensated absences

Particulars	As at	
	31st March 2022	31st March 2021
Present Value of Unfunded Obligation	7.33	7.61
Expense recognised in statement of profit and loss	(0.28)	4.51
Discount Rate (p.a.)	0.07	0.06
Salary Escalation Rate (p.a.)	0.08	0.05
Attrition Rate (for all service groups)	0.18	0.16
Maximum accumulation	15 days	15 days
No of Active Members	22.00	21.00
Per Month Salary For Active Members	22.37	17.29
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
Average age	41.59 years	41.86 years
Average past service	11.59 years	13.43 years
Average future service	5 years	5 years
Average Leave days	10.51 days	13.99 days
Retirement age	60 years	60 & 65 years
Funding status	Unfunded	Unfunded

### (ii) Transactions with related parties:

Particulars	Name of the related party	Enterprise where control exist		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel/Relatives of Key Managerial Personnel exercise significant influence		Total	
		For the year ended							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receiving of services	Concept Communication Limited	-	-	-	-	1.34	0.70	1.34	0.70
		-	-	-	-	1.34	0.70	1.34	0.70
Managerial Remuneration	Mrs. Rinku Suchanti	-	-	37.66	28.85	-	-	37.66	28.85
Managerial Remuneration	Mr. Vineet Suchanti	-	-	51.73	-	-	-	51.73	-
Managerial Remuneration	Mr. Uday S. Patil	-	-	25.83	34.53	-	-	25.83	34.53
Remuneration	Ms. Renita Crasto	-	-	2.41	-	-	-	2.41	-
Remuneration	Mr. Sujeet More	-	-	2.03	5.01	-	-	2.03	5.01
		-	-	119.66	68.39	-	-	119.66	68.39
Professional Charges	Mr. Uday S. Patil	-	-	11.62	-	-	-	11.62	-
		-	-	11.62	-	-	-	11.62	-

Particulars	As at	
	31st March 2022	31st March 2021
Funding balance	N.A	N.A
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

### Notes:

- The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at 31 March 2022.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

### 45 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

Disclosure of related parties/related party transactions pursuant to Ind AS 24 - "Related Party Disclosures" are as follows:

#### (i) List of related parties identified by Management with whom transaction have taken place during financial year ended 31 March 2021 and 31 March 2022

##### (a) Enterprise where control exist

Keynote Capitals Limited - Subsidiary  
Keynote Fincorp Limited - Subsidiary  
Keynote Commodities Limited - Step down subsidiary  
Keynote Trust - Keynote Financial Services Limited is the sole beneficiary

##### (b) Key Managerial Personnel

Mr. Vineet Suchanti - Director  
Mrs. Rinku Suchanti - Whole-time Director  
Mr. Uday S. Patil - Whole-time Director & Chief Financial Officer  
Mr. Sujeet More - Company Secretary  
Ms. Renita Crasto - Company Secretary

##### (c) Relatives of Key Managerial Personnel

Mrs. Pushpa Suchanti  
Mr. Nirmal Suchanti  
Mr. Vivek Suchanti

##### (d) Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence

Concept Communication Limited  
Concept Production Limited  
Nirmal Suchanti - HUF  
NSS Digital Media Limited

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

Particulars	Name of the related party	Enterprise where control exist		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel/Relatives of Key Managerial Personnel exercise significant influence		Total	
		For the year ended							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Dividend paid	Keynote Trust	14.52	14.52	-	-	-	-	14.52	14.52
Dividend paid	Mrs. Pushpa Suchanti	-	-	1.32	1.32	-	-	1.32	1.32
Dividend paid	Mrs. Rinku Suchanti	-	-	0.04	0.04	-	-	0.04	0.04
Dividend paid	Mr. Vineet Suchanti	-	-	0.12	0.12	-	-	0.12	0.12
Dividend paid	Mr. Vivek Suchanti	-	-	0.49	0.49	-	-	0.49	0.49
Dividend paid	Mr. Nirmal Suchanti	-	-	1.18	1.18	-	-	1.18	1.18
Dividend paid	Concept Production Limited	-	-	-	-	2.42	2.42	2.42	2.42
Dividend paid	NSS Digital Media Limited	-	-	-	-	31.12	31.12	31.12	31.12
Dividend paid	Nirmal Suchanti - HUF	-	-	-	-	2.82	2.82	2.82	2.82
		<b>14.52</b>	<b>14.52</b>	<b>3.15</b>	<b>3.15</b>	<b>36.36</b>	<b>36.36</b>	<b>54.03</b>	<b>54.03</b>
Dividend received	Keynote Trust	14.52	14.52	-	-	-	-	14.52	14.52
		<b>14.52</b>	<b>14.52</b>	-	-	-	-	<b>14.52</b>	<b>14.52</b>
Interest received	Keynote Capitals Limited	0.56	-	-	-	-	-	0.56	-
		<b>0.56</b>	-	-	-	-	-	<b>0.56</b>	-
Loans and deposits given	Keynote Capitals Limited	100.00	-	-	-	-	-	100.00	-
		<b>100.00</b>	-	-	-	-	-	<b>100.00</b>	-
Loans and deposits repaid	Keynote Capitals Limited	100.00	-	-	-	-	-	100.00	-
		<b>100.00</b>	-	-	-	-	-	<b>100.00</b>	-
Reimbursement of expenses	Keynote Trust	-	-	-	-	-	-	-	-
Reimbursement of expenses	Keynote Capitals Limited	6.58	5.53	-	-	-	-	6.58	5.53
Recovery of expenses	Mr. Uday S. Patil	-	-	0.03	0.03	-	-	0.03	0.03
Reimbursement of expenses	Mr. Vineet Suchanti	-	-	0.78	-	-	-	0.78	-
Recovery of expenses	Mrs. Rinku Suchanti	-	-	0.03	0.03	-	-	0.03	0.03
		<b>6.58</b>	<b>5.53</b>	<b>0.83</b>	<b>0.05</b>	-	-	<b>7.41</b>	<b>5.58</b>
Recovery of expenses	Keynote Capitals Limited	14.70	16.21	-	-	-	-	14.70	16.21
		<b>14.70</b>	<b>16.21</b>	-	-	-	-	<b>14.70</b>	<b>16.21</b>

### (iii) Balances outstanding as at the year end

Particulars	Name of the related party	Enterprise where control exist		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence		Total	
		As at							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Payables	Mrs. Rinku Suchanti	-	-	1.79	1.86	-	-	1.79	1.86
Payables	Mr. Vineet Suchanti	-	-	2.04	-	-	-	2.04	-
Payables	Mr. Uday S. Patil	-	-	-	2.04	-	-	-	2.04
Payables	Mr. Sujeet More	-	-	-	0.39	-	-	-	0.39
Payables	Ms. Renita Crasto	-	-	0.30	-	-	-	0.30	-
Payables	Keynote Capitals Limited	-	-	-	-	-	-	-	-
		-	-	<b>4.13</b>	<b>4.29</b>	-	-	<b>4.13</b>	<b>4.29</b>
Receivables	Keynote Capitals Limited	11.12	5.56	-	-	-	-	11.12	5.56



# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

Particulars	Name of the related party	Enterprise where control exist		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence		Total	
		As at							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receivables	Keynote Trust	5.58	3.04	-	-	-	-	5.58	3.04
Receivables	Keynote Capitals Limited	-	-	-	-	-	-	-	-
		<b>16.70</b>	<b>8.60</b>	-	-	-	-	<b>16.70</b>	<b>8.60</b>
Investment in equity shares	Keynote Capitals Limited	1,755.00	1,755.00	-	-	-	-	1,755.00	1,755.00
	Keynote Fincorp Limited	375.00	375.00	-	-	-	-	375.00	375.00
	Keynote Trust (Holding equity shares of and on behalf of Keynote Financial Services Limited)	129.71	129.71	-	-	-	-	129.71	129.71
		<b>2,259.71</b>	<b>2,259.71</b>	-	-	-	-	<b>2,259.71</b>	<b>2,259.71</b>
Corpus Fund	Keynote Trust	0.20	0.20	-	-	-	-	0.20	0.20
		<b>0.20</b>	<b>0.20</b>	-	-	-	-	<b>0.20</b>	<b>0.20</b>

### (iv) Contingent liabilities

Particulars	Name of the related party	Enterprise where control exist		Key Managerial Personnel/ Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence		Total	
		As at							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Corporate guarantee given	Keynote Capitals Limited	1,600.00	1,600.00	-	-	-	-	1,600.00	1,600.00
		<b>1,600.00</b>	<b>1,600.00</b>	-	-	-	-	<b>1,600.00</b>	<b>1,600.00</b>

### 46 Tax expense

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax).

The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Disclosure pursuant to Ind AS 12 "Income Taxes" are as follows:

#### (a) Tax expense / (credit) recognised in the Statement of Profit and Loss

Particulars	For the year ended	
	31st March 2022	31st March 2021
<b>Current tax</b>		
Current Tax on taxable income for the year	24.50	75.94
Taxation for earlier years	-	2.81
<b>Total current tax expense - (A)</b>	<b>24.50</b>	<b>78.75</b>
<b>Deferred tax</b>		
Minimum alternate tax (MAT)	-	-
Deferred tax charge / (credit)	(27.67)	137.49
<b>Total deferred income tax expense / (credit) - (B)</b>	<b>(27.67)</b>	<b>137.49</b>
<b>Total income tax expense / (credit) (A+B)</b>	<b>(3.17)</b>	<b>216.24</b>

Notes to the Standalone Ind AS financial statements

(₹ in lakhs)

- (b) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Particulars	For the year ended	
	31st March 2022	31st March 2021
Profit / (loss) before tax	365.71	462.23
Enacted income tax rate in India applicable to the Company	27.82%	27.82%
Current tax expenses on Profit / (loss) before tax expenses at the enacted income tax rate in India	102	129
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Fair valuation of financial instruments (net)	75.23	(108.86)
Income not subject to tax or chargeable at lower rate	(10.48)	(9.27)
Taxation for earlier years	-	2.81
Other disallowances (net)	(40.25)	194.06
<b>Current tax provision (A)</b>	<b>24.50</b>	<b>78.75</b>
Deferred tax liability on account of depreciation & amortisation of property, plant and equipment and intangible assets as per books and Income Tax Act, 1961	(112.05)	(106.77)
Deferred tax liability / (asset) on account of financial instruments and other temporary differences (net)	84.37	244.26
Minimum alternate tax credit entitlement / (utilisation)	-	-
<b>Total deferred income tax expense / (credit) (B)</b>	<b>(27.67)</b>	<b>137.49</b>
<b>Total income tax expense / (credit) (A+B)</b>	<b>(3.17)</b>	<b>216.24</b>

- (c) Deferred tax

- (i) The components of deferred tax liabilities / assets (net) are as follows:

Particulars	As at	
	31st March 2022	31st March 2021
<b>Deferred tax liabilities</b>		
Depreciation and amortisation on Property, plant and equipment and intangible assets as per books and Income Tax Act, 1961	112.05	106.77
Unrealised net gain on fair value changes	75.23	108.86
Other temporary differences	0.72	0.28
<b>Gross deferred tax liabilities (A)</b>	<b>188.00</b>	<b>215.90</b>
<b>Deferred tax assets</b>		
Disallowance u/s 43B of the Income Tax Act, 1961	17.20	16.39
Allowance on impairment	5.17	7.48
Unrealised net loss on fair value changes	-	-
Other temporary differences	1.10	0.48
<b>Gross deferred tax assets (B)</b>	<b>23.48</b>	<b>24.35</b>
<b>MAT credit entitlements (net) (C)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities (net) (A-B-C)</b>	<b>164.52</b>	<b>191.55</b>

- (ii) The movement in deferred tax assets and liabilities during the year ended 31 March 2021 and 31 March 2022 are as follows:

- (a) Net deferred tax charge / (credit) recorded in statement of profit and loss

Particulars	For the year ended	
	31st March 2022	31st March 2021
Depreciation and amortisation on Property, plant and equipment as per books and Income Tax Act, 1961	5.28	11.52
Unrealised net gain / (loss) on fair value changes	(33.62)	132.73
Disallowance u/s 43B of the Income Tax Act, 1961	(1.45)	(3.59)
Allowance on impairment losses	2.31	(3.29)
Other temporary differences	(0.18)	0.13
MAT credit (entitlements)/ utilisation (net)	-	12.81
<b>Net deferred tax charge / (credit) recorded in statement of profit and loss</b>	<b>(27.67)</b>	<b>150.31</b>

- (b) Net deferred tax charge / (credit) recorded in the Statement of Other Comprehensive Income (OCI)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Disallowance u/s 43B of the Income Tax Act, 1961	0.64	0.99
<b>Net deferred tax charge / (credit) recorded in statement of OCI</b>	<b>0.64</b>	<b>0.99</b>

47 Leases

On 30 March 2019, the Ministry of Corporate Affairs notified Ind AS 116 'Leases'.

Ind AS 116 is effective for accounting periods beginning on or after 1 April 2019. The new standard required lessees to recognize leases on their balance sheets and use a single accounting model for all leases, with certain exemptions. Basis above requirement, effective from 1 April 2019 onwards, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2019 using the "Full Retrospective Approach" on the date of initial application.

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right-of-Use (ROU) asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The effect of this adoption is insignificant on the profit/(loss) before tax, profit/(loss) for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application

The Company has excluded the initial direct costs from the measurement of the ROU asset at the date of initial application, owing to practical expedients elected on initial application.

The weighted average incremental borrowing rate applied to lease liabilities was 12% p.a.

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

### (i) The movements in the carrying value of ROU assets are as follows:

Particulars	Office Premises
<b>Gross block</b>	
Balance as at 1 April 2020	2.83
Additions	-
Terminations / modifications	-
<b>Balance as at 31 March 2021</b>	<b>2.83</b>
Balance as at 1 April 2021	2.83
Additions	3.33
Terminations / modifications	-
<b>Balance as at 31 March 2022</b>	<b>6.16</b>
<b>Accumulated depreciation</b>	
Balance as at 1 April 2020	1.18
Additions	0.94
Terminations / modifications	-
<b>Balance as at 31 March 2021</b>	<b>2.12</b>
Balance as at 1 April 2021	2.12
Additions	0.98
Terminations / modifications	-
<b>Balance as at 31 March 2022</b>	<b>3.11</b>
<b>Net block as at 31 March 2021</b>	<b>0.71</b>
<b>Net block as at 31 March 2022</b>	<b>3.05</b>

The aggregate amortisation expense on ROU assets is included under Note 32 - "Depreciation and amortisation expense" in the Standalone Ind AS Statement of Profit and Loss

### (ii) The following is the movement in lease liabilities are as follows:

Particulars	Amount (INR)
Balance as at 1 April 2020	1.87
Additions	-
Terminations	-
Finance expense	0.16
Payment of lease liabilities	(1.15)

## 48 Fair value measurement

### (i) Carrying amount and fair values of financial assets and financial liabilities, including quantitative disclosure fair value measurement hierarchy as at 31 March 2022

Particulars	Carrying amount as at 31st March 2022				Fair value as at 31st March 2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	142.23	142.23	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	18.41	18.41	-	-	-	-
Receivables								
- Trade receivables	-	-	135.40	135.40	-	-	-	-
- Other receivables	-	-	19.02	19.02	-	-	-	-
Loans	2.61	-	184.05	186.66	-	-	2.30	2.30
Investments	2,360.72	-	2,334.91	4,695.63	2,915.31	-	-	2,915.31

Particulars	Amount (INR)
<b>Balance as at 31 March 2021</b>	<b>0.88</b>
Balance as at 1 April 2021	0.88
Additions	3.33
Terminations	-
Finance expense	0.14
Payment of lease liabilities	(1.24)
<b>Balance as at 31 March 2022</b>	<b>3.11</b>

### (iii) The details of the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis are as follows:

Tenure	As at	
	31st March 2022	31st March 2021
Less than one year	1.27	0.93
One to five years	2.71	-
More than 5 years	-	-
<b>Total</b>	<b>3.98</b>	<b>0.93</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### (iv) Rental expenses for short-term leases and low value assets

The Company incurred NIL (P.Y: NIL) for the year ended 31 March 2022 towards expenses relating to short-term leases and leases of low-value assets or for any of variable lease payments for any of the reporting year.

### (v) Rental income

Tenure	For the year ended	
	31st March 2022	31st March 2021
Rental income on assets given on operating leases to other parties	5.45	7.88

### (vi) Future lease commitments

Leases not yet commenced to which Company is committed aggregates to NIL (P.Y: NIL).

### (vii) Sub lease income / expense

The Company has not earned or expensed any rentals under sub-lease contractual arrangements during the current year (P.Y: NIL).

# KEYNOTE FINANCIAL SERVICES LIMITED

**Notes to the Standalone Ind AS financial statements**  
(₹ in lakhs)

Particulars	Carrying amount as at 31st March 2022				Fair value as at 31st March 2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other financial assets	1.00	-	0.40	1.40	-	-	0.75	0.75
<b>Total - Financial assets</b>	<b>2,364.33</b>	<b>-</b>	<b>2,834.44</b>	<b>5,198.77</b>	<b>2,915.31</b>	<b>-</b>	<b>3.05</b>	<b>2,918.36</b>
<b>Financial liabilities</b>								
Payables								
Trade payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	0.54	0.54	-	-	-	-
Other payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	25.22	25.22	-	-	-	-
Deposits	-	-	0.00	0.00	-	-	0.00	0.00
Lease liabilities	-	-	3.11	3.11	-	-	-	-
Other financial liabilities	-	-	35.40	35.40	-	-	-	-
<b>Total - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>64.27</b>	<b>64.27</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>

(ii) **Carrying amount and fair values of financial assets and financial liabilities, including quantitative disclosure fair value measurement hierarchy as at 31 March 2021**

Particulars	Carrying amount as at 31st March 2021				Fair value as at 31st March 2021			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	86.22	86.22	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,301.56	1,301.56	-	-	-	-
Receivables								
- Trade receivables	-	-	75.70	75.70	-	-	-	-
- Other receivables	-	-	8.60	8.60	-	-	-	-
Loans	2.89	-	182.85	185.74	-	-	2.15	2.15
Investments	997.08	-	2,334.91	3,331.99	1,423.97	-	-	1,423.97
Other financial assets	1.00	-	0.11	1.11	-	-	0.91	0.91
<b>Total - Financial assets</b>	<b>1,000.97</b>	<b>-</b>	<b>3,989.94</b>	<b>4,990.91</b>	<b>1,423.97</b>	<b>-</b>	<b>3.05</b>	<b>1,427.02</b>
<b>Financial liabilities</b>								
Payables								
Trade payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	0.56	0.56	-	-	-	-

# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

Particulars	Carrying amount as at 31st March 2021				Fair value as at 31st March 2021			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	0.55	0.55	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14.11	14.11	-	-	-	-
Deposits	-	-	-	-	-	-	2.32	2.32
Lease liabilities	-	-	0.88	0.88	-	-	-	-
Other financial liabilities	-	-	31.38	31.38	-	-	-	-
<b>Total - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>47.48</b>	<b>47.48</b>	<b>-</b>	<b>-</b>	<b>2.32</b>	<b>2.32</b>

### 49 Fair value measurement

#### Notes:

- The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:  
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;  
Level 2 - Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and  
Level 3 - Inputs are based on unobservable market data.
- The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- There is no fair value gains / losses on financial instruments designated under FVOCI.
- There is no case of any fair value measurement of the investment categorised under level 3 hierarchy.
- The following methods and assumptions were used to estimate the fair values:
  - Fair value of cash and short-term loans and deposits, trade and other short term receivables, trade payables, other current liabilities, short- term borrowings approximate their carrying amounts largely due to short term maturities of these instruments.
  - Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
  - The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
  - Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Investments in subsidiaries have fair values that approximate to their carrying amounts.
  - Employee loans and security deposits are valued using Level 3 techniques. A change in one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly.
  - The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
  - The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
  - All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

- There have been no transfers between different levels of the fair value measurement hierarchy during the year ended 31 March 2022 and 31 March 2021.

### 50 Capital Management

The Company adheres to a disciplined Capital Management framework in order to maintain a strong balance sheet. The objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company monitors the capital using the debt equity ratio (net gearing ratio).

Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, security premium and other equity attributable to equity shareholders.

Considering there are no borrowings (including debt securities) as of the Balance Sheet date (P.Y: NIL ), the net gearing ratio has not been calculated and accordingly have not been disclosed with respect to financial years presented in the standalone Ind AS financial statements.

### 51 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely credit risk, liquidity risk and market risk. Further, it is also subject to various operating and business risks. While the risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. Additionally, the Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

#### (A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic

**Notes to the Standalone Ind AS financial statements**

(₹ in lakhs)

trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify, respond and recognise cases of credit deterioration.

Credit risk with respect to the company arises primarily from financial assets such as trade receivables, investments, balances with banks, loans & other receivables and other financial assets.

**Trade receivables, loans and inter corporate deposits**

The Company measures the expected credit loss (ECL) of trade receivables and loans / inter corporate deposits given, based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Company's senior management has established accounts receivable policy under which customer accounts are regularly monitored. Based on the historical data, loss on collection of receivable provision is considered. Also, refer the significant accounting policies' for accounting policy on Financial Instruments.

In addition to the above, the Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. Further, the movement in the ECL has been disclosed under Note 37 of the standalone Ind AS financial statements.

**Other financial assets**

These include financial assets such as cash and bank balances, investments, term deposits, security deposits etc. Credit risk from balance with banks (including term deposits), investments is managed in accordance with the Company's approved investment policies. Investment of surplus funds are made only with approved counterparties and within the credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet (including exceptions, if any) as at 31 March 2022 and 31 March 2021 is the carrying value as illustrated the respective notes of the standalone Ind AS financial statements.

**(B) Liquidity risk**

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the

timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. To limit this risk, management has arranged for diversified funding sources such as investing its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The company also has lines of credit that it can access to meet liquidity needs.

Refer Note 52 for analysis of maturities of financial assets and financial liabilities.

**(C) Market risk**

**(i) Foreign currency risk**

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. The exposure to the Company on holding financial assets (receivables) and liabilities (payables) other than in their functional currency amounted to INR 86,272 net receivable (P.Y: INR 2,38,923 net payable).

In respect of the foreign currency transactions, the Company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period is shown under Note 43 of the standalone Ind AS financial statements.

A 5% strengthening of the Indian Rupee against key currencies to which the Company is exposed would have led to approximately an additional net gains of INR 4,314 in the Standalone Statement of Profit and Loss (P.Y: net loss of INR 11,946). A 5% weakening of the Indian Rupee against these currencies would have led to an equal but opposite effect.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the company's senior management have devised a policy of a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

Interest rate change does not affect significantly interest bearing investments and loans given and therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposits with banks. The Company has laid policies and guidelines to minimise impact of interest rate risk.

A 0.50% decrease in interest rates would have led to approximately an additional loss of INR 19,275 in the Standalone Statement of Profit and Loss (P.Y: loss of INR 24,597). A 0.50% increase in interest rates would have led to an equal but opposite effect.

**(iii) Price risks**

The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

A 1% increase in prices would have led to approximately an additional gain of INR 29,10,185 in the Standalone Statement of Profit and Loss (P.Y: gain of INR 14,04,524). A 1% decrease in prices would have led to an equal but opposite effect.

## ANNUAL REPORT 2021-22

### Notes to the Standalone Ind AS financial statements (₹ in lakhs)

#### 52 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at					
	31 March 2022			31 March 2021		
	within 12 months	after 12 months	Total	within 12 months	after 12 months	Total
<b>ASSETS</b>						
<b>A. Financial assets</b>						
Cash and cash equivalents	142.23	-	142.23	86.22	-	86.22
Bank balances other than cash and cash equivalents	18.41	-	18.41	1,301.56	-	1,301.56
Receivables						
- Trade receivables	135.40	-	135.40	75.70	-	75.70
- Other receivables	19.02	-	19.02	8.60	-	8.60
Loans	185.85	0.50	186.35	182.92	2.07	185.00
Investments	2,827.31	2,424.91	5,251.22	892.12	2,867.76	3,759.88
Other financial assets	1.05	0.11	1.15	0.91	0.11	1.02
<b>Sub-total - financial assets (A)</b>	<b>3,328.28</b>	<b>2,425.51</b>	<b>5,753.78</b>	<b>2,548.03</b>	<b>2,869.94</b>	<b>5,417.98</b>
<b>B. Non-financial assets</b>						
Current tax assets (net)	-	49.13	49.13	-	3.24	3.24
Investment property	-	3.49	3.49	-	3.60	3.60
Property, plant & equipment	-	769.61	769.61	-	793.12	793.12
Right of use assets	-	3.05	3.05	0.71	-	0.71
Other non-financial assets	8.00	0.08	8.08	15.30	0.54	15.84
<b>Sub-total - non-financial assets (B)</b>	<b>8.00</b>	<b>825.37</b>	<b>833.36</b>	<b>16.01</b>	<b>800.49</b>	<b>816.51</b>
<b>Total - Assets (A+B)</b>	<b>3,337.28</b>	<b>3,249.88</b>	<b>6,587.14</b>	<b>2,564.04</b>	<b>3,670.43</b>	<b>6,234.49</b>

Particulars	As at					
	31 March 2022			31 March 2021		
	within 12 months	after 12 months	Total	within 12 months	after 12 months	Total
<b>LIABILITIES</b>						
<b>A. Financial liabilities</b>						
Payables						
Trade payables						
Payables						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	-	0.54	0.56	-	0.56
Other payables						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	0.55	-	0.55
- total outstanding dues of creditors other than micro enterprises and small enterprises	25.22	-	25.22	14.11	-	14.11
Deposits	0.00	-	0.00	2.32	-	2.32
Lease liabilities	0.40	2.71	3.11	0.88	-	0.88
Other financial liabilities	35.40	-	35.40	22.30	9.08	31.38
<b>Sub-total - financial liabilities (A)</b>	<b>61.56</b>	<b>2.71</b>	<b>64.27</b>	<b>40.72</b>	<b>9.08</b>	<b>49.80</b>
<b>B. Non- Financial liabilities</b>						
Provisions	34.45	27.39	61.84	21.91	37.01	58.92
Deferred tax liabilities (net)	-	164.52	164.52	-	191.55	191.55
Other non-financial liabilities	114.81	-	114.81	49.70	-	49.70
<b>Sub-total - non-financial liabilities (B)</b>	<b>149.26</b>	<b>191.91</b>	<b>341.17</b>	<b>71.61</b>	<b>228.56</b>	<b>300.17</b>
<b>Total - Liabilities (A+B)</b>	<b>210.82</b>	<b>194.62</b>	<b>405.44</b>	<b>112.33</b>	<b>237.65</b>	<b>349.97</b>

**Notes to the Standalone Ind AS financial statements**

(₹ in lakhs)

**53 Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013**
**(a) Loans and advances to subsidiaries**

Particulars	For the year ended	
	31 March 2022	31 March 2021
<b>(a) Keynote Capitals Limited</b> (subsidiary company)		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	100	-
<b>(b) Keynote Fincorp Limited</b> (subsidiary company)		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	-
<b>(c) Keynote Commodities Limited</b> (step down subsidiary company)		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	-

**(b) Investment by the loanees in the shares of the Company**

The loanees have not made any investments in the shares of the Company.

**(c) Corporate guarantees**

The Company has given corporate guarantees and the fact has been disclosed under Note 46(iv) of the standalone Ind AS financial statements.

**54 Dividend on equity shares**
**(I) Dividend on equity shares declared and paid during the year**

Particulars	For the year ended	
	31 March 2022	31 March 2021
Final dividend of INR 1 per share for FY 2020-21 (FY 2019-20: INR 1 per share)	70.18	70.18
Dividend distribution tax on final dividend \$	-	-

The proposed dividend on equity shares for FY 2020-21 was distributed based upon the approval of the shareholders of the Company at the Annual General Meeting held on 29th September 2021.

**(II) Proposed dividend on equity shares not recognised as liability**

Particulars	For the year ended	
	31 March 2022	31 March 2021
Final dividend of INR 1 per share for FY 2021-22 (FY 2020-21: INR 1 per share) #	70.18	70.18
Dividend distribution tax on final dividend \$	-	-

The proposed dividend on equity shares for FY 2021-22 is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

# Includes dividend of INR 14,51,702 paid to Keynote trust.

\$ The Budget 2020 has made dividend income from shares taxable in the hands of the recipient at the applicable income tax slab rates to the individual and abolish the Dividend Distribution Tax (DDT) hitherto levied on dividend income before distribution by the company.

**55 Change of name**

During the financial year 2018-19, the Company had changed its name from "Keynote Corporate Services Limited" to "Keynote Financial Services Limited" by passing a resolution at the Board Meeting dated 8 February 2019. Further, the necessary secretarial compliances with respect to the same were completed by the Company, evidenced by a fresh certificate of incorporation dated 23 April 2019.

**56 Events after reporting date**

The Board of Directors have recommended dividend of INR 1 per fully paid up equity share of INR 10 each (P.Y: INR 1 each) for the financial year 2021-22.

**57 Sharing of costs**

The Company shares certain operating costs with a subsidiary - Keynote Capitals Limited. These costs have been recovered from the subsidiary on a basis mutually agreed between them, which has been relied upon by the Auditors.

**58 Changes in liabilities arising from financing activities**

The Company does not have any financing activities which affect the capital and asset structure of the company without the use of cash and cash equivalents

**59 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement**

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement and the same has been relied upon by the Auditor.

**60 Details of Scheme of amalgamation approved by the Hon'ble High Court**

As per the scheme of amalgamation approved by the Allahabad, Bombay, and Gauhati High court vide order dated 21 December 2006, 9 March 2007 and 19 March 2007 respectively, 14,51,702 equity shares of INR 10 each fully paid up is held by Keynote trust as a beneficiary of the Company. Due to such cross holding the dividend of INR 14,51,702 (P.Y: INR 14,51,702) has been paid & received back from the trust. With respect to the dividend of INR 1 per share (P.Y: INR 1 per share) for 31 March 2022, the Company has adjusted its liability of dividend towards shares held by the Trust.

**61 Approval of standalone Ind AS financial statements**

The standalone Ind AS financial statements were approved for issue by the Board of Directors on 27 May 2022.

**62 Taxation Law (Amendment) Ordinance, 2019**

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20 September, 2019 which is effective 1 April, 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. The Company had made an assessment for the impact of the Ordinance and decided to continue with the existing tax structure on account of non-utilisation of accumulated minimum alternative tax (MAT) credit and carry forward capital losses.

**63 Code on Social Security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact in the financial statements.

**64 Corporate Social Responsibility (CSR) expenditure**

As per section 135 of the Companies Act, 2013 ("the Act"), every company where the net profit is five crore or more during the immediately preceding financial years shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years. The said clause is not applicable to company since the company has not fulfilled the required condition

**65 Disclosures of proceedings under Benami Transactions**

Company has not done any benami transaction hence same is not applicable.



# ANNUAL REPORT 2021-22

## Notes to the Standalone Ind AS financial statements (₹ in lakhs)

### 66 Disclosures of proceedings as Wilful Defaulter

Company has not done any wilful default, hence the same is not applicable.

### 67 Disclosure of financial ratios

Ratios	31-Mar-22
Trade Receivable Turnover	8.73
Inventory Turnover	N.A
current Ratio	19.14
Debt Equity Ratio	NA
Net Profit Ratio	0.40
Debt Service Coverage Ratio	NA
Return on Equity	0.06
Trade Payable Turnover	1.10
Capital Turnover Ratio	0.15
Return on Capital Employed	0.06
Return on investment	0.07

### 68 Statement showing shareholding pattern of the Promoter and Promoter Group

Sr No	Promoter Name	Total nos. shares held	Shareholding as a % of total no. of shares	% of change during the year
1	Nirmal Suchanti Huf	282499	4.03	0.00
2	Pushpa Nirmal Suchanti	132308	1.89	0.00
3	Nirmal Harshchand Suchanti	117647	1.68	0.00
4	Vivek Nirmal Suchanti	49440	0.70	0.00
5	B. Madhuprasad	101850	1.45	0.00
6	Vineet Nirmal Suchanti	11977	0.17	0.00
7	Rita Vivek Suchanti	4829	0.07	0.00
8	Rinku Vineet Suchanti	3802	0.05	0.00
9	N S S Digital Media Limited	3112256	44.34	0.00
10	Concept Productions Limited	241600	3.44	0.00
11	Dhanviridhi Tieup Private Limited	4010	0.06	0.00
	<b>Sub Total (A)(1)</b>	<b>4062218</b>	<b>57.88</b>	<b>0.00</b>

### 69 Prior year comparatives

The figures of the previous year have been regrouped / reclassified wherever necessary to conform to the classification / presentation of current year figures.

As per our report of even date attached

### For S M S R & Co LLP

Chartered Accountants

Firm Registration No: 110592W/W100094

Sd/-

**Ravi Kapoor**

Partner

Membership No: 040404

Date : 27 May 2022

Place : Mumbai

### For and on behalf of the Board of Directors of

**Keynote Financial Services Limited**

CIN No: L67120MH1993PLC072407

Sd/-

**Vineet Suchanti**

Director

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

Sd/-

**Uday Patil**

Director & CFO

DIN : 00003978

Sd/-

**Renita Crasto**

Company Secretary

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Keynote Financial Services Limited****Report on the Audit of the Consolidated Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Keynote Financial Services Limited** ("the Company" or "the Holding Company"), its subsidiaries and a trust (the Company, its subsidiaries and a trust together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, and its consolidated profit and other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the requirements of applicable Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described

in the 'Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in respect of contracts involving critical estimates, as per Ind AS 115 “Revenue from Contract with Customers”.</b></p>	
<p>The Company recognises revenue with respect to income from sale of services (including other operating revenue) in accordance to achievement of milestones defined in the corresponding engagement letters or mandate letters entered with counter party which reflects the stage of completion for each performance obligation.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to recording of revenue with respect to income from sale of services (including other operating revenue) based upon time spent and efforts taken.</li> <li>• Selected a sample of continuing and new contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to time spent and efforts taken.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones.</li> <li>• Performed analytical procedures and test of details for reasonableness of time spent and efforts taken.</li> </ul>
<p><b>Information Other than the Consolidated Ind AS Financial Statements and Auditor’s Report Thereon</b></p>	
<p>The Holding Company’s Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board’s Report, Corporate Governance and Shareholders’ Information, but does not include the consolidated Ind AS Financial statements and our auditor’s report thereon.</p>	
<p>Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	
<p>In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our 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.</p>	
<p><b>Responsibilities of Management and Those Charged with Governance for the consolidated Ind AS financial statements</b></p>	
<p>The Holding Company’s Management and Board of Directors are responsible for the matters stated in</p>	<p>section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group 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. The respective Board of Directors of the companies and trustees of the trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.</p> <p>In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the</p>

companies and trustees of the Trust included in the Group, are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and trustees of the Trust included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that are 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 controls 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 and its subsidiary companies have adequate internal financial controls system 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

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 with 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 consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

### Other Matters

We did not audit the Ind AS financial statements of three subsidiaries and a trust, whose Ind AS financial statements reflect total assets (before consolidation adjustments) of INR 17265.21 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of INR 3107.59 lakhs, total net profit after tax (before consolidation adjustments) of INR 1535.74 lakhs for the year ended on that date as considered in the consolidated Ind AS financial statements for the year ended on that date. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in these subsidiaries and trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and trust is based solely on reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 of the aforesaid consolidated Ind AS financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group are disqualified as on March 31, 2022, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- g) In our opinion and based on the consideration of reports of other statutory auditors of subsidiaries, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of

Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other statutory auditors of subsidiaries:

- i) The Group has disclosed the impact of pending litigations on its financial positions in its consolidated Ind AS financial statements. Refer Note 39 of the consolidated Ind AS financial statements;
- ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v) The final dividend proposed in the previous year, declared and paid by the Company during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **S M S R & Co LLP**  
*Chartered Accountants*  
 Firm Registration No. 110592W/W100094

**Ravi Kapoor**  
*Partner*  
 Membership No: 040404  
 UDIN: 22040404AJSSAN4935

Place: Mumbai  
 Date: May 27, 2022

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Keynote Financial Services Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 Financial Services Limited** ("the Holding Company" or "the Company"), and its subsidiaries (the company and its subsidiaries together referred to as "the Group") as of March 31, 2022 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 respective 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.

**Auditors' Responsibility for the Audit of Internal Financial Controls**

Our responsibility is to express an opinion on the Holding Company internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated Ind AS 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 consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS financial statements**

A Company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 consolidated Ind AS financial

statements includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) 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 consolidated Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS 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, to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, as

referred to in Other Matters paragraph below, the Holding Company and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies 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').

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the separate financial statements of three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S M S R & Co LLP**  
*Chartered Accountants*  
Firm Registration No. 110592W/W100094

**Ravi Kapoor**  
*Partner*  
Membership No: 040404  
UDIN: 22040404AJSSAN4935

Place: Mumbai  
Date: May 27, 2022



# ANNUAL REPORT 2021-22

## CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2022

(₹ in lakhs)

	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>A. Financial assets</b>			
Cash and cash equivalents	3	1,118.19	239.18
Bank balances other than cash and cash equivalents	4	1,038.28	3,261.85
Receivables	5		
- Trade receivables		154.46	105.15
- Other receivables		197.25	44.48
Loans	6	2,223.07	1,975.37
Investments	7	6,238.87	4,428.59
Other financial assets	8	1,213.25	269.14
<b>Sub-total - financial assets (A)</b>		<b>12,183.37</b>	<b>10,323.76</b>
<b>B. Non-Financial Assets</b>			
Inventories	9	15.34	20.59
Current tax assets (net)	10	-	9.07
Investment property	11	3.49	3.60
Property, plant & equipment	12	1,600.63	1,659.04
Capital work in progress		21.27	-
Goodwill on consolidation		10.42	10.42
Right of use assets	13	6.38	1.41
Other non-financial assets	14	101.80	35.61
<b>Sub-total - non-financial assets (B)</b>		<b>1,759.33</b>	<b>1,739.73</b>
<b>Total - Assets (A+B)</b>		<b>13,942.70</b>	<b>12,063.50</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>A. Financial liabilities</b>			
Payables			
- Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		315.12	457.22
Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	0.55
- total outstanding dues of creditors other than micro enterprises and small enterprises		25.22	14.11
Borrowings (other than debt securities)	16	2,705.16	2,580.37
Deposits	17	0.00	2.32
Lease liabilities	18	6.21	1.77
Other financial liabilities	19	78.57	51.25
<b>Sub-total - financial liabilities (A)</b>		<b>3,130.28</b>	<b>3,107.59</b>
<b>B. Non-Financial liabilities</b>			
Current tax liabilities (net)	20	58.55	-
Provisions	21	118.88	101.43
Deferred tax liabilities (net)	22	359.87	201.93
Other non-financial liabilities	23	160.20	97.57
<b>Sub-total - non-financial liabilities (B)</b>		<b>697.50</b>	<b>400.93</b>
<b>C. Equity</b>			
Share capital	24	616.66	616.66
Other equity	25	9,498.26	7,938.32
<b>Sub-total - equity (C)</b>		<b>10,114.92</b>	<b>8,554.98</b>
<b>Total - Liabilities and Equity (A+B+C)</b>		<b>13,942.70</b>	<b>12,063.50</b>
Significant accounting policies	2		

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

As per our report of even date attached

**For S M S R & Co LLP**  
Chartered Accountants  
Firm Registration No: 110592W/W100094

**For and on behalf of the Board of Directors of  
Keynote Financial Services Limited**  
CIN: L67120MH1993PLC072407

**Sd/-**  
**Ravi Kapoor**  
Partner  
Membership No: 040404

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

**Sd/-**  
**Uday Patil**  
Director & CFO  
DIN : 00003978

**Sd/-**  
**Renita Crasto**  
Company Secretary

Date : 27 May 2022  
Place : Mumbai

Date : 27 May 2022  
Place : Mumbai

# KEYNOTE FINANCIAL SERVICES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

	Note	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>A. Revenue from operations</b>			
Interest income	26	198.23	126.84
Fees and commission income	27	298.13	244.42
Net gain on fair value changes	28	1,342.31	976.24
Sale of services	29	1,033.05	660.20
Other operating income	30	3.66	6.93
<b>Total revenue from operations</b>		<b>2,875.38</b>	<b>2,014.62</b>
<b>B. Other income</b>	31	298.97	260.26
<b>Total income (A+B)</b>		<b>3,174.35</b>	<b>2,274.88</b>
<b>C. Expenses</b>			
Finance costs	32	118.32	109.01
Fees and commission expense	33	38.57	15.97
Impairment on financial instruments	34	(9.98)	18.01
Changes in inventories of stock-in-trade	35	5.25	(11.23)
Employee benefits expense	36	524.53	397.34
Depreciation and amortisation expense	37	69.35	72.78
Other expenses	38	561.38	344.87
<b>Total Expenses (C)</b>		<b>1,307.42</b>	<b>946.75</b>
<b>Profit / (loss) before tax (A+B-C)</b>		<b>1,866.93</b>	<b>1,328.13</b>
<b>D. Tax expense / (credit)</b>	40		
- Current tax		203.92	123.56
- Deferred tax and Minimum alternate tax (MAT)		54.97	74.35
- Taxation for earlier years		(0.28)	2.81
- Current tax		203.92	102.44
MAT credit entitlement		(67.62)	(14.68)
- Deferred tax charge/ (credit)		122.60	89.03
<b>Total tax expenses (D)</b>		<b>258.62</b>	<b>200.72</b>
<b>Profit / (loss) for the year (A+B-C-D)</b>		<b>1,608.31</b>	<b>1,127.41</b>
<b>E. Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement gains /(losses) of defined benefit plans		7.94	8.54
Income tax on the above		(0.64)	(2.38)
<b>(ii) Items that will be reclassified to profit or loss</b>		-	-
<b>Other Comprehensive Income (E)</b>		<b>7.30</b>	<b>6.16</b>
<b>Total Comprehensive Income for the year (net of tax) (A+B-C-D+E)</b>		<b>1,615.61</b>	<b>1,133.57</b>
<b>Earnings per equity share (face value of INR 10 each)</b>			
Basic & diluted (INR)	41	28.89	20.25
Significant accounting policies	2		

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

As per our report of even date attached

**For S M S R & Co LLP**  
Chartered Accountants  
Firm Registration No: 110592W/W100094

**For and on behalf of the Board of Directors of  
Keynote Financial Services Limited**  
CIN: L67120MH1993PLC072407

**Sd/-  
Ravi Kapoor**  
Partner  
Membership No: 040404

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

**Sd/-  
Uday Patil**  
Director & CFO  
DIN : 00003978

**Sd/-  
Renita Crasto**  
Company Secretary

Date : 27 May 2022  
Place : Mumbai

Date : 27 May 2022  
Place : Mumbai

## ANNUAL REPORT 2021-22

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
<b>(A) Cash flows from operating activities:</b>		
<b>Net Profit/(Loss) before tax</b>	<b>1,866.93</b>	<b>1,328.13</b>
<b>Adjustments for</b>		
Depreciation and amortisation	69.35	72.78
Provision for gratuity	16.91	17.12
Provision for compensated absences	9.48	11.48
Provision for doubtful debts	(9.98)	18.01
Interest expenses	118.32	109.01
Net (gain) / loss on financial instruments measured at fair value through profit or loss	(1,342.31)	(976.24)
Dividend income	(78.66)	(30.42)
Interest Income	(389.61)	(348.34)
Sundry balances written back (net)	-	-
Lease Income	(5.45)	(7.88)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>254.98</b>	<b>193.64</b>
<b>Adjustment for working capital changes</b>		
- (Increase) / decrease in trade and other receivables	(192.10)	243.71
- (Increase) / decrease in loans	(247.69)	256.30
- (Increase) / decrease in other financial assets	(944.13)	29.05
- (Increase) / decrease in Inventory	5.25	(11.23)
- (Increase) / decrease in other non-financial assets	(66.19)	9.53
- (Decrease) / Increase in trade and other payable	(131.54)	(1,589.59)
- (Decrease) / Increase in other financial liabilities	30.43	(2.66)
- (Decrease) / Increase in other non-financial liabilities	62.61	12.33
- (Decrease) / Increase in deposits	(2.32)	0.25
- (Decrease) / Increase in lease liabilities	1.34	(1.97)
- (Decrease) / Increase in provisions	(1.65)	(11.31)
<b>Cash generated from / (used) in operations</b>	<b>(1,231.01)</b>	<b>(871.94)</b>
Taxes paid (net of refunds)	(33.04)	(71.65)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(1,264.05)</b>	<b>(943.59)</b>
<b>(B) Cash flows from investing activities:</b>		
Purchase of fixed assets	(37.06)	(4.58)
Sale of investments (net)	(467.97)	(653.66)
Deposits placed in banks and unpaid dividend accounts (net)	2,223.57	(1,308.09)
Lease income received	5.45	7.88
Interest received	389.61	348.34
Dividend received	78.66	30.42
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>2,192.26</b>	<b>(1,579.69)</b>

## KEYNOTE FINANCIAL SERVICES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(₹ in lakhs)

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
<b>(C) Cash flow from financing activities:</b>		
Repayment of borrowings (net)	124.79	413.10
Issue of preference share capital	-	150.00
Dividend paid	(55.67)	(55.67)
Interest paid	(118.32)	(109.01)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>(49.20)</b>	<b>398.42</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>879.01</b>	<b>(2,124.86)</b>
Cash and cash equivalents as at beginning of year	239.18	2,364.03
<b>Cash and cash equivalents as at the end of the year</b>	<b>1,118.19</b>	<b>239.18</b>

**Notes to cash flow statement :**

**1 Cash and cash equivalents as at the end of the year comprise of:**

Cash on hand	10.36	9.31
Balances with banks		
- In current accounts	1,101.51	223.51
- In fixed deposits accounts (with original maturity of 3 months or less from the reporting date)	6.32	6.36
	<b>1,118.19</b>	<b>239.18</b>

**2** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard) Rules, 2015.

**3** Cash and cash equivalents comprises cash on hand, current accounts and deposits with banks (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

As per our report of even date attached

**For S M S R & Co LLP**  
Chartered Accountants  
Firm Registration No: 110592W/W100094

**Sd/-**  
**Ravi Kapoor**  
Partner  
Membership No: 040404

Date : 27 May 2022  
Place : Mumbai

**For and on behalf of the Board of Directors of**  
**Keynote Financial Services Limited**  
CIN: L67120MH1993PLC072407

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

Date : 27 May 2022  
Place : Mumbai

**Sd/-**  
**Uday Patil**  
Director & CFO  
DIN : 00003978

**Sd/-**  
**Renita Crasto**  
Company Secretary

# ANNUAL REPORT 2021-22

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON 31 MARCH 2022

(₹ in lakhs)

### A. Share capital

Particulars	Equity share capital	
	No. of Shares	Amount
<b>Balance as at 1 April 2020</b>	<b>55.67</b>	<b>556.66</b>
Changes in share capital during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>55.67</b>	<b>556.66</b>
Changes in share capital during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>55.67</b>	<b>556.66</b>

Particulars	Preference share capital	
	No. of Shares	Amount
<b>Balance as at 1 April 2020</b>	-	-
Changes in share capital during the year	6.00	60.00
<b>Balance as at 31 March 2021</b>	-	-
Changes in share capital during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>6.00</b>	<b>60.00</b>

### B. Other equity

Particulars	Reserves and surplus				Other items of other comprehensive income	Total
	Securities premium	General reserve	Statutory reserve	Retained earnings		
<b>Balance as at 1 April 2020</b>	<b>2,306.48</b>	<b>133.92</b>	<b>82.48</b>	<b>4,247.53</b>	-	<b>6,770.41</b>
Transfers during the year	-	-	9.34	(9.34)	-	-
Profit/(Loss) after tax for the year	-	-	-	1,127.41	-	1,127.41
Other comprehensive income (net of tax)	-	-	-	6.16	-	6.16
Premium on issue of preference shares	90.00	-	-	-	-	90.00
Appropriations towards dividend paid (including corporate tax dividend)	-	-	-	(55.67)	-	(55.67)
<b>Balance as at 31 March 2021</b>	<b>2,396.48</b>	<b>133.92</b>	<b>91.82</b>	<b>5,316.10</b>	-	<b>7,938.32</b>
Balance as at 1 April 2020	2,396.48	133.92	91.82	5,316.10	-	7,938.32
Transfers during the year	-	-	67.07	(67.07)	-	-
Premium on issue of preference shares	-	-	-	-	-	-
Profit/(Loss) after tax for the year	-	-	-	1,608.31	-	1,608.31
Other comprehensive income (net of tax)	-	-	-	7.30	-	7.30
Appropriations towards dividend paid (including corporate tax dividend)	-	-	-	(55.67)	-	(55.67)
<b>Balance as at 31 March 2022</b>	<b>2,396.48</b>	<b>133.92</b>	<b>158.88</b>	<b>6,808.97</b>	-	<b>9,498.26</b>

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

As per our report of even date attached

**For S M S R & Co LLP**  
Chartered Accountants  
Firm Registration No: 110592W/W100094

**Sd/-**  
**Ravi Kapoor**  
Partner  
Membership No: 040404

Date : 27 May 2022  
Place : Mumbai

**For and on behalf of the Board of Directors of**  
**Keynote Financial Services Limited**  
CIN: L67120MH1993PLC072407

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

Date : 27 May 2022  
Place : Mumbai

**Sd/-**  
**Uday Patil**  
Director & CFO  
DIN : 00003978

**Sd/-**  
**Renita Crasto**  
Company Secretary

## 1. Corporate Information

Keynote Financial Services Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Keynote together with its subsidiaries and trust, is herein after referred to as ‘the Group’ having its registered office located in Mumbai. Its shares are listed on two stock exchanges in India. i.e., BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).

The Group is engaged in providing services of investment banking, corporate advisory services, ESOP advisory, broking business in commodities and trading in securities.

## 2. Significant Accounting Policies

### (a) Basis of preparation

These consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value. These accounting policies have been applied consistently over all the periods presented in these consolidated Ind AS financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

The consolidated financial statements were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP”). Further, where applicable the Group follows prudential norms for income recognition,

assets classification and provisioning for Non-performing assets (NPA), as well as contingency provisions for standard assets, prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC). The accounting standards are followed to the extent, as they are not inconsistent with the Prudential Norms, prescribed by the RBI.

### (b) Presentation of the consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Holding Company presents the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 56 of the consolidated Ind AS financial statements.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- (i) The normal course of business
- (ii) The event of default
- (iii) The event of insolvency or bankruptcy of the Group and/or its counterparties

### (c) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the

reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at Note 2(w) of the consolidated Ind AS financial statements.

### **(d) Principles of consolidation**

#### **Subsidiaries and trust**

The consolidated financial statements is comprised of financial statements of the Holding Company and its subsidiaries and trust. The subsidiaries and the trust are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries and the trust are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries & trust line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries

have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

#### **Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted there after to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

#### **Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying-amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

**(e) Property, Plant and Equipment**

Property, plant and equipment (PPE) are stated at cost of acquisition less accumulated depreciation and accumulated impairment, (if any). Such cost includes purchase price including import duties and other non-refundable purchase taxes or levies, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Assets costing INR 5,000 or less are fully depreciated in the year of purchase.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non- financial assets.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit and loss when the asset is derecognised.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Tangible assets	Useful life
Premises	60 years
Furniture and fixtures	10 years
Electrical fittings	10 years
Air conditioners	10 years
Office equipments	5 years
Computers and peripherals	3 years
Vehicles	8 years

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

**(f) Investment Property**

Investment property represents property held to earn rentals or for capital appreciation or both.



Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on property (Flat) classified as investment property has been provided on the straight-line method over a period of 60 years based on the Group's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Schedule II to the Companies Act 2013.

Though the Group initially measures investment property using cost based measurement. The said is measured subsequently at the fair value which are determined based on an annual evaluation as per Management's best estimates.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition. The date of disposal of an item of investment property is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### **(g) Intangible assets and amortization**

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when

it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life, which is the Management's estimate of its useful life.

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit and loss when the asset is derecognized. The date of disposal of an item of intangible assets is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **(h) Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a change in

estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

**(i) Provisions and contingencies**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the each reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for in the consolidated Ind AS financial statements.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(j) Foreign currency translation**

**Functional and presentation currency**

Items included in financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupees

(INR), which is the Group 's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

**(k) Employee benefits**

**(i) Short-term obligations**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Group recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

**(ii) Post-employment obligations**

**(I) Defined contribution plans**

**(a) Provident Fund:** The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution

already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- (b) Employees' State Insurance:** The Group contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

**(II) Defined benefit plans**

- (a) Gratuity:** The Group makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- (a) Service costs comprising current and past service costs, gains and losses on curtailments and non-routine settlements; and
- (b) Net interest expense or income.

**(III) Other Long-term employee benefits**

- (a) Compensated absences** - Privilege leave entitlements are recognised as a liability as per the rules of the Group. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognised using the projected unit credit method at the actuarially determined value by an appointed independent actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

**(I) Leases**

- (I) Operating lease as lessee** - The Group has adopted Ind AS 116 - "Leases" effective 1 April, 2019, using the "full retrospective method". Further, the Group has applied the standard to its leases with the full impact recognised on the date of initial application.

The Group's lease asset classes primarily consist of leases for office premises. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess

whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(II) Operating lease as lessor:** In respect of assets given on operating lease, lease rentals are recognised on a straight-line basis over the term of lease unless;

- (i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- (ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

**(m) Income tax**

**Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject

to interpretation and establishes provisions where appropriate.

### **Minimum Alternate Tax**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit". The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

### **Deferred Tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments

in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **(n) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(o) Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradable securities, the Group recognises the financial instruments on settlement date.

**Initial recognition and measurement:**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortised cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**Classification and subsequent measurement**

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold them to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income (FVOCI)

Such financial assets are subsequently measured at amortised cost using the Effective Interest rate method. Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest on the principal outstanding. Any financial instrument, which does not meet the criteria for categorisation as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL). In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as

at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

### **Equity Investments**

The Group accounts for equity investments in subsidiaries at cost less impairment.

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Group's right to receive payment is established.

### **Derivative financial Instruments**

Derivative financial instruments are classified and measured at fair value through profit and loss.

### **Fair Value Hierarchy**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly

observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 53 of the consolidated Ind AS financial statements.

### **Impairment of Financial Assets**

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- (i) Trade receivables
- (ii) Financial assets measured at amortised cost (other than trade receivables)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

#### Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries are credited to the statement of profit and loss.

#### De-recognition of financial instruments

**(a) Financial asset** - A financial asset or a part thereof is primarily de-recognised when:

- (i) The right to receive contractual cash flows from the asset has expired, or
- (ii) The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (a) The Group has transferred substantially all the risks and rewards of the asset, or

- (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss.

- (b) **Financial liabilities:** The Group de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

#### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### (p) Stock-in-trade

Stock-in-trade is valued as lower of cost and net realizable value on an individual category basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of stock-in-trade are determined on weighted average basis.

#### (q) Revenue Recognition

The Group recognises revenue from contracts with customers based on a five-step model asset out in Ind AS 115, Revenue from Contracts with Customers, to determine



when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.**

- (i) **Interest income** - Interest income is recognised using the effective interest rate (EIR) method by considering all contractual

terms of the financial instrument in estimating the cash flows.

- (ii) **Dividend income** - Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.
- (iii) **Net gain on fair value changes** - Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Group recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.
- (iv) **Sale of services** - Income from services (including other operating revenues) are recognized with reference to achievement of milestones defined in the corresponding engagement or mandate letters entered with counter party which reflects the stage of each performance obligation.
- (v) **Brokerage income** - Brokerage income is recognized on trade date basis and is exclusive of GST and Securities Transaction Tax (STT) wherever applicable, except for brokerage of commodity transactions, which are accounted on transactional / accrual basis depending upon the respective transaction.
- (vi) **Investment advisory and transactional processing fees** - Performance obligations are satisfied over a period of time and advisory and transactional processing fees income is accounted in accordance with the terms of contracts, entered into between the Group and the counter party.
- (vii) Account maintenance charges are recognized on time basis over the period of the contract.
- (viii) **Depository income** - Income from depository services, finance charges on client dues are

recognised on the basis of agreements entered into with the clients and when the right to receive the income is established.

**(ix) Contract Balances**

**Trade Receivables** - A receivable represents the Group's right to an amount of consideration that is unconditional.

**Unbilled Revenue** - Unbilled revenue represents value of services performed in accordance with reference to achievement of milestones defined in the corresponding engagement or mandate letters entered with counter party with the contract terms but not billed.

**Contract Liabilities** - A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**(r) Cash flow statement**

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, as they are considered an integral part of cash management of the Group.

**(s) Earnings per share**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the

conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(t) Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors and consequently approved by the shareholders.

**(u) Segment information**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

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 enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

**(v) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(w) Critical estimates and judgements**

The preparation of consolidated financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates

and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- (i) Estimated useful life of PPE - refer Note 2(e) and 12
- (ii) Estimation of tax expenses and tax payable - refer Note 2(m) and 51
- (iii) Fair value of financial instruments - refer Note 2(o) and 53
- (iv) Estimation of Defined benefit obligations - refer Note 2(k) and 49
- (v) Probable outcome of matters included under Contingent Liabilities - refer note 2(i) and 39

**Notes forming part of the Consolidated Ind AS Financial Statements**  
(₹ in lakhs)

3 CASH AND CASH EQUIVALENTS	31 March 2022	31 March 2021
Cash on hand	10.36	9.31
<b>Balances with banks</b>		
- In current accounts	1,101.50	223.51
- In fixed deposits accounts (with maturity of 3 months or less)	6.33	6.36
	<b>1,118.19</b>	<b>239.18</b>

**Note:** There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting periods disclosed in the financial statements.

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	31 March 2022	31 March 2021
Fixed deposits with banks (with maturity of more than 3 months)	1,029.04	3,251.35
Earmarked balances with banks towards unpaid dividend accounts	9.24	10.50
	<b>1,038.28</b>	<b>3,261.85</b>

**Notes:**

- There are no repatriation restrictions with regard to bank balances other than cash and cash equivalents as at the end of the reporting periods disclosed in the financial statements.
- There are no bank deposits and balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments as at the end of the reporting periods disclosed in the financial statements, except for fixed deposits amounting to INR 8,00,00,000 (31 March 2021: INR 8,00,00,000) pledged against overdraft facility from banks.
- Bank balances include restricted bank balances of INR 9,24,117 (31 March 2021: 10,49,990) on account of bank balances held as unpaid dividends.

5 RECEIVABLES	31 March 2022	31 March 2021
<b>Trade receivables</b>		
Receivables considered good - unsecured	154.46	105.15
Receivables - credit impaired	18.11	26.46
Less : Impairment loss allowance	(18.11)	(26.46)
	<b>154.46</b>	<b>105.15</b>
<b>Other receivables</b>		
Receivables considered good - unsecured	197.25	44.48
Less : Impairment loss allowance	-	-
	197.25	44.48
	<b>351.71</b>	<b>149.63</b>

**Notes:**

- The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for receivables at an amount equal to lifetime ECLs. The ECLs on receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired receivables. The Group considers a receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a receivable is credit impaired, it is written off against receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. Further, the Group has recognised ECL on credit impaired assets only.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade and other receivables are non-interest bearing and the same is relied upon by the Auditor.

**Trade Receivable ageing schedule as at 31st March, 2022**

Particulars		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivable-Consided good	299.82	0.76	41.94	2.95	10.23	355.69
(i)	Undisputed Trade receivable-Consided doubtful						
(iii)	Disputed Trade receivable-Consided good						
(iii)	Disputed Trade receivable-Consided doubtful						

**Trade Receivable ageing schedule as at 31st March, 2021**

Particulars		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivable-Consided good	102.83	9.33	39.31	19.06	5.24	175.77
(i)	Undisputed Trade receivable-Consided doubtful						
(iii)	Disputed Trade receivable-Consided good						
(iii)	Disputed Trade receivable-Consided doubtful						

6 LOANS	31 March 2022	31 March 2021
<b>(A) Measured at amortised cost / fair value through profit or loss</b>		
<b>At amortised cost</b>		
Loans repayable on demand (Refer notes below)	2,219.73	1,972.75
<b>At fair value through profit or loss</b>		
Loan to employees - considered good	3.34	2.62
Less : Impairment loss allowance	-	-
	<b>2,223.07</b>	<b>1,975.37</b>
	<b>2,223.07</b>	<b>1,975.37</b>
<b>(B) Secured / Unsecured</b>		
(i) Secured by shares	419.33	342.36
(ii) Unsecured	1,803.74	1,633.02
	<b>2,223.07</b>	<b>1,975.37</b>
Less : Impairment loss allowance	-	-
	<b>2,223.07</b>	<b>1,975.37</b>
<b>(C) Of the above</b>		
(i) Loans in India		
- Public sector	-	-
- Others	2,223.07	1,975.37
	<b>2,223.07</b>	<b>1,975.37</b>
Less : Impairment loss allowance	-	-
	<b>2,223.07</b>	<b>1,975.37</b>
(ii) Loans outside India	-	-
	<b>2,223.07</b>	<b>1,975.37</b>
<b>(D) Stage wise breakup of loans</b>		
(i) Low credit risk (Stage 1)	2,223.07	1,975.37
(ii) Significant increase in credit risk (Stage 2)	-	-
(iii) Credit impaired (Stage 3)	-	-
	<b>2,223.07</b>	<b>1,975.37</b>
Less : Impairment loss allowance	-	-
	<b>2,223.07</b>	<b>1,975.37</b>

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

### Notes:

- The Holding Company - Keynote Financial Services Limited, had given a secured loan to Bela Properties Private Limited amounting to INR 50,00,000 at the rate of 12% p.a, repayable on demand. Further, the said loan is secured against 2,51,022 equity shares of Credo Brands Marketing Private Limited and a demand promissory note.
- The Holding Company - Keynote Financial Services Limited, had given an unsecured loan to Siddha Real Estate Development Private Limited amounting to INR 1,00,00,000 at the rate of 12% p.a, repayable on demand.
- The Subsidiary Company - Keynote Fincorp Limited had given secured loans to other parties carrying interest rate between 12% to 18% p.a. The said loans were repayable on demand. The said loans were secured against shares of a listed company.
- The Subsidiary Company - Keynote Fincorp Limited, had given a secured loan to Sohanlal Agrawal amounting to INR 3,69,32,535 at the rate of 9% p.a, repayable on demand. Further, the said loan is secured against 12,00,000 equity shares of Websol Energy Systems Ltd.
- The Subsidiary Companies - Keynote Capital Limited, Keynote Fincorp Limited and Keynote Commodities Limited had given unsecured loans and advances to various parties at the rate of interest ranging between 6% to 18% p.a, repayable on demand. Additionally, the said subsidiaries have also lent interest free loans and advances to various parties, repayable on demand.
- The Group considers the secured / unsecured loans given to other parties as fully recoverable i.e. at Stage 1 category (low credit risk) at the various reporting periods. Accordingly, in line with the Group's accounting policy no impairment provision was created at the end of the aforesaid mentioned reporting periods.

### 7 INVESTMENTS

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
<b>(A) Investments measured at amortised cost</b>							
<b>Investments in debt securities</b>							
1	Series II 8% Partly convertible debentures - Netambit Valuefirst Services Private Limited	7,500	7,500	Unquoted	1,000	75.00	75.00
2	SRH Life Styles Private Limited	2,097	2,097	Unquoted	10	47.37	47.37
<b>Total (A)</b>						<b>122.37</b>	<b>122.37</b>
<b>(B) Investments measured at fair value through profit or loss</b>							
<b>(i) Investments in mutual funds / exchange traded funds</b>							
1	HDFC Ultra Short Term Fund-Direct Plan-Weekly Dividend	7,601	69,425	Quoted	10	0.76	6.98
2	Quant Quantamental Fund-Collection A/c	909,641	-	Quoted	100	109.86	-
3	ICICI Prudential Nifty Index Fund-Growth	115,466	-	Quoted	100	197.31	-
4	ICICI Prudential Liquid Fund-Growth	17,951	-	Quoted	100	56.21	-
5	Nippon India Balanced Advantage Fund	204,741	-	Quoted	10	246.85	-
6	Kotak Savings Fund - Growth (Regular Plan)	8,492	-	Quoted	1,000	363.37	-
7	Kotak Saving Fund	716,502	-	Quoted	1,000	249.99	-
8	Parag Parikh Flexi Cap Fund - Regular Plan - Growth	394,631	394,631	Quoted	10	195.25	149.97
9	Mahindra Manulife MF Collection Pool A/c	2,923	-	Quoted	1,000	40.18	-
10	HDFC Liquid Fund Growth	-	122	Quoted	100	-	4.94
11	ICICI Prudential Ultra Short Term Fund - Growth	476,975	476,975	Quoted	100	-	102.87
12	Kotak Savings Fund - Growth (Regular Plan)	60,939	60,939	Quoted	10	-	20.56
13	Kotak Mahindra Mutual Fund	23,285	23,285	Quoted	10	-	960.75
14	Axis Nifty100 Index Fund	991,565	-	Quoted	10	147.76	-
15	Regular Growth Plan	3,200	-	Quoted	1,000	75.19	-
16	Nippon India Bal. Fund	127,956	-	Quoted	100	149.22	-
17	Share Appl. money in Lament Projects Limited	-	-	Quoted	-	190.00	-
18	ICICI Prudential Money Market Fund	1,078	1,078	Quoted	100	1.16	1.16
19	Abbacus Growth Fund	19,998	-	Unquoted	1,000	213.81	-
20	Kotak Liquid Fund- Regular Growth	-	16,118	Quoted	1,000	-	667.42
21	Nippon India Liquid Fund-Growth Plan-Growth Option (LFIGG)	5,729	-	Quoted	1	295.85	-
<b>Total (B - i)</b>						<b>2,532.77</b>	<b>1,914.64</b>
<b>(ii) Rights in financial assets (refer note 4 below)</b>				Unquoted		113.70	113.70
<b>Total (B - ii)</b>						<b>113.70</b>	<b>113.70</b>
<b>(iii) Investments in debt securities</b>							
1	Non convertible debentures - JM Financial Products Limited Tranche III	20,000	20,000	Quoted	1,000	-	233.40
2	J M Fin ASST RECON CO LTD-TR XXXV BR NCD 11JULY24	-	-	Quoted	1,000	90.00	-
<b>Total (B - iii)</b>						<b>90.00</b>	<b>233.40</b>

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
<b>(iv) Investments in equity instruments</b>							
1	Godrej Properties Limited	2,000	2,000	Quoted	5	33.44	28.17
2	HDFC Bank Limited	2,652	2,021	Quoted	1	38.98	30.18
3	Kotak Mahindra Bank Limited	-	276	Quoted	5	-	4.84
4	Info Edge (India) Limited	20	125	Quoted	10	0.90	5.35
5	Shree Cement Limited	-	23	Quoted	10	-	6.78
6	Page Industries Limited	1	15	Quoted	10	0.43	4.55
7	Pidilite Industries Limited	-	174	Quoted	1	-	3.15
8	P I Industries Limited	-	258	Quoted	1	-	5.82
9	Havells India Limited	-	476	Quoted	1	-	5.00
10	Britannia Industries Limited	-	101	Quoted	2	-	3.66
11	Bajaj Finance Limited	214	347	Quoted	2	15.53	17.87
12	Bajaj Finserv Limited	13	73	Quoted	5	2.22	7.06
13	City Union Bank Limited	-	11,400	Quoted	1	-	16.89
14	Steelcast Limited	6,000	6,000	Quoted	5	20.99	8.39
15	Asian Paints Limited	135	163	Quoted	1	4.16	4.13
16	Astral Ltd	2,209	3,127	Quoted	1	44.69	50.55
17	Cholamandalam Investment and Finance Company Ltd	567	2,866	Quoted	2	4.07	16.02
18	Bella Casa Fashion & Retail Limited	-	4,757	Quoted	10	0.00	6.23
19	CESC Ltd	2,220	222	Quoted	10	1.68	1.32
20	Reliance Industries Limited	865	710	Quoted	10	22.78	14.22
21	Divi's Laboratories Limited	-	177	Quoted	2	-	6.43
22	Larsen & Toubro Ltd	66	181	Quoted	2	1.17	2.57
23	Thermax Ltd	650	800	Quoted	2	12.63	10.77
24	Vinati Organics Ltd	-	80	Quoted	1	-	1.12
25	Stanrose Mafatlal Investments and Finance Limited	-	12,690	Quoted	10	-	9.78
26	ICICI Bank Ltd	3,251	1,658	Quoted	2	23.74	9.64
27	ICICI Securities Limited	-	271	Quoted	5	-	1.03
28	PSP Projects Ltd	-	1,850	Quoted	10	-	8.57
29	State Bank of India	3,204	742	Quoted	1	15.81	2.70
30	Jubilant Foodworks Ltd	-	255	Quoted	10	-	7.43
31	Dabur India Ltd	2,000	720	Quoted	1	10.73	3.89
32	Coffee Day Enterprises Ltd	-	3,498	Quoted	10	-	0.91
33	Care Ratings Ltd	-	186	Quoted	10	-	0.76
34	Fortis Healthcare Ltd	2,357	2,619	Quoted	10	6.84	5.21
35	Kalpataru Power Transmission Ltd	-	600	Quoted	2	-	2.26
36	Maruti Suzuki India Ltd	29	9	Quoted	5	2.19	0.62
37	Polycab India Ltd	-	365	Quoted	10	-	5.04
38	Tata Motors Ltd -New NPP FV 2 CLASS	3,199	1,900	Quoted	2	13.87	5.74
39	Thomas Cook (India) Ltd	-	2,159	Quoted	1	-	1.06
40	Titan Company Ltd	160	246	Quoted	1	4.06	3.83
41	Varun Beverages Ltd	-	83	Quoted	10	-	0.83
42	Zee Entertainment Enterprises Ltd	2,924	-	Quoted	1	8.43	-
43	India Bulls Real Estates Ltd	6,800	7,866	Quoted	2	6.89	6.39
44	IndiaMART InterMESH Ltd	-	129	Quoted	10	-	9.97
45	Housing Development Finance Corporation Ltd	135	100	Quoted	2	3.22	2.50
46	Grasim Industries Limited	-	125	Quoted	2	-	1.82
47	United Spirits Ltd	197	320	Quoted	2	1.75	1.78
48	Poly Medicare Ltd	56	768	Quoted	5	0.53	6.28
49	J B Chemicals & Pharmaceuticals Ltd	182	182	Quoted	2	2.87	2.28
50	Infosys Limited	1,830	1,302	Quoted	5	34.90	17.81

## ANNUAL REPORT 2021-22

### Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
51	DFM Foods Ltd	2,182	970	Quoted	2	6.45	3.55
52	Bharti Airtel Ltd	3,614	619	Quoted	5	27.18	3.20
53	Tech Mahindra Ltd	-	107	Quoted	5	-	1.06
54	Raymond Ltd	-	1,148	Quoted	10	-	4.15
55	Piramal Enterprises Ltd	101	271	Quoted	2	2.21	4.75
56	ITC Ltd	1,174	699	Quoted	1	2.94	1.53
57	Hindustan Unilever Ltd	95	77	Quoted	1	1.95	1.87
58	Forbes and Company Ltd	-	440	Quoted	10	-	7.59
59	Engineers India Ltd	1,107	2,714	Quoted	5	0.71	2.09
60	Delta Corp Ltd	-	334	Quoted	1	-	0.54
61	A U Small Finance Bank Ltd	-	523	Quoted	10	-	6.41
62	Aditya Birla Capital Ltd	2,200	2,200	Quoted	10	2.37	2.63
63	Volta Ltd	975	975	Quoted	1	12.13	9.77
64	Torrent Pharmaceuticals Ltd	-	163	Quoted	5	-	4.14
65	Ultratech Cement Ltd	34	149	Quoted	10	2.24	10.04
66	Vidhi Speciality Food Ingredients Ltd	6,000	4,200	Quoted	1	25.07	8.94
67	Tata Consultancy Services Ltd	-	138	Quoted	1	-	4.39
68	IDFC Ltd	10,409	8,370	Quoted	10	6.41	3.96
69	Hatsun Agro Product Ltd	-	706	Quoted	1	-	5.12
70	Eicher Motors Ltd	-	143	Quoted	1	-	3.72
71	Central Depository Services India Ltd	-	1,344	Quoted	10	-	8.82
72	Bharat Petroleum Corporation Ltd	140	323	Quoted	10	0.50	1.38
73	Healthcare Global Enterprises Ltd	2,223	2,723	Quoted	10	6.00	5.20
74	Tv18 Broadcast Ltd	7,500	11,396	Quoted	2	5.56	3.28
75	Tata Elxsi Limited	67	283	Quoted	10	5.92	7.62
76	Oracle Financial Services Software Ltd	-	36	Quoted	5	-	1.15
77	Dixon Technologies (India) Ltd	34	103	Quoted	2	1.47	3.78
78	CCL Products (India) Ltd	-	311	Quoted	2	-	0.73
79	Angel Broking Ltd	506	1,533	Quoted	10	7.77	4.46
80	VIP Industries Ltd	-	380	Quoted	2	-	1.35
81	Tata Steel Limited	428	1,480	Quoted	10	5.59	12.02
82	Tanla Platforms Ltd	296	197	Quoted	1	4.52	1.61
83	Tata Communications Ltd	212	129	Quoted	10	2.60	1.37
84	Sasken Technologies Ltd	357	491	Quoted	10	3.27	4.29
85	Prism Johnson Ltd	731	1,380	Quoted	10	0.84	1.81
86	Orient Refractories Ltd (RHI Magnesia India Ltd)	1,273	1,697	Quoted	1	7.80	3.85
87	Nirlon Ltd	793	793	Quoted	10	3.25	2.17
88	Multi Commodity Exchange of India Limited	-	81	Quoted	10	-	1.23
89	Indostar Capital Finance Ltd	2,908	1,256	Quoted	10	6.15	3.92
90	Hindalco Industries Ltd	2,039	1,742	Quoted	1	11.61	5.69
91	Greenpanel Industries Ltd	-	2,042	Quoted	1	-	3.27
92	Den Networks Ltd	5,964	4,356	Quoted	10	2.20	2.15
93	Cera Sanitaryware Ltd	-	146	Quoted	5	-	5.70
94	Burger King India Ltd	-	645	Quoted	10	-	0.83
95	Blue Dart Express Ltd	114	119	Quoted	10	7.80	6.63
96	Apl Apollo Tubes Limited	-	192	Quoted	2	-	2.69
97	Fermenta Biotech Ltd (DIL Limited)	-	724	Quoted	5	-	1.81
98	Cipla Ltd	245	637	Quoted	2	2.50	5.19
99	Cadila Healthcare Ltd	666	329	Quoted	1	2.32	1.45
100	Ajanta Pharma Ltd	28	348	Quoted	2	0.51	6.24
101	Aarti Industries Ltd	-	392	Quoted	5	-	5.16

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
102	Antony Waste Handling Cell Ltd.	1,900	1,107	Quoted	10	4.94	2.67
103	ABB Power & System Ltd.	566	566	Quoted	10	19.95	8.02
104	Bharat Wires Ltd.	9	43,200	Quoted	10	0.01	14.99
105	Coral Labs Ltd	3,000	3,000	Quoted	10	7.66	9.67
106	Cipla Ltd	-	67	Quoted	2	-	0.55
107	Gland Pharma Ltd	178	93	Quoted	10	5.83	2.30
108	G S P L	2,853	2,853	Quoted	10	7.41	7.85
109	HCL Technologies Ltd	737	737	Quoted	2	8.57	7.25
110	HINDALCO	1,217	1,816	Quoted	1	6.93	5.94
111	ITC Ltd	1,535	955	Quoted	1	3.85	2.09
112	Kisan Moulding Ltd.	15,000	15,000	Quoted	10	1.68	2.51
113	L & T Ltd	100	100	Quoted	2	1.77	1.42
114	L & T Infotech Ltd	52	75	Quoted	10	3.20	3.04
115	Man Industries Ltd	-	139,000	Quoted	10	-	110.78
116	Network 18 Ltd	100,000	100,000	Quoted	5	85.10	36.50
117	NMDC Limited	-	100	Quoted	10	-	0.14
118	Redington India Ltd	8,726	4,363	Quoted	10	12.65	8.28
119	Reliance Ltd	-	400	Quoted	10	-	8.01
120	Sadhana Nitro Ltd	-	120,000	Quoted	1	-	30.78
121	STI India LTD	246,275	246,275	Quoted	1	12.22	1.85
122	State Bank of India	727	727	Quoted	1	3.59	2.65
123	Tanla Platforms Ltd	700	700	Quoted	1	10.69	5.66
124	TCS Ltd	255	180	Quoted	10	9.53	4.92
125	TD Power Sys Ltd.	-	10,498	Quoted	10	-	15.53
126	TFCIL	-	50,000	Quoted	10	-	30.73
127	Thomas Cook India Ltd	-	140,000	Quoted	10	-	69.16
128	All Cargo Ltd	-	21,000	Quoted	10	-	25.86
129	Mazgaon Docks Ltd	-	3,000	Quoted	10	-	6.35
130	HCL Technologies Ltd.	-	200	Quoted	10	-	1.97
131	TVS Motors Ltd	-	400	Quoted	10	-	2.34
132	NTPC Ltd	200	400	Quoted	10	0.27	0.43
133	Navin Fluorine Ltd	10	10	Quoted	2	0.41	0.28
134	Kisan Mouldings Ltd	-	27,000	Quoted	10	-	4.51
135	Catholic Syrian Bank	-	25,000	Quoted	10	-	58.26
136	Ashapura Minechem Ltd	10,000	10,000	Quoted	2	12.72	10.42
137	Aegis Logistics Ltd	942	1,777	Quoted	1	1.94	5.37
138	AIA Engineering Ltd	309	309	Quoted	2	5.03	6.30
139	Alkem Laboratory Ltd	52	124	Quoted	2	2.00	3.44
140	Aptech Ltd	50,000	3,320	Quoted	10	172.33	6.11
141	Aurinpro Solutions Ltd	10,000	-	Quoted	10	33.00	-
142	Auribindo Pharma Ltd	1,358	1,203	Quoted	1	9.08	10.61
143	Bayer Crop Science Ltd	33	45	Quoted	10	1.63	2.37
144	Bharat Forge Ltd	364	364	Quoted	2	2.55	2.17
145	Birla Corporation Ltd	156	364	Quoted	10	1.85	3.46
146	Blue Star Ltd	-	177	Quoted	2	-	1.66
147	Bosch Ltd	20	20	Quoted	10	2.88	2.81
148	BSE Ltd	5,000	-	Quoted	2	47.20	-
149	Canfin Homes Ltd	-	349	Quoted	2	-	2.14
150	Chambal Fertilisers Ltd	3,810	3,810	Quoted	10	16.08	8.75
151	Clean Science & Tech. Ltd	150	-	Quoted	1	2.99	-
152	Cochin Shipyard Ltd	12,489	12,489	Quoted	10	36.75	46.63



## ANNUAL REPORT 2021-22

### Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

Sr. Particulars No.	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
	31 March 2022	31 March 2021			31 March 2022	31 March 2021
153 Colgate Palmolive Ltd	-	170	Quoted	1	-	2.65
154 Container Corpn. Ltd	442	442	Quoted	2	2.97	2.64
155 Coromandel International Ltd.	902	902	Quoted	1	7.22	6.98
156 Cummins India Ltd	252	285	Quoted	2	2.83	2.62
157 Edelweiss Financial Services Ltd	100,000	-	Quoted	10	58.70	-
158 Dhanuka Agri Tech Ltd	-	105	Quoted	2	-	0.72
159 Eicher Motors Ltd	190	190	Quoted	10	4.65	4.95
160 Emami Ltd	619	683	Quoted	1	2.77	3.30
161 Engineers India Ltd	-	517	Quoted	5	-	0.40
162 Gabriel Inida Ltd	-	1,150	Quoted	1	-	1.19
163 Globus Spirit Ltd	1,257	-	Quoted	10	19.23	-
164 Godrej Industries Ltd	601	601	Quoted	1	2.78	3.26
165 Greaves Cotton Ltd	-	2,518	Quoted	2	-	3.22
166 Hindustan Petroleum Ltd	880	880	Quoted	10	2.37	2.06
167 Hudco Ltd	228,334	228,334	Quoted	10	74.67	99.33
168 India Bulls Housing Finance Ltd	120,200	20,400	Quoted	2	189.68	40.09
169 ICICI Bank Ltd	1,567	1,049	Quoted	2	11.44	6.10
170 ICICI Securities Limited	-	349	Quoted	10	-	1.33
171 Indiamart Intermesh Ltd	135	111	Quoted	10	5.84	8.62
172 Indian Energy Exchange Ltd	8,459	4,220	Quoted	10	18.99	14.05
173 IDFC Ltd	10	10	Quoted	10	0.01	0.00
174 IDFC Bank Ltd	10	10	Quoted	10	0.00	0.01
175 Ipca Laboratories Ltd	448	224	Quoted	2	4.81	4.26
176 ITD Cementation Ltd	-	600	Quoted	1	-	0.47
177 Vedant Fashions Ltd	178	-	Quoted	10	1.72	-
178 J M Financial Services Ltd	315,000	-	Quoted	1	212.63	-
179 JSW Energy Ltd	-	4,053	Quoted	10	-	3.56
180 KSB Pumps Ltd	-	476	Quoted	2	-	4.26
181 Kajaria Ceramics Ltd	-	356	Quoted	1	-	3.29
182 Kaveri Seeds Ltd	1,401	1,401	Quoted	2	7.66	7.19
183 KEI Industries Ltd	1,175	1,175	Quoted	2	14.86	6.18
184 Kotak Mahindra Bank Ltd	571	633	Quoted	5	10.02	11.10
185 L & T Technologies Ltd	241	243	Quoted	10	12.30	6.45
186 LKP Securities Ltd	441,000	442,750	Quoted	2	60.51	29.89
187 Mahanagar Gas Ltd	-	154	Quoted	10	-	1.80
188 Max Financial Services Ltd	768	913	Quoted	2	5.79	7.84
189 Ugro Cap. Ltd	75,000	-	Quoted	2	127.09	-
190 Mitcon Consultancy Ltd	-	102,000	Quoted	10	-	41.82
191 O K Play Ltd	35,189	71,189	Quoted	10	13.34	17.62
192 Page Industries Ltd	17	17	Quoted	10	7.35	5.13
193 Perfect Infraengineers Ltd	-	66,000	Quoted	10	-	6.86
194 Shobha Developers Ltd	926	-	Quoted	10	6.57	-
195 Tata Steel Ltd	719	-	Quoted	10	9.40	-
196 Qess Corp. Ltd	-	152	Quoted	10	-	1.04
197 Radico Khaitan Ltd	1,054	1,282	Quoted	2	9.35	7.11
198 Ramkrishna Forging Ltd	4,065	813	Quoted	10	6.40	4.26
199 S H Kelkar Ltd	-	5,215	Quoted	10	-	5.80
200 SRF Ltd	-	67	Quoted	10	-	3.62
201 Sarveshwar Foods Ltd	60,800	296,000	Quoted	10	26.08	65.86
202 Shree Ram Trans. Finance Ltd	601	-	Quoted	10	6.81	-
203 Suprajit Engery Ltd	-	224	Quoted	10	-	0.62

## KEYNOTE FINANCIAL SERVICES LIMITED

### Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
204	Syngene International Ltd	1,654	1,263	Quoted	10	9.87	6.87
205	Shree Pushkar Chemicals Ltd	-	4,650	Quoted	10	-	6.32
206	Steel City Securities Ltd.	-	158,000	Quoted	10	-	55.54
207	TTK Prestige Ltd	-	13	Quoted	10	-	0.95
208	Tech Mahindra Ltd	363	363	Quoted	1	5.44	3.60
209	UPL Ltd	-	1,747	Quoted	2	-	11.22
210	Va Tech Wabag Ltd	-	1,780	Quoted	2	-	4.47
211	VIP Industries Ltd	-	433	Quoted	2	-	1.53
212	V Mart Ltd	-	9	Quoted	10	-	0.25
213	Voltas Ltd	652	1,372	Quoted	1	8.13	13.75
214	Edelweiss Financial Services Ltd-	8,860	-	Quoted	10	5.20	-
215	EPL Limited	2,210	-	Quoted	10	4.28	-
216	Nucleus Software Exports Ltd	723	-	Quoted	10	3.00	-
217	PVR Ltd	600	-	Quoted	10	11.53	-
218	Thyrocare Technologies Ltd	222	-	Quoted	10	1.72	-
219	REDINGTON INDIA LTD	2,656	-	Quoted	10	3.85	-
220	NATCO PHARMA LTD	551	-	Quoted	10	4.17	-
221	INTELECT DESIGN ARENA LTD	916	-	Quoted	10	8.68	-
222	INDIA PESTICIDES LTD.	562	-	Quoted	10	1.51	-
223	HINDUJA GLOBAL SOLUTIONS LTD	250	-	Quoted	10	2.56	-
224	Axis Bank Ltd	3,212	-	Quoted	10	24.43	-
225	ARVIND FASHIONS LTD	1,156	-	Quoted	10	3.28	-
226	DHAR TEXTILE MILLS LTD	400	-	Quoted	10	0.04	-
227	INDU NISSAN OXO CHEM	76	-	Quoted	10	0.01	-
228	TPI India Ltd-	400	-	Quoted	10	0.01	-
229	3M India Ltd	4	-	Quoted	10	0.79	-
230	Abbott India Ltd	6	-	Quoted	10	1.06	-
231	BEML Ltd	32	-	Quoted	10	0.58	-
232	Brigade Enterprises Ltd	1,565	-	Quoted	10	8.10	-
233	Cartrade Tech Ltd	29	-	Quoted	10	0.17	-
234	Coforge Ltd	36	-	Quoted	10	1.60	-
235	Computer Age Management Services Ltd	44	-	Quoted	10	1.02	-
236	Crompton Greaves Consumer Electrical Ltd	233	-	Quoted	10	0.87	-
237	Dodla Dairy Ltd	214	-	Quoted	10	0.96	-
238	Dr Lal Pathlabs Ltd	20	-	Quoted	10	0.52	-
239	Equitas Holdings Ltd	1,770	-	Quoted	10	1.89	-
240	Fine Organic Industries Ltd	37	-	Quoted	10	1.49	-
241	Garware Technical Fibres Ltd	42	-	Quoted	10	1.19	-
242	HDFC Life Insurance Company Ltd	71	-	Quoted	10	0.38	-
243	ICICI Lombard General Insu Company Lte	206	-	Quoted	10	2.74	-
244	Indigo Paints Ltd	98	-	Quoted	10	1.57	-
245	Jash Engineering Ltd	1,500	-	Quoted	10	7.66	-
246	KNR Constructions Ltd	167	-	Quoted	10	0.47	-
247	Kotak Mahindra Bank Ltd	39	-	Quoted	10	0.68	-
248	Lnt Technology Services Ltd	19	-	Quoted	10	0.97	-
249	Metropolis Healthcare Ltd	35	-	Quoted	10	0.71	-
250	Mphasis Ltd	74	-	Quoted	10	2.50	-
251	Music Broadcast Ltd	9,238	-	Quoted	10	2.38	-
252	Navin Fluorine International Ltd	39	-	Quoted	10	1.59	-
253	Nestle India Ltd	25	-	Quoted	10	4.34	-
254	Newgen Software Technologies Ltd	143	-	Quoted	10	0.67	-

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

Sr. No.	Particulars	No. of Shares / units		Quoted / Unquoted	Face Value	Amount as at	
		31 March 2022	31 March 2021			31 March 2022	31 March 2021
255	Nykaa	45	-	Quoted	10	0.76	-
256	Orient Electric Ltd	222	-	Quoted	10	0.71	-
257	Persistent Systems Ltd	61	-	Quoted	10	2.91	-
258	Phoenix Mills Ltd	51	-	Quoted	10	0.56	-
259	Saregama India Ltd	31	-	Quoted	10	1.50	-
260	SBI Card and Payment Services Ltd	205	-	Quoted	10	1.75	-
261	Sequent Scientific Ltd-	627	-	Quoted	10	0.84	-
262	Suven Pharmaceuticals Ltd	140	-	Quoted	10	0.87	-
263	Vedant Fashions Ltd	73	-	Quoted	10	0.70	-
264	Trent Ltd	1,648	-	Quoted	10	21.04	-
265	Religare Enterprises Ltd	2,277	-	Quoted	10	2.96	-
266	K.P.R Mill Ltd	1,515	-	Quoted	10	9.44	-
267	Hitachi Energy India Ltd	219	-	Quoted	10	7.71	-
268	Gujarat Fluorochemicals Ltd	241	-	Quoted	10	6.62	-
269	Godrej Industries Ltd	978	-	Quoted	10	4.53	-
270	EUREKA FORBES LTD	2,700	-	Quoted	10	10.57	-
271	EICHER Motors Ltd	20	-	Quoted	10	0.49	-
272	Balrampur Chini Mills Ltd	1,716	-	Quoted	10	8.41	-
273	Sona BLW Precision Forgings Ltd	110,000	-	Quoted	10	747.07	-
274	Scana point Geomatics Limited	400	400	Quoted	2	0.06	0.06
275	Mitcon Consultancy & Engineering Services Limited	-	40,000	Quoted	10	-	16.40
276	Pick Right Ltd	1,891	-	Unquoted	10	12.08	-
277	Asht Capital Ltd	10,000	-	Unquoted	10	15.00	-
278	Dugar Finance India Limited	700	700	Unquoted	10	0.03	0.03
279	Dugar Housing Limited	800	800	Unquoted	10	0.10	0.10
280	Stella Exports Limited	10,000	10,000	Unquoted	10	0.30	0.30
						<b>3,020.06</b>	<b>1,761.92</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
	<b>Total (B - iv)</b>					<b>3,019.57</b>	<b>1,761.49</b>
<b>(v)</b>	<b>Investments in alternate investment funds</b>						
1	IIFL Special Opportunities Fund - Series 5	1,029,531	1,029,531	Unquoted	10	90.43	95.21
2	Kae Capital Fund III	33	-	Unquoted	100,000	31.14	-
3	Carpediem Capital Partners Fund II	1,000	1	Unquoted	10,000	17.00	-
4	Carpediem Capital Partners Fund - I	1,000	1,000	Unquoted	10,000	215.76	187.78
	<b>Total (B - v)</b>					<b>354.33</b>	<b>282.99</b>
	- interest accrued in debt securities					6.13	-
	<b>Total (B = i+ii+iii+iv+v)</b>					<b>6,116.50</b>	<b>4,306.22</b>
	<b>Grand total (A+B)</b>					<b>6,238.87</b>	<b>4,428.59</b>
<b>Notes:</b>							
<b>1</b>	<b>Of the above</b>						
	Investment in India					6,239.36	4,429.02
	Investment outside India					-	-
						<b>6,239.36</b>	<b>4,429.02</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
						<b>6,238.87</b>	<b>4,428.59</b>
<b>2</b>	<b>Aggregate value of quoted/unquoted investments</b>						
	Aggregate fair value of quoted investments					5,401.52	3,909.53
	Aggregate value of unquoted investments					831.71	519.48
						<b>6,233.23</b>	<b>4,429.02</b>
	Less: Impairment loss allowance					(0.49)	(0.42)
	Add: Interest accrued in debt securities					6.13	-
						<b>6,238.87</b>	<b>4,428.59</b>

Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

8 OTHER FINANCIAL ASSETS (Unsecured, considered good)	31 March 2022	31 March 2021
<b>At amortised cost</b>		
Interest accrued on		
- Loans	-	34.00
- Investment in debt securities	-	20.45
Security deposits		
- Deposits with exchanges	(1.00)	108.50
- Deposits for rental premises	100.00	100.50
- Deposits with corporates and other parties	1,025.87	4.48
- Deposits with statutory authorities	0.58	0.29
Unbilled revenue	87.07	-
<b>At fair value through profit or loss</b>		
Security deposits for rental premises	0.73	0.92
	<b>1,213.25</b>	<b>269.14</b>

Notes:

1. Impairment loss allowance recognised on other financial assets is NIL (P.Y NIL).

9 INVENTORIES	31 March 2022	31 March 2021
<b>At fair value through profit or loss</b>		
<b>Equity instruments - Quoted</b>		
46,905 equity shares (31 March 2021: 46,905 equity shares) of HUDCO Limited of face value of INR 10 each	15.34	20.59
	<b>15.34</b>	<b>20.59</b>
<b>Aggregate value of quoted inventories</b>	15.34	20.59

10 CURRENT TAX ASSETS (NET)	31 March 2022	31 March 2021
Advance tax and tax deducted at source (Net of provision for tax: INR NIL. (31 March 2021: INR 1,30,27,442)	-	9.07
	<b>-</b>	<b>9.07</b>

11 INVESTMENT PROPERTY	31 March 2022	31 March 2021
<b>Property (flat)</b>		
<b>Gross carrying amount</b>		
Balance at the beginning of the year	3.94	3.94
Additions during the year	-	-
Disposals during the year	-	-
<b>Balance at the end of the year</b>	<b>3.94</b>	<b>3.94</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	0.34	0.23
Depreciation during the year	0.11	0.11
Disposals / adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>0.45</b>	<b>0.34</b>
<b>Net carrying amount</b>	<b>3.49</b>	<b>3.60</b>

Notes:

1. **Income earned and expense incurred in connection with investment property**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income derived from investment property	5.45	8.62
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	(0.28)	(0.28)
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income	-	-
Income arising from investment property before depreciation	<b>5.17</b>	<b>8.34</b>
Depreciation	(0.11)	(0.11)
Income arising from investment property (net)	<b>5.06</b>	<b>8.23</b>

2. **Contractual obligations**

There are no contractual obligations (31 March 2021 : NIL) to purchase, construct or develop investment property.

3. **Leasing arrangements**

The Holding Company - Keynote Financial Services Limited has given a commercial property on non-cancellable operating lease. The corresponding lease agreement provides for an option to renew the lease period at the end of non-cancellable period to lessor. The initial tenure of the lease is 60 months. There are no exceptional / restrictive covenants in the lease agreement.

4. Fair value	31 March 2022	31 March 2021
Investment property	141.83	141.83

**Estimation of fair value**

The fair valuation of the investment property was based upon management's best estimates instead of independent valuation. The best evidence of fair value is current prices in an active market for similar properties taking into consideration various factors such as location, facilities & amenities, quality of construction, residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation, ready reckoner published by government, etc. The fair value measurement is categorised in level 2 fair value hierarchy. Further, the fair valuation of the investment property was not determined by an independent valuer as required under Ind AS 40 and were completely based upon management's best estimates.

5. **Reconciliation of fair value**

Particulars	Property (flat)
<b>Balance as at 1 April 2020</b>	<b>141.83</b>
Fair value differences	-
<b>Balance as at 31 March 2021</b>	<b>141.83</b>
Fair value differences	-
<b>Balance as at 31 March 2022</b>	<b>141.83</b>

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 12 PROPERTY, PLANT & EQUIPMENT

Tangible assets	Premises	Vehicles	Furniture and Fittings	Air Conditioners	Office Equipments	Computers and Peripherals	Electrical fittings	Total
<b>Gross block</b>								
Balance as at 1 April 2020	1,606.09	146.29	74.82	5.76	2.11	14.76	6.42	1,856.25
Additions during the year	-	-	-	-	0.36	5.40	-	5.76
Disposals / adjustments during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,606.09</b>	<b>146.29</b>	<b>74.82</b>	<b>5.76</b>	<b>2.47</b>	<b>20.16</b>	<b>6.42</b>	<b>1,862.01</b>
Balance as at 1 April 2021	1,606.09	146.29	74.82	5.76	2.47	20.16	6.42	1,862.01
Additions during the year	-	-	-	-	3.93	6.48	-	10.41
Disposals / adjustments during the year	-	(12.97)	-	-	-	-	-	(12.97)
<b>Balance as at 31 March 2022</b>	<b>1,606.09</b>	<b>133.32</b>	<b>74.82</b>	<b>5.76</b>	<b>6.40</b>	<b>26.64</b>	<b>6.42</b>	<b>1,859.45</b>
<b>Depreciation / Amortisation</b>								
Balance as at 1 April 2020	56.19	36.14	31.02	2.36	0.24	3.37	2.86	132.18
Depreciation for the year	28.06	22.60	15.24	1.17	0.14	2.16	1.42	70.79
Disposals / adjustments for the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>84.25</b>	<b>58.74</b>	<b>46.27</b>	<b>3.52</b>	<b>0.38</b>	<b>5.53</b>	<b>4.28</b>	<b>202.97</b>
Balance as at 1 April 2021	84.25	58.74	46.27	3.52	0.38	5.53	4.28	202.97
Depreciation for the year	28.07	18.24	15.18	1.17	0.37	2.81	1.41	67.26
Disposals / adjustments during the year	-	(10.23)	-	-	-	(1.18)	-	(11.41)
<b>Balance as at 31 March 2022</b>	<b>112.32</b>	<b>66.75</b>	<b>61.45</b>	<b>4.69</b>	<b>0.75</b>	<b>7.16</b>	<b>5.69</b>	<b>258.82</b>
<b>Net block</b>								
As at 31 March 2021	1,521.84	87.55	28.55	2.24	2.09	14.63	2.14	1,659.04
As at 31 March 2022	1,493.77	66.57	13.37	1.07	5.65	19.48	0.73	1,600.63

### 13 RIGHT OF USE ASSETS

	31 March 2022	31 March 2021
Right of use assets on premises (Refer note below)(Refer note 52)	6.38	1.41
	<b>6.38</b>	<b>1.41</b>

**Note:** Amortisation charged during the year INR 1,96,910 (31 March 2021: INR 1,88,548).

### 14 OTHER NON-FINANCIAL ASSETS

	31 March 2022	31 March 2021
(Unsecured, considered good)		
Balances with government / statutory authorities	38.98	5.67
Prepaid expenses	19.54	23.62
Deferred lease rentals receivable	-	0.72
Advances to service providers	43.28	5.60
	<b>101.80</b>	<b>35.61</b>

**Note:** Impairment loss allowance recognised on other non-financial assets - NIL (31 March 2021 : NIL)

### 15 PAYABLES

	31 March 2022	31 March 2021
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises (Refer note 43)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	315.12	457.22
<b>Other payables</b>		
- total outstanding dues of micro enterprises and small enterprises (Refer note 43)	-	0.55
- total outstanding dues of creditors other than micro enterprises and small enterprises	25.22	14.11
	<b>340.34</b>	<b>471.88</b>

### Notes:

- Trade payables and other payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.
- Trade or other payables due to the directors or other officers of the Group either severally or jointly with any other person is NIL (31 March 2021: NIL). Further, trade or other payable which are due to firms or private companies respectively in which any director is a partner, a director or a member is NIL (31 March 2021: NIL).
- In the opinion of the management, the balances of payables are stated at book value and are payable.

### Trade Payables ageing schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	49.98	-	-	49.98
(ii) Others	255.33	-	-	-	-	255.33
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

### Trade Payables ageing schedule as at 31 March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	50	-	-	50
(ii) Others	74.15	-	-	-	-	74.15
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

	31 March 2022	31 March 2021		31 March 2022	31 March 2021
<b>16 BORROWINGS (OTHER THAN DEBT SECURITIES)</b>			<b>20 CURRENT TAX LIABILITIES (NET)</b>		
<b>(A) At amortised cost</b>			Provision for taxation ( <i>Net of advance tax and tax deducted at source of Nil ; 31 March 2021: ₹ 1,400,8643</i> )	58.55	-
Term loans				<b>58.55</b>	<b>-</b>
- from banks	7.01	24.42			
Loans repayable on demand					
- from other parties	1,895.96	1,963.15	<b>21 PROVISIONS</b>		
Bank overdraft facility	802.19	592.80	<b>Provision for employee benefits</b>		
	<b>2,705.16</b>	<b>2,580.37</b>	- Gratuity ( <i>refer note 49(ii)</i> )	64.88	69.03
<b>(B) Secured / Unsecured</b>			- Compensated absences ( <i>refer note 49(iii)</i> )	25.56	16.08
(i) Secured	809.20	617.22	- Bonus and incentives	24.47	10.66
(ii) Unsecured	1,895.96	1,963.15	<b>Other provisions</b>		
	<b>2,705.16</b>	<b>2,580.37</b>	Provision against standard assets	3.97	5.66
<b>(C) Of the above</b>				<b>118.88</b>	<b>101.43</b>
(i) Borrowings in India	2,705.16	2,580.37			
(ii) Borrowings outside India	-	-	<b>22 DEFERRED TAX LIABILITIES (NET)</b>		
	<b>2,705.16</b>	<b>2,580.37</b>	Deferred tax liabilities (net) ( <i>refer note 51</i> )	359.87	201.93
				<b>359.87</b>	<b>201.93</b>
<b>Notes:</b>			<b>23 OTHER NON-FINANCIAL LIABILITIES</b>		
1. The Subsidiary company - Keynote Capital Limited had taken two secured vehicle loans from banks at the rate of interest of 8.50% p.a and 8.51% p.a repayable in 37 and 48 monthly instalments of INR 79,697 and INR 1,43,270 each respectively. The said loans are secured against the respective movable assets of the company. Further, the Company will repay INR 7,01,149 (31 March 2021: INR 17,41,549) out of the total borrowing amounting to INR 7,01,149 (31 March 2021: INR 24,42,798) as at 31 March 2021, within a period of one year from the end of the Balance Sheet date i.e 31 March 2022.			Statutory dues payable	30.80	27.74
2. The Subsidiary company - Keynote Fincorp Limited had taken unsecured loans from other parties at the rate of interest ranging between 6% to 9% p.a. The said loans are repayable on demand.			Advances from customers	129.40	69.83
3. The Subsidiary company - Keynote commodities Limited had taken unsecured loans from other parties at the rate of interest ranging between 6% to 9% p.a. The said loans are repayable on demand.				<b>160.20</b>	<b>97.57</b>
4. The Subsidiary company - Keynote Capital Limited was sanctioned bank overdraft facility at the rate of 7.40% p.a. The said facility is secured against pledge of fixed deposits with banks.			<b>24 SHARE CAPITAL</b>		
			<b>Authorised:</b>		
			1,50,00,000 (31 March 2021: 1,50,00,000) equity shares of INR 10 each	1,500.00	1,500.00
			10,00,000 (31 March 2021: NIL) preference shares of INR 10 each	100.00	100.00
				<b>1,600.00</b>	<b>1,600.00</b>
			<b>Issued:</b>		
			1,12,74,417 (31 March 2021: 1,12,74,417) equity shares of INR 10 each	1,127.44	1,127.44
			6,00,000 (31 March 2021: NIL) 4% Non- Cumulative Optionally Convertible Preference Shares of INR 10 each	60.00	60.00
				<b>1,187.44</b>	<b>1,187.44</b>
<b>17 DEPOSITS</b>			<b>Subscribed and fully paid-up shares:</b>		
<b>At fair value through profit or loss</b>			70,18,339 (31 March 2021: 70,18,339) equity shares of INR 10 each ( <i>Refer note below</i> )	556.66	556.66
Security deposit against premise given on lease	0.00	2.32	6,00,000 (31 March 2021: NIL) 4% Non- Cumulative Optionally Convertible Preference Shares of INR 10 each	60.00	60.00
	<b>0.00</b>	<b>2.32</b>		<b>616.66</b>	<b>616.66</b>
<b>Note:</b> Public deposits and deposits from banks is NIL (31 March 2021 : NIL).					
<b>18 LEASE LIABILITIES</b>					
Lease Liabilities ( <i>Refer note 52</i> )	6.21	1.77			
	<b>6.21</b>	<b>1.77</b>			
<b>19 OTHER FINANCIAL LIABILITIES</b>					
Unpaid dividends ( <i>refer note below</i> )	9.24	10.50			
Payable to employees	13.74	20.70			
Provision for expenses	28.12	19.77			
Deferred rent income	-	0.28			
Interest accrued on borrowings	21.69	0.00			
Related Party	5.78	-			
	<b>78.57</b>	<b>51.25</b>			

**Note:** During the current year, the Company had transferred INR 1,41,767 (31 March 2021: INR 2,04,143) to Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

**Note:** Since Keynote Trust has been consolidated, hence, the shares held by Keynote Trust in Keynote Financial Services Limited (31 March 2022: 14,51,702 shares; 31 March 2021 : 14,51,702 shares) have been eliminated, on consolidation.

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### (a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	55.67	556.66	55.67	556.66
Changes in equity share capital during the year	-	-	-	-
<b>At the end of the year</b>	<b>55.67</b>	<b>556.66</b>	<b>55.67</b>	<b>556.66</b>

### (b) Reconciliation of the number of 4% non-cumulative optionally convertible preference shares outstanding at the beginning and at the end of the year :

Particulars	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	6.00	60.00	-	-
Changes in preference share capital during the year	-	-	6.00	60.00
<b>At the end of the year</b>	<b>6.00</b>	<b>60.00</b>	<b>6.00</b>	<b>60.00</b>

### (c) Terms / rights attached to equity shares

The Holding Company has issued only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend & repayment of capital. The Holding company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31 March 2022, the Holding Company has proposed final dividend of INR 1 per share (31 March 2021: INR 1 per share) to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining net assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

### (d) Terms / rights attached to preference shares

The Step-down subsidiary had issued 6,00,000 Non-Cumulative Non Participating Optional Convertible preference shares (OCPS) having par value of INR 10 per share. The tenure of the OCPS is 20 years. The dividend rate is 4% p.a. on the term of non cumulative & non participatig. Further, the preference shares hold a convertible option which enables them to be converted into 1 equity shares of the Company for every 5 OCPS held, at the instance of the issuer Company and also can be redeemed at the instance of the issuer Company.

### (e) Details of shareholders holding more than 5% equity shares :

Name of the shareholder	31 March 2022		31 March 2021	
	No. of Shares	% holding	No. of Shares	% holding
NSS Digital Media Limited	3,112,256	44.34	3,112,256	44.34
India Max Investment Fund Limited	561,348	8.00	561,348	8.00

### (f) Details of shareholders holding more than 5% preference shares :

Name of the shareholder	31 March 2022		31 March 2021	
	No. of Shares	% holding	No. of Shares	% holding
Greycells Education Limited	600,000	60.00	600,000	60.00

**Note:** As per records of the Holding Company and its subsidiaries, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### (g) For the period of five years immediately preceding the date at which the balance sheet is prepared:

- there are no shares allotted as fully paid pursuant to contract(s) without payment being received in cash.
- there are no shares allotted as fully paid up by way of bonus shares, and
- there are no shares bought back.

	31 March 2022	31 March 2021
<b>25 OTHER EQUITY</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	2,396.48	2,306.48
Add / (less) : Additions / deductions during the year	-	90.00
Balance at the end of the year	<b>2,396.48</b>	<b>2,396.48</b>
<b>General reserve</b>		
Balance at the beginning of the year	133.92	133.92
Add / (less) : Additions / deductions during the year	-	-
Balance at the end of the year	<b>133.92</b>	<b>133.92</b>
<b>Statutory Reserve (u/s 45 IC of RBI Act)</b>		
Balance at the beginning of the year	91.82	82.48
Add / (less) : Additions / deductions during the year	67.07	9.34
Balance at the end of the year	<b>158.88</b>	<b>91.82</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	5,316.10	4,247.53
Less: Deferred Tax Liability provision	-	-
Add / (less): Profit / (loss) for the year	1,608.31	1,127.41
Add: Other comprehensive income for the year	7.30	6.16
	<b>6,931.71</b>	<b>5,381.10</b>
Less : Appropriations		
- Equity dividend	(55.67)	(55.67)
- Tax on equity dividend	-	-
- Transfer to statutory reserve	(67.06)	(9.33)
	<b>(122.73)</b>	<b>(65.00)</b>
	<b>6,808.98</b>	<b>5,316.10</b>
	<b>9,498.26</b>	<b>7,938.32</b>

### Notes:

- Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.
- The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act / Law.
- The Group creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to / more than twenty per cent of its net profit of the year, before declaration of dividend. Further, the Statutory reserve has been created by the subsidiary company - Keynote Fincorp Limited as required under section 45-IC of the Reserve Bank of India Act, 1934.
- Retained earnings represent the accumulated earnings net of losses if any made by the company over the financial years and after payment of dividend (including tax on dividend) and transfer to reserves.

	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>26 INTEREST INCOME</b>		
<b>Interest income on financial assets measured at amortised cost</b>		
- Loans	198.23	126.11
- Fixed deposits	-	0.73
	<b>198.23</b>	<b>126.84</b>
<b>27 FEES AND COMMISSION INCOME</b>		
<b>Brokerage and related activities</b>		
- Brokerage income	298.13	244.42
	<b>298.13</b>	<b>244.42</b>

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

28 NET GAIN ON FAIR VALUE CHANGES	For the Year ended 31 March 2022	For the Year ended 31 March 2021	32 FINANCE COSTS	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Total net gain / (loss) on financial instruments measured at fair value through profit or loss</b>			<b>On financial liabilities measured at amortised cost</b>		
- Realised gain / (loss)	305.02	174.44	Interest on borrowings	115.61	104.03
- Unrealised gain / (loss)	1,037.29	801.80	Interest on lease liabilities (refer note 52)	0.14	0.33
	<u>1,342.31</u>	<u>976.24</u>	Interest on income tax	-	4.32
			Other finance expenses	2.57	0.33
				<u>118.32</u>	<u>109.01</u>
<b>29 SALE OF SERVICES</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	<b>33 FEES AND COMMISSION EXPENSES</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
<b>Income from</b>			Portfolio management charges	38.57	15.97
- Corporate finance services	212.64	332.41		<u>38.57</u>	<u>15.97</u>
- ESOP advisory services	91.38	49.49			
- Merchant banking services	109.00	155.77	<b>34 IMPAIRMENT ON FINANCIAL INSTRUMENTS</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
- Other advisory services	620.03	122.53	<b>At amortised cost</b>		
	<u>1,033.05</u>	<u>660.20</u>	Loans and receivables	(9.98)	18.01
				<u>(9.98)</u>	<u>18.01</u>
<b>30 OTHER OPERATING INCOME</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	<b>35 CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
<b>Reimbursement of expenses</b>			<b>Opening inventories</b>		
- Corporate finance services	0.78	0.75	- Stock-in-trade	20.59	9.36
- ESOP advisory services	2.88	1.68			
- Merchant banking services	-	4.50	<b>Closing inventories</b>		
	<u>3.66</u>	<u>6.93</u>	- Stock-in-trade	(15.34)	(20.59)
				<u>5.25</u>	<u>(11.23)</u>
<b>31 OTHER INCOME</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>	<b>36 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
<b>Interest income</b>			Salaries, wages and bonus	465.58	341.57
- <b>On financial assets measured at amortised cost</b>			Contribution to provident and other funds (refer note 49(i))	33.69	31.32
- Interest on loans	21.17	24.00	Gratuity (refer note 49(ii))	9.61	10.95
- Interest on deposits with banks	143.20	171.41	Compensated absences (refer note 49(iii))	9.48	11.48
- Other interest income			Staff welfare expenses	6.17	2.02
- Interest on investments	6.00	6.00		<u>524.53</u>	<u>397.34</u>
- Interest on inter corporate deposits	0.56	-	<b>37 DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
- <b>On financial assets measured at fair value through profit or loss</b>			Depreciation on property, plant and equipment (refer note 12)	67.26	70.78
- Interest on loans	0.29	0.28	Depreciation on investment property (refer note 11)	0.11	0.11
- Other interest income			Amortisation on right of use assets (refer note 52)	1.98	1.89
- Interest on investments	20.16	19.82		<u>69.35</u>	<u>72.78</u>
<b>Dividend income</b>					
- <b>On financial assets measured at fair value through profit or loss</b>					
- Investments	78.66	30.42			
Lease income from operating leases	5.45	7.88			
- Recovery of common expenses	14.70	-			
Miscellaneous income	8.78	0.45			
	<u>298.97</u>	<u>260.26</u>			



# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 38 OTHER EXPENSES

	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Advertisement and publicity	3.72	9.88
Rent, taxes and energy costs	33.43	21.97
Insurance	5.87	6.59
Repairs and maintenance	55.87	62.94
Travelling and conveyance	12.27	9.12
Office and administration expenses	28.49	4.83
Communication costs	6.78	8.18
Printing and stationery	4.75	2.70
Legal and professional charges	253.96	174.07
Portfolio Management Charges	1.24	-
Directors' fees and expenses	0.90	1.20
Auditors' fees and expenses (refer note 40)	12.31	12.86
Membership and subscription expenses	15.83	14.79
Stock exchange related expenses	6.28	9.44
Sundry balances written off (net)	-	-
Other expenditure	119.68	6.30
	<b>561.38</b>	<b>344.87</b>

### 39 CONTINGENT LIABILITIES AND COMMITMENTS

#### (I) Contingent liabilities

(to the extent not provided for)

Sr No	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Demand in respect of income tax matters that may arise in respect of which the Group is in appeal (refer note (a) below)	146.17	148.50
(ii)	Corporate guarantees given by the Holding Company on behalf of its subsidiary (refer note (b) below)	1,600.00	1,600.00
(iii)	Claims against the Group not acknowledged as debts (refer note (c) below)	72.53	72.53

- (a) The Holding Company - Keynote Financial Services Limited and its subsidiary - Keynote Commodities Limited are contesting the income tax demands. The management of the aforesaid respective companies, including its tax / legal advisors believe that its position will likely to be upheld in the appellate process. No provision has been recognised in the standalone Ind AS financial statements for the tax demands raised. The respective Management based on its internal assessment and advice by its legal counsel believes that these income tax demands are not sustainable and expects to succeed in its appeal. Further, it is thereby determined by the management, that such demands will not have any material and adverse effect on the Company's financial position and results of operations.

In addition to the above, it is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The same would be determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (b) The Holding Company - Keynote Financial Services Limited has provided corporate guarantees aggregating to INR 16,00,00,000 (31 March 2021: INR 16,00,00,000) to the bankers of its subsidiary, Keynote Capitals Limited towards BSE & NSE operations.

- (c) During the year the Holding Company- Keynote Financial Services Limited has received a communication from the Ruby Mills Limited (premises in which the Company owns office space) requesting the Holding Company to make the payment of Company's share of property tax payable to Brihanmumbai Mahanagar Palika amounting to INR 72,52,747 for the period between October 2011 to March 2021 of which 50% is payable by Keynote Capitals Limited, subsidiary company. The Holding Company has represented to Brihanmumbai Mahanagar Palika on the grounds that the Company is entitled to exemption under Information Technology Policy of Government of Maharashtra as it has ITES registration in place besides there being discrepancy in the carpet area of its premises, basis which the share of such tax amounts to around INR 7,81,884 only. The Holding Company has submitted relevant documents substantiating its submissions to the concerned Regulatory Authority. Accordingly, based on the calculations made by the Company, an amount of INR 3,90,997 has been paid to Brihanmumbai Mahanagar Palika (further amount of INR 3,90,997 is separately paid by the subsidiary company) and charged to standalone statement of profit & loss. Considering the pending response from the Brihanmumbai Mahanagar Palika, no further provision has been recognised by the Holding Company.
- (d) The Group does not expect any reimbursements in respect of the above contingent liabilities.

#### (II) Capital commitments

Sr No	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

There are no additional contingent liabilities & capital commitments, other than those disclosed above and the same is relied upon by the Auditor.

### 40 PAYMENTS TO THE AUDITOR (EXCLUDING APPLICABLE TAXES)

Particulars	For the year ended	
	31 March 2022	31 March 2021
<b>(a) As Auditor :</b>		
- Statutory audit	8.13	8.20
- Tax audit	-	1.75
- Limited review fees	2.25	2.25
<b>(b) In other Capacity :</b>		
- Other services	1.76	0.60
- Reimbursement of expenses	0.19	0.06
	<b>12.33</b>	<b>12.86</b>

### 41 EARNINGS PER SHARE (EPS)

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per Share":

Sr No	Particulars	For the year ended	
		31 March 2022	31 March 2021
(I)	Profit/(Loss) after tax as per consolidated statement of profit and loss	1,608.31	1,127.41
(II)	Weighted average number of equity shares	55.67	55.67
(III)	Earnings per share - Basic and Diluted (I / II)	28.89	20.25
(IV)	Face value per equity share	10.00	10.00

Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

42 The provisions made during the year ended 31 March 2022 comprises of the following :

The Group has a process whereby periodically all long-term contracts (including derivative contracts, if any) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts, if any) has been made in the books of account and the same has been disclosed as follows:

Particulars	As at	Opening Balance	Provisions made during the year	Payments / reversals during the year	Closing Balance
Bonus and incentives	31 March 2022	10.66	33.13	19.59	24.19
	31 March 2021	8.84	11.41	9.60	10.66
Gratuity	31 March 2022	69.04	3.96	8.12	64.88
	31 March 2021	71.88	2.42	5.26	69.04
Compensated absences	31 March 2022	16.08	18.23	8.75	25.56
	31 March 2021	4.60	11.48	-	16.08
Provision against standard assets	31 March 2022	5.66	5.66	7.35	3.97
	31 March 2021	4.99	5.66	4.99	5.66
Expected credit losses / Impairment loss allowance	31 March 2022	26.88	-	8.35	18.53
	31 March 2021	16.54	18.01	7.67	26.88

43 Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006 :

The Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act, 2006) as at 31 March 2022. The disclosure pursuant to the said Act is as under:

Sr No	Particulars	As at	
		31 March 2022	31 March 2021
(i)	Principal amount due to suppliers under MSMED Act, as at the year end	-	0.55
(ii)	Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end; and unpaid	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(vi)	Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
(viii)	Amount of further interest remaining due and payable even in the succeeding years	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

44 ASSETS PLEDGED AS SECURITY

There are no assets pledged as security for borrowings other than those disclosed above and the same is relied upon by the Auditor.

45 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended	
	31 March 2022	31 March 2021
Travelling and conveyance	1.77	-
<b>Total</b>	<b>1.77</b>	<b>-</b>

46 INCOME IN FOREIGN CURRENCY

Particulars	For the year ended	
	31 March 2022	31 March 2021
Income from sale of services	582.40	54.13
<b>Total</b>	<b>582.40</b>	<b>54.13</b>

47 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Foreign currency	Amount in Foreign currency		Amount in INR	
		As at		As at	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Trade receivables	USD	162,573	1,418	122.89	1.04
	SGD	5,175	5,175	2.90	2.82
Advances from customers	USD	3,905	8,500	2.96	6.25

48 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue into operating segments :

The table below presents disaggregate revenues from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors

Operating Segment	For the year ended	
	31 March 2022	31 March 2021
Corporate Finance	213.42	333.16
ESOP Advisory	94.26	51.17
Merchant Banking	109.00	160.27
Broking and related activities	298.13	244.42
Other advisory services	620.03	122.53
<b>Total</b>	<b>1,334.84</b>	<b>911.54</b>

(b) Geographical markets

Particulars	For the year ended	
	31 March 2022	31 March 2021
India	752.44	857.41
Outside India	582.40	54.13
<b>Total</b>	<b>1,334.84</b>	<b>911.54</b>

(c) Relation with customers

Particulars	For the year ended	
	31 March 2022	31 March 2021
Related party	0	-
Non-related party	1,334.84	911.54
<b>Total</b>	<b>1,334.84</b>	<b>911.54</b>

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### (d) Timing of revenue recognition

Particulars	For the year ended	
	31 March 2022	31 March 2021
Services transferred at a point in time	1,237	912
Services transferred over time	97.95	-
<b>Total</b>	<b>1,334.84</b>	<b>911.54</b>

### (e) Reconciliation of revenue from operations

Particulars	For the year ended	
	31 March 2022	31 March 2021
Revenue as per Contracted price	1,334.84	911.54
Less: Adjustments during the year (refer note below)	-	-
<b>Revenue from operations</b>	<b>1,334.84</b>	<b>911.54</b>

#### Notes:

- Due to Group's nature of business and the type of contracts entered with the customers, the Group does not have any difference between the amount of revenue recognised in the standalone statement of profit and loss and the contracted price.
- The Group satisfies its performance obligations on completion of the corresponding services provided to its customers. The payments on these contracts are due on completion of the respective services. The contracts do not contain significant financing component and the consideration is not variable.

### (f) Contract balances

Particulars	As at	
	31 March 2022	31 March 2021
Contract liabilities	129.40	69.83
<b>Total</b>	<b>129.40</b>	<b>69.83</b>

Note: The contract liability relates to payments received in advance (initial acceptance fees) of performance under the contract. Further, the contract liabilities are recognised as revenue as / or when we perform under the contract. In situations where there is no further progress on the mandate, the initial acceptance fees so received, is treated as income after a period of 12 months from the date of raising of debit note

### (g) Movement in contract liability during the year

Particulars	As at	
	31 March 2022	31 March 2021
Contract liability at the beginning of the year	69.83	45.68
Contract liability at the end of the year	129.40	69.83
<b>Net increase / (decrease)</b>	<b>59.57</b>	<b>24.15</b>

### (h) Movement in Expected Credit Loss (impairment loss allowance) during the year for contract assets

Particulars	As at	
	31 March 2022	31 March 2021
Opening balance	26.46	16.54
Provision / (reversals) (net) towards credit impaired receivables	(7.93)	9.92
<b>Closing balance</b>	<b>18.53</b>	<b>26.46</b>

### (i) Remaining performance obligation

The aggregate value of performance obligations pertaining to completely or partially unsatisfied contracts as at 31 March 2022 was INR 47,00,000 (P.Y: INR 48,00,000). The Company's expects that these unsatisfied performance obligation will be recognised as revenue in the subsequent financial years.

## 49 EMPLOYEE BENEFITS PLANS

Disclosure pursuant to Ind AS -19 "Employee Benefits" is given as below:

### (i) Defined Contribution Plans:

Contribution to defined contribution plans, recognised as expense under Note 36 - "Employee benefits expense" in the consolidated Ind AS financial statements, for the year is as under:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Employers' Contribution to Provident Fund	33.24	30.87
Employers' Contribution to Employees State Insurance Scheme	0.42	0.45

### (ii) Defined Benefit Plans:

#### Gratuity

The Group's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss / other comprehensive income and the funded status and amounts recognised in the balance sheet for the gratuity benefit plan :

### (I) Table Showing Change in the Present Value of Projected Benefit Obligation

Particulars	As at	
	31 March 2022	31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	141.56	142.41
Interest Cost	8.58	8.58
Current Service Cost	6.59	6.68
Past Service Cost	-	-
Liability Transferred In/ Acquisitions (Liability Transferred Out/ Divestments) (Gains)/ Losses on Curtailment (Liabilities Extinguished on Settlement) (Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(22.57)	(8.33)
The Effect of changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(3.81)	(0.61)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3.21	(0.69)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(8.44)	(6.46)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>125.13</b>	<b>141.56</b>

### (II) Table Showing Change in the Fair Value of Plan Assets

Particulars	As at	
	31 March 2022	31 March 2021
Fair Value of plan assets at the Beginning of the period	72.52	70.53
Interest Income	4.40	4.30
Contributions by the Employer	5.13	5.26
Expected Contributions by the employees	-	-
Assets Transferred In/Acquisitions (Assets Transferred Out/Divestments) (Benefit Paid From the Fund)	(22.57)	(8.33)
(Assets distributed on settlement)	-	-
(Expenses and tax for managing the Benefit Obligation - paid from the fund)	-	-

Notes forming part of the Consolidated Ind AS Financial Statements  
(₹ in lakhs)

Effects of Asset Ceiling	-	-
The Effect of changes in Foreign Exchange Rates	-	-
Return on Plan Assets, excluding interest income	0.77	0.77
<b>Fair Value of plan assets at the End of the Period</b>	<b>60.25</b>	<b>72.52</b>

(III) Amount Recognized in the Consolidated Balance Sheet

Particulars	As at	
	31 March 2022	31 March 2021
(Present Value of Benefit Obligation at the end of the Period)	(125.13)	(141.56)
Fair Value of Plan Assets at the end of the Period	60.25	72.52
Funded Status (Surplus/ (Deficit))	(64.88)	(69.04)
<b>Net (Liability)/Asset Recognized in the Consolidated Balance Sheet</b>	<b>(64.88)</b>	<b>(69.04)</b>

(IV) Net Interest Cost for Current Period

Particulars	For the year ended	
	31 March 2022	31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	141.56	142.41
(Fair Value of Plan Assets at the Beginning of the Period)	(72.52)	(70.53)
Net Liability/(Asset) at the Beginning	69.04	71.88
Interest Cost	8.58	8.58
(Interest Income)	(4.40)	(4.30)
<b>Net Interest Cost for Current Period</b>	<b>4.18</b>	<b>4.28</b>

(V) Expenses Recognized in the Consolidated Statement of Profit or Loss for Current Period

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current Service Cost	6.59	6.68
Net Interest Cost	4.18	4.28
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense Recognised in the Statement of Profit or Loss</b>	<b>10.78</b>	<b>10.95</b>

(VI) Expenses Recognized in the Consolidated Statement of Other Comprehensive Income (OCI) for Current Period

Particulars	For the year ended	
	31 March 2022	31 March 2021
Actuarial (Gains)/ Losses on Obligations for the Period	(5.23)	(7.16)
Return on Plain assets, excluding interest income	(0.77)	(0.77)
Changes in Asset Ceiling	-	-
(Gains)/Losses on Curtailments And Settlements	-	(0.61)
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Net (Income)/ Expense for the period recognised in OCI</b>	<b>(6.00)</b>	<b>(8.54)</b>

(VII) Balance Sheet Reconciliation

Particulars	As at	
	31 March 2022	31 March 2021
Opening Net Liability	69.04	71.88
Expenses Recognized in Statement of Profit or Loss	10.78	10.95
Expenses Recognized in OCI	(6.00)	(8.54)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out (Benefit Paid Directly by the Employer)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
(Employer's Contribution)	(5.13)	(5.26)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>68.68</b>	<b>69.04</b>

(VIII) Category of Assets

Particulars	As at	
	31 March 2022	31 March 2021
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	60.25	72.52
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>60.25</b>	<b>72.52</b>

(IX) Maturity Analysis of the Benefit Payments: From the Fund

Particulars	As at	
	31 March 2022	31 March 2021
Projected Benefits Payable in Future Years From the Date of Reporting:		
1st Following Year	2.97	21.41
2nd Following Year	2.96	19.78
3rd Following Year	2.99	17.58
4th Following Year	3.03	24.89
5th Following Year	3.09	12.35
Sum of Years 6 To 10	37.84	67.80
Sum of Years 11 and above	35.22	22.46

(X) Maturity Analysis of the Benefit Payments: From the Employer

Particulars	As at	
	31 March 2022	31 March 2021
Projected Benefits Payable in Future Years From the Date of Reporting:		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### (XI) Sensitivity Analysis

Particulars	For the year ended	
	31 March 2022	31 March 2021
Projected Benefit Obligation on Current Assumptions	125.13	141.56
Delta Effect of +1% Change in Rate of Discounting	(3.38)	(5.05)
Delta Effect of -1% Change in Rate of Discounting	3.76	5.46
Delta Effect of +1% Change in Rate of Salary Increase	2.35	3.68
Delta Effect of -1% Change in Rate of Salary Increase	(2.19)	(3.69)
Delta Effect of +1% Change in Rate of Employee Turnover	0.19	0.06
Delta Effect of -1% Change in Rate of Employee Turnover	(0.20)	(0.06)

### (XII) Weighted Average assumptions used

Particulars	For the year ended	
	31 March 2022	31 March 2021
Retirement age	60 & 65 years	60 & 65 years
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate after employment	N.A.	N.A.

#### Notes:

- The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.
- Risks associated with defined benefit plan**  
Gratuity is a defined benefit plan and the Group is exposed to the following risks:
  - Investment risk** : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments
  - Interest rate risk** : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
  - Asset Liability Matching (ALM) Risk** : The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk
  - Salary risk** : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
  - Mortality risk** : Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
  - Concentration Risk**: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

- During the year, there were no plan amendments, curtailments and settlements.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation

### (iii) Other long-term benefits:

#### Compensated absences

Particulars	As at	
	31 March 2022	31 March 2021
Present Value of Unfunded Obligation	25.56	16.08
Expense recognised in consolidated statement of profit and loss	9.48	11.48
Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
Funding status	Unfunded	Unfunded

#### Notes:

- The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at 31 March 2022.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

### 50 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

Disclosure of related parties/related party transactions pursuant to Ind AS 24 - "Related Party Disclosures" are as follows:

#### (i) List of related parties identified by Management with whom transaction have taken place during the year:

##### (a) Key Managerial Personnel

- |                      |   |
|----------------------|---|
| Mr. Vineet Suchanti  | - Director, Keynote Financial Services Limited<br>Director, Keynote Commodities Limited<br>Director, Keynote Capitals Limited &<br>Director, Keynote Fincorp Limited                                    |
| Mrs. Rinku Suchanti  | - Whole Time Director, Keynote Financial Services Limited   |
| Mr. Uday S. Patil    | - Whole Time Director & Chief Financial Officer, Keynote Financial Services Limited<br>Director, Keynote Fincorp Limited<br>Director, Keynote Capitals Limited<br>Director, Keynote Commodities Limited |
| Mr. Sujeet More      | - Company Secretary, Keynote Financial Services Limited & Company Secretary, Keynote Capitals Limited   |
| Mrs. Renita Crasto   | - Company Secretary, Keynote Financial Services Limited & Company Secretary, Keynote Capitals Limited   |
| Mr. Devin Joshi      | - Chief Financial Officer, Keynote Capitals Limited   |
| Mr. Manish Desai     | - Director, Keynote Commodities Limited & Director, Keynote Capitals Limited  |
| Mr. Rakesh Choudhari | - Managing Director, Keynote Capitals Limited, Director, Keynote Commodities Limited & Director, Keynote Fincorp Limited  |

##### (b) Relatives of Key Managerial Personnel

- Mrs. Pushpa Suchanti  
Mr. Nirmal Suchanti  
Mr. Vivek Suchanti

##### (c) Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence

- Concept Communication Limited  
Concept Production Limited  
Nirmal Suchanti - HUF  
NSS Digital Media Limited

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

### 50 Related party disclosures (continued):

#### (ii) Transactions with related parties:

Particulars	Name of the related party	Key Managerial Personnel		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence		Total	
		For the year ended							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receiving of services	Concept Communication Limited	-	-	-	-	1.34	0.70	1.34	0.70
		-	-	-	-	1.34	0.70	1.34	0.70
Managerial Remuneration	Mrs. Rinku Suchanti	-	-	37.66	28.85	-	-	37.66	28.85
Managerial Remuneration	Mr. Vineet Suchanti	-	-	51.73	-	-	-	51.73	-
Managerial Remuneration	Mr. Uday S. Patil	-	-	25.83	34.53	-	-	25.83	34.53
Managerial Remuneration	Mr. Rakesh Choudhari	-	-	39.43	27.30	-	-	39.43	27.30
Remuneration	Mr. Devin Joshi	-	-	12.41	9.74	-	-	12.41	9.74
Remuneration	Ms. Renita Crasto	-	-	2.41	-	-	-	2.41	-
Remuneration	Mr. Sujeet More	-	-	2.03	5.01	-	-	2.03	5.01
		-	-	171.51	105.43	-	-	171.51	105.43
Professional Charges	Mr. Uday S. Patil	-	-	11.62	-	-	-	11.62	-
		-	-	11.62	-	-	-	11.62	-
Dividend paid	Mrs. Pushpa Suchanti	-	-	1.32	1.32	-	-	1.32	1.32
Dividend paid	Mrs. Rinku Suchanti	-	-	0.04	0.04	-	-	0.04	0.04
Dividend paid	Mr. Vineet Suchanti	-	-	0.12	0.12	-	-	0.12	0.12
Dividend paid	Mr. Vivek Suchanti	-	-	0.49	0.49	-	-	0.49	0.49
Dividend paid	Mr. Nirmal Suchanti	-	-	1.18	1.18	-	-	1.18	1.18
Dividend paid	Concept Production Limited	-	-	-	-	2.42	2.42	2.42	2.42
Dividend paid	NSS Digital Media Limited	-	-	-	-	31.12	31.12	31.12	31.12
Dividend paid	Nirmal Suchanti - HUF	-	-	-	-	2.82	2.82	2.82	2.82
		-	-	3.15	3.15	36.36	36.36	39.52	39.52
Interest received	Concept Communication Limited	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Loans given	Concept Communication Limited	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Loans and deposits repaid	Concept Communication Limited	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Reimbursement of expenses	Mr. Uday S. Patil	-	-	0.03	0.03	-	-	0.03	0.03
Reimbursement of expenses	Mr. Vineet Suchanti	-	-	0.78	-	-	-	0.78	-
Reimbursement of expenses	Mrs. Rinku Suchanti	-	-	0.03	0.03	-	-	0.03	0.03
		-	-	0.83	0.05	-	-	0.83	0.05

#### (iii) Balances outstanding as at the year end

Particulars	Name of the related party	Key Managerial Personnel		Key Managerial Personnel / Relatives of key managerial personnel		Enterprise over which Key Managerial Personnel / Relatives of Key Managerial Personnel exercise significant influence		Total	
		For the year ended							
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Payables	Mrs. Rinku Suchanti	1.79	1.86	-	-	-	-	1.79	1.86
Payables	Mr. Vineet Suchanti	2.04	-	-	-	-	-	2.04	-
Payables	Mr. Uday S. Patil	-	2.04	-	-	-	-	-	2.04
Payables	Mr. Rakesh Choudhari	-	1.47	-	-	-	-	-	1.47
Payables	Mr. Devin Joshi	-	0.74	-	-	-	-	-	0.74
Payables	Ms. Renita Crasto	0.30	-	-	-	-	-	0.30	-
Payables	Mr. Sujeet More	-	0.39	-	-	-	-	-	0.39
		4.13	6.50	-	-	-	-	4.13	6.50

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 51 TAX EXPENSE

The Group pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax).

The Group provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Disclosure pursuant to Ind AS 12 "Income Taxes" are as follows:

#### (a) Tax expense / (credit) recognised in the Statement of Profit and Loss

Particulars	For the year ended	
	31 March 2022	31 March 2021
<b>Current tax</b>		
Current Tax on taxable income for the year	203.92	123.56
Taxation for earlier years	(0.28)	2.81
<b>Total current tax expense - (A)</b>	<b>203.64</b>	<b>126.37</b>
<b>Deferred tax</b>		
Minimum alternate tax credit entitlement	(67.62)	(14.68)
Deferred tax charge / (credit)	122.60	89.03
<b>Total deferred income tax expense / (credit) - (B)</b>	<b>54.97</b>	<b>74.35</b>
<b>Total income tax expense / (credit) (A+B)</b>	<b>258.62</b>	<b>200.71</b>

#### (b) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Profit / (Loss) before tax	1,867	1,328
Enacted income tax rate in India applicable to the Company	27.82%	27.82%
Current tax expenses on Profit / (loss) before tax expenses at the enacted income tax rate in India	519	369
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Fair valuation of financial instruments (net)	1,037.29	801.80
Exempt income	-	-
Taxation for earlier years	(0.28)	2.81
Income taxed at a higher / (lower) rate	-	2.16
Other allowances and disallowances (net)	(833.37)	(680.41)
<b>Current tax provision (A)</b>	<b>203.64</b>	<b>126.37</b>

### Particulars

Particulars	For the year ended	
	31 March 2022	31 March 2021
Deferred tax liability on account of depreciation & amortisation of property, plant and equipment and intangible assets as per books and Income Tax Act, 1961	219.83	(206.17)
Deferred tax liability / (asset) on account of financial instruments and other temporary differences (net)	(97.23)	295.20
Minimum alternate tax credit entitlement	(67.62)	(14.68)
<b>Total deferred income tax expense / (credit) (B)</b>	<b>54.97</b>	<b>74.35</b>
<b>Total income tax expense / (credit) (A+B)</b>	<b>258.62</b>	<b>200.71</b>

#### (c) Deferred tax

(i) The components of deferred tax liabilities / assets (net) are as follows:

Particulars	As at	
	31 March 2022	31 March 2021
<b>Deferred tax liabilities</b>		
Depreciation and amortisation on Property, plant and equipment and intangible assets as per books and Income Tax Act, 1961	219.83	206.17
Unrealised net gain on fair value changes	177.24	57.17
Other temporary differences	0.72	0.28
<b>Gross deferred tax liabilities (A)</b>	<b>397.79</b>	<b>263.62</b>
<b>Deferred tax assets</b>		
Disallowance u/s 43B of the Income Tax Act, 1961	31.64	19.03
Allowance on impairment	5.17	7.48
Unrealised net loss on fair value changes	-	-
Other temporary differences	1.10	0.44
<b>Gross deferred tax assets (B)</b>	<b>37.92</b>	<b>26.95</b>
<b>MAT credit entitlements (net) (C)</b>	<b>-</b>	<b>34.74</b>
<b>Deferred tax liabilities (net) (A-B-C)</b>	<b>359.87</b>	<b>201.93</b>

(ii) The movement in deferred tax assets and liabilities during the year are as follows:

#### (a) Net deferred tax charge / (credit) recorded in statement of profit and loss recorded in the Statement of Profit and Loss

Particulars	For the year ended	
	31 March 2022	31 March 2021
Depreciation and amortisation on Property, plant and equipment as per books and Income Tax Act, 1961	13.65	14.29
Unrealised net gain / (loss) on fair value changes	120.07	81.82
Disallowance u/s 43B of the Income Tax Act, 1961	(13.25)	(5.57)
Allowance on impairment losses	2.31	(3.29)
Other temporary differences	0.78	0.16
MAT credit entitlements/ (utilisation) (net)	(69.49)	(13.07)
<b>Net deferred tax charge / (credit) recorded in statement of profit and loss</b>	<b>54.07</b>	<b>74.35</b>

Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

(b) Net deferred tax charge / (credit) recorded in the Statement of Other Comprehensive Income (OCI)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Disallowance u/s 43B of the Income Tax Act, 1961	0.64	2.38
<b>Net deferred tax charge / (credit) recorded in statement of OCI</b>	<b>0.64</b>	<b>2.38</b>

52 LEASES

Effective 1 April 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2019 using the "Full Retrospective Approach" on the date of initial application.

Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right-of-Use (ROU) asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have been retrospectively adjusted and therefore will continue to be reported in the Consolidated Ind AS financial statements.

The effect of this adoption is insignificant on the profit /(loss) before tax, profit/(loss) for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The Group has excluded the initial direct costs from the measurement of the ROU asset at the date of initial application, owing to practical expedients elected on initial application.

The weighted average incremental borrowing rate applied to lease liabilities was 12% p.a.

(i) The movements in the carrying value of ROU assets are as follows:

Particulars	Office Premises
<b>Gross block</b>	
Balance as at 1 April 2020	5.66
Additions	-
Terminations / adjustments / modifications	-
<b>Balance as at 31 March 2021</b>	<b>5.66</b>
Balance as at 1 April 2021	5.66
Additions	6.66
Terminations / adjustments / modifications	-
<b>Balance as at 31 March 2022</b>	<b>12.32</b>
<b>Accumulated depreciation</b>	
Balance as at 1 April 2020	1.18
Additions	1.89
Terminations / adjustments / modifications	1.18
<b>Balance as at 31 March 2021</b>	<b>4.24</b>
Balance as at 1 April 2021	4.24
Additions	1.69
Terminations / adjustments / modifications	-
<b>Balance as at 31 March 2022</b>	<b>5.93</b>
<b>Net block as at 31 March 2021</b>	<b>1.41</b>
<b>Net block as at 31 March 2022</b>	<b>6.38</b>

The aggregate amortisation expense on ROU assets is included under Note 37 - "Depreciation and amortisation expense" in the Consolidated Ind AS Statement of Profit and Loss

(ii) The following is the movement in lease liabilities are as follows:

Particulars	Amount (INR)
Balance as at 1 April 2020	3.74
Additions	-
Terminations/modifications	-
Finance expense	0.33
Payment of lease liabilities	(2.30)
<b>Balance as at 31 March 2021</b>	<b>1.77</b>
Balance as at 1 April 2021	1.77
Additions	6.66
Terminations/modifications	-
Finance expense	0.27
Payment of lease liabilities	(2.48)
<b>Balance as at 31 March 2022</b>	<b>6.21</b>

(iii) The details of the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis are as follows:

Tenure	As at	
	31 March 2022	31 March 2021
Less than one year	2.54	1.85
One to five years	5.42	-
More than 5 years	-	-
<b>Total</b>	<b>7.96</b>	<b>1.85</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(iv) Rental expenses for short-term leases and low value assets

The Group incurred NIL (31 March 2021: NIL) for the year ended 31 March 2022 towards expenses relating to short-term leases and leases of low-value assets.

(v) Rental income

Tenure	For the year ended	
	31 March 2022	31 March 2021
Rental income on assets given on operating leases to other parties	5.45	7.88

(vi) Future lease commitments

Leases not yet commenced to which Group is committed aggregates to NIL (31 March 2021: NIL).

(vii) Sub lease income / expense

The Group has earned or expensed any rentals under sub-lease contractual arrangements during the current year (31 March 2021: NIL).



# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

### 53 FAIR VALUE MEASUREMENT

(i) Carrying amount and fair values of financial assets and financial liabilities, including quantitative disclosure fair value measurement hierarchy as at 31 March 2022

Particulars	Carrying amount as at 31 March 2022				Fair value as at 31 March 2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,118	1,118	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,038	1,038	-	-	-	-
Receivables								
- Trade receivables	-	-	154	154	-	-	-	-
- Other receivables	-	-	197	197	-	-	-	-
Loans	3	-	2,220	2,222	-	-	3	3
Investments	4,009	-	242	4,251	5,997	-	-	5,997
Other financial assets	1	-	1,213	1,214	-	-	1	1
<b>Total - Financial assets</b>	<b>4,012</b>	<b>-</b>	<b>6,184</b>	<b>10,196</b>	<b>5,997</b>	<b>-</b>	<b>4</b>	<b>6,001</b>
<b>Financial liabilities</b>								
Payables								
Trade payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	315	315	-	-	-	-
Other payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	25	25	-	-	-	-
Borrowings (other than debt securities)	-	-	2,705	2,705	-	-	-	-
Deposits	-	-	-	-	-	-	0	0
Lease liabilities	-	-	6	6	-	-	-	-
Other financial liabilities	-	-	79	79	-	-	-	-
<b>Total - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,130</b>	<b>3,130</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>

(ii) Carrying amount and fair values of financial assets and financial liabilities, including quantitative disclosure fair value measurement hierarchy as at 31 March 2021

Particulars	Carrying amount as at 31 March 2021				Fair value as at 31 March 2021			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	239	239	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	3,262	3,262	-	-	-	-
Receivables								
- Trade receivables	-	-	105	105	-	-	-	-
- Other receivables	-	-	44	44	-	-	-	-
Loans	3	-	1,973	1,976	-	-	3	3
Investments	3,178	-	122	3,300	4,306	-	-	4,306
Other financial assets	1	-	268	269	-	-	1	1
<b>Total - Financial assets</b>	<b>3,181</b>	<b>-</b>	<b>6,013</b>	<b>9,194</b>	<b>4,306</b>	<b>-</b>	<b>4</b>	<b>4,310</b>
<b>Financial liabilities</b>								
Payables								
Trade payables								
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	457.22	457.22	-	-	-	-
Other payables								

**Notes forming part of the Consolidated Ind AS Financial Statements**  
 (₹ in lakhs)

Particulars	Carrying amount as at 31 March 2021				Fair value as at 31 March 2021			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
- total outstanding dues of micro enterprises and small enterprises	-	-	0.55	0.55	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14.11	14.11	-	-	-	-
Borrowings (other than debt securities)	-	-	2,580.37	2,580.37	-	-	-	-
Deposits	2.60	-	-	2.60	-	-	2.32	2.32
Lease liabilities	-	-	1.77	1.77	-	-	-	-
Other financial liabilities	-	-	51.25	51.25	-	-	-	-
<b>Total - Financial liabilities</b>	<b>2.60</b>	<b>-</b>	<b>3,105.27</b>	<b>3,107.87</b>	<b>-</b>	<b>-</b>	<b>2.32</b>	<b>2.32</b>

**Notes:**

- The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
  - Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
  - Level 2 - Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
  - Level 3 - Inputs are based on unobservable market data.
- The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- There is no fair value gains / losses on financial instruments designated under FVOCI.
- There is no case of any fair value measurement of the investment categorised under level 3 hierarchy.
- The following methods and assumptions were used to estimate the fair values:
  - (a) Fair value of cash and short-term loans and deposits, trade and other short term receivables, trade payables, other current liabilities, short-term borrowings approximate their carrying amounts largely due to short term maturities of these instruments.
  - (b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
  - (c) The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
  - (d) Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Investments in subsidiaries have fair values that approximate to their carrying amounts.
  - (e) Employee loans and security deposits are valued using Level 3 techniques. A change in one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly.
  - (f) The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
  - (g) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
  - (h) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- There have been no transfers between different levels of the fair value measurement hierarchy during the year ended 31 March 2022 and 31 March 2021.

**54 CAPITAL MANAGEMENT**

The Group adheres to a disciplined Capital Management framework in order to maintain a strong balance sheet. The objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares etc. The Group monitors capital using debt equity ratio. Further, the Group's strategy is to maintain gearing ratio as per industry norms. The gearing ratio has been disclosed below:

Particulars	As at	
	31 March 2022	31 March 2021
Total gross debt	2,705.15	2,580.37
Cash and ash equivalents	(1,118.19)	(239.18)
<b>Total net debt (A)</b>	<b>1,587.96</b>	<b>2,341.19</b>
<b>Total equity (B)</b>	<b>10,114.92</b>	<b>8,554.98</b>
<b>Net Capital gearing ratio (A/B)</b>	<b>0.16</b>	<b>0.27</b>

Net debt includes borrowings net of cash and cash equivalents and total equity comprises of equity share capital, security premium and other equity attributable to equity shareholders.

**55 FINANCIAL RISK MANAGEMENT**

The Group's business activities are exposed to a variety of financial risks, namely credit risk, liquidity risk and market risk. Further, it is also subject to various operating and business risks. While the risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. Additionally, the Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee.

**(A) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify, respond and recognise cases of credit deterioration.

Credit risk with respect to the company arises primarily from financial assets such as trade receivables, investments, balances with banks, loans & other receivables and other financial assets.

### Trade receivables, loans and inter corporate deposits

The Group measures the expected credit loss (ECL) of trade receivables and loans and advances / inter corporate deposits given, based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Company's senior management has established accounts receivable policy under which customer accounts are regularly monitored. Based on the historical data, loss on collection of receivable provision is considered. Also, refer 'significant accounting policies' for accounting policy on Financial Instruments.

In addition to the above, the Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. Further, the movement in the ECL has been disclosed under Note 42 of the consolidated Ind AS financial statements.

### Other financial assets

These include financial assets are cash and bank balances, investments, term deposits and security deposits. Credit risk from balance with banks (including term deposits), investments is managed in accordance with the Company's approved investment policies. Investment of surplus funds are made only with approved counterparties and within the credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet (including exceptions, if any) as at 31 March 2022 and 31 March 2021 is the carrying value as illustrated the respective notes of the consolidated Ind AS financial statements.

## (B) Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur

when funding needed for illiquid asset positions is not available to the company on acceptable terms. To limit this risk, management has arranged for diversified funding sources such as investing its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The company also has lines of credit that it can access to meet liquidity needs.

Refer Note 56 for analysis of maturities of financial assets and financial liabilities

## (C) Market risk

### (i) Foreign currency risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

In respect of the foreign currency transactions, the Company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period is shown under Note 47 of the consolidated Ind AS financial statements.

A 5% strengthening of the Indian Rupee against key currencies to which the Company is exposed would have led to approximately an additional gain of INR 6,14,124 in the Statement of Profit and Loss (31 March 2021: loss of INR 11,946). A 5% weakening of the Indian Rupee against these currencies would have led to an equal but opposite effect.

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, the company's senior management have devised a policy of a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

Interest rate change does not affect significantly interest bearing investments and loans given and therefore the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's deposits with banks. The Company has laid policies and guidelines to minimise impact of interest rate risk.

A 0.50% decrease in interest rates would have led to approximately an additional loss of INR 1,94,805 in the Statement of Profit and Loss (31 March 2021: loss of INR 1,74,170). A 0.50% increase in interest rates would have led to an equal but opposite effect.

### (iii) Price risks

The Group is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

A 1% increase in prices would have led to approximately an additional gain of INR 62,32,745 in the Statement of Profit and Loss (31 March 2021: gain of INR 43,53,594). A 1% decrease in prices would have led to an equal but opposite effect.

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 56 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at					
	31 March 2022			31 March 2021		
	within 12 months	after 12 months	Total	within 12 months	after 12 months	Total
<b>ASSETS</b>						
<b>A. Financial assets</b>						
Cash and cash equivalents	1,118.19	-	1,118.19	239.18	-	239.18
Bank balances other than cash and cash equivalents	1,038.28	-	1,038.28	3,261.85	-	3,261.85
Receivables						
- Trade receivables	154.46	-	154.46	105.15	-	105.15
- Other receivables	197.25	-	197.25	44.48	-	44.48
Loans	2,222.57	0.50	2,223.07	1,973.30	2.07	1,975.37
Investments	6,238.87	-	6,238.87	3,676.13	752.46	4,428.59
Other financial assets	87.07	1,126.18	1,213.25	54.45	214.69	269.14
<b>Sub-total - financial assets (A)</b>	<b>11,057.68</b>	<b>1,126.68</b>	<b>12,182.36</b>	<b>9,354.54</b>	<b>969.22</b>	<b>10,323.76</b>
<b>B. Non-financial assets</b>						
Inventories	-	15.34	15.34	-	20.59	20.59
Current tax assets (net)	-	-	-	-	9.07	9.07
Investment property	-	3.49	3.49	-	3.60	3.60
Property, plant & equipment	-	1,600.63	1,600.63	-	1,659.04	1,659.04
Capital in work in progress	-	21.27	21.27	-	-	-
Right of use assets	-	6.38	6.38	1.41	-	1.41
Goodwill on consolidation	-	10.42	10.42	-	10.42	10.42
Other non-financial assets	101.72	0.08	101.80	35.07	0.54	35.61
<b>Sub-total - non-financial assets (B)</b>	<b>101.72</b>	<b>1,658.61</b>	<b>1,760.33</b>	<b>36.48</b>	<b>1,704.26</b>	<b>1,740.74</b>
<b>Total - Assets (A+B)</b>	<b>11,158.40</b>	<b>2,785.29</b>	<b>13,942.69</b>	<b>9,391.03</b>	<b>2,673.48</b>	<b>12,063.51</b>

Particulars	As at					
	31 March 2022			31 March 2021		
	within 12 months	after 12 months	Total	within 12 months	after 12 months	Total
<b>LIABILITIES</b>						
<b>A. Financial liabilities</b>						
Payables						
Trade payables						
Payables						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	315.12	-	315.12	457.22	-	457.22
Other payables						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	0.55	-	0.55
- total outstanding dues of creditors other than micro enterprises and small enterprises	25.22	-	25.22	14.11	-	14.11
Borrowings (other than debt securities)	2,705.15	-	2,705.15	2,562.96	17.42	2,580.37
Deposits	0.00	-	0.00	2.32	-	2.32
Lease liabilities	0.79	5.42	6.21	1.77	-	1.77
Other financial liabilities	69.33	9.24	78.57	42.17	9.08	51.25
<b>Sub-total - financial liabilities (A)</b>	<b>3,115.62</b>	<b>14.66</b>	<b>3,130.28</b>	<b>3,081.09</b>	<b>27.50</b>	<b>3,107.59</b>
<b>B. Non-Financial liabilities</b>						
Current tax assets (net)	-	58.55	58.55	-	-	-
Provisions	24.19	94.69	118.88	24.27	77.16	101.43
Deferred tax liabilities (net)	-	359.87	359.87	-	201.93	201.93
Other non-financial liabilities	160.20	-	160.20	97.57	-	97.57
<b>Sub-total - non-financial liabilities (B)</b>	<b>184.39</b>	<b>513.11</b>	<b>697.49</b>	<b>121.84</b>	<b>279.09</b>	<b>400.93</b>
<b>Total - Liabilities (A+B)</b>	<b>3,300.00</b>	<b>527.77</b>	<b>3,827.77</b>	<b>3,202.93</b>	<b>305.58</b>	<b>3,507.52</b>

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 57 DIVIDEND ON EQUITY SHARES

#### (I) Dividend on equity shares declared and paid during the year

Particulars	For the year ended	
	31 March 2022	31 March 2021
Final dividend of INR 1 per share for FY 2020-21 (FY 2019-20: INR 1 per share) #	70.18	70.18
Dividend distribution tax on final dividend \$	-	-

The proposed dividend on equity shares for FY 2020-21 was distributed based upon the approval of the shareholders of the Company at the Annual General Meeting held on 29 September 2021.

#### (II) Proposed dividend on equity shares not recognised as liability

Particulars	For the year ended	
	31 March 2022	31 March 2021
Final dividend of INR 1 per share for FY 2020-21 (FY 2019-20: INR 1 per share) #	70.18	70.18
Dividend distribution tax on final dividend \$	-	-

The proposed dividend on equity shares for FY 2021-22 is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

# Includes dividend of INR 14,51,702 paid to keynote trust

\$ The Budget 2020 has made dividend income from shares taxable in the hands of the recipient at the applicable income tax slab rates to the individual

and abolish the Dividend Distribution Tax (DDT) hitherto levied on dividend income before distribution by the company.

### 58 SEGMENT INFORMATION

The Chief Operating Decision Maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.

The business segment has been considered as the primary segment for disclosure. The Group's primary business comprises of Merchant Banking & related activities, Broking & related activities, Trading in securities and Financing Activities.

Broking and other related activities include broking services to clients, advisory services, depository services etc. Investment banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

### 58 Segment information

#### (A) Primary segment information

Particulars	Income from Advisory Services		Broking & related activities		Trading in Securities		Investment Activities		Unallocated		Elimination		Total	
	For the year ended													
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
External Revenue	1,036.71	667.13	298.13	244.42	1,342.31	976.24	219.69	151.11	277.51	235.98	14.52	14.52	3,159.84	2,260.96
Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations	1,036.71	667.13	298.13	244.42	1,342.31	976.24	219.69	151.11	277.51	235.98	14.52	14.52	3,159.84	2,260.96
Segment result	404.84	147.59	198.63	118.66	1,191.18	943.23	(6.61)	(15.59)	(177.89)	(90.57)	14.52	14.52	1,595.63	1,088.79
Un-allocated expenses														
Operating loss													1,595.63	1,088.79
Less: finance costs													(118.32)	(109.01)
Add: Interest income													389.61	348.34
Profit / (loss) before tax and exceptional items													1,866.92	1,328.12
Exceptional items													-	-
Profit / (loss) before tax													1,866.92	1,328.12
Less: Current tax													(203.64)	(126.37)
Add / (Less): Deferred tax													(54.97)	(74.35)
Profit / (Loss) after tax (before adjustment for Non-Controlling Interest)													1,608.31	1,127.41
Add: Share of Profit/ (Loss) transferred to Non-Controlling Interest													-	-
Profit / (Loss) after tax (after adjustment for Non-Controlling Interest)													1,608.31	1,127.41

# KEYNOTE FINANCIAL SERVICES LIMITED

## Notes forming part of the Consolidated Ind AS Financial Statements

(₹ in lakhs)

### Other Information

Particulars	Income from Advisory Services		Broking & related activities		Trading in Securities		Investment Activities		Unallocated		Total	
	As at											
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Segment Assets	1,093.53	2,266.31	4,101.21	3,172.91	15.34	20.59	2,307.35	2,000.31	6,425.30	4,603.39	13,942.73	12,063.51
Segment Liabilities	204.01	118.77	2,142.51	1,138.75	-	-	1,001.72	1,956.60	479.53	294.41	3,827.78	3,508.53

Particulars	Income from Advisory Services		Broking & related activities		Trading in Securities		Investment Activities		Unallocated		Total	
	For the year ended											
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Capital expenditure	6.62	4.40	3.79	1.36	-	-	-	-	-	-	10.41	5.76
Depreciation and amortisation	30.87	31.92	38.48	40.86	-	-	-	-	-	-	69.35	72.78
Non-cash expenses other than depreciation	-	48.61	-	-	-	-	-	-	-	-	-	48.61

### (B) Secondary segment information

Particulars	Year	In India	Outside India	Total
Revenue by geographical market	31 March 2022	2,577.44	582.40	3,159.84
	31 March 2021	2,206.23	54.13	2,260.36
Carrying amount of Segment assets	31 March 2022	13,816.94	125.79	13,942.73
	31 March 2021	12,063.51	-	12,063.51
Cost acquired for Tangible and Intangible assets	31 March 2022	69.35	-	69.35
	31 March 2021	72.78	-	72.78

### 59 Principles and assumptions on consolidation

The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 "Consolidated Financial Statements" in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, together referred to in as 'Consolidated Financial Statements.'

**The list of subsidiaries and trust in the consolidated financial statement are as under :-**

Keynote Financial Services Limited ('the Company' or 'the Holding Company') shareholding in the following companies as on 31 March 2022, and 31 March 2021 are as under:

Name of the entity	Country of incorporation	Proportion of ownership / beneficial interest	
		As at	
		31 March 2022	31 March 2021
<b>(a) Subsidiaries</b>			
Keynote Capitals Limited	India	100%	100%
Keynote Fincorp Limited	India	100%	100%
<b>(b) Step down Subsidiary</b>			
Keynote Commodities Limited	India	100%	100%
<b>(c) Trust</b>			
Keynote Trust	India	100%	100%

# ANNUAL REPORT 2021-22

## Notes forming part of the Consolidated Ind AS Financial Statements (₹ in lakhs)

### 60 Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries as at 31 March 2022

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in profit & loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (INR)	As % of Consolidated Profit/(Loss)	Amount (INR)	As % of Consolidated Comprehensive Income	Amount (INR)	As % of Consolidated Total Comprehensive Income	Amount (INR)
<b>Parent Company</b>								
Keynote Financial Services Limited	61.11%	6,181.71	22.74%	365.72	22.69%	1.66	22.74%	367.37
<b>Subsidiaries</b>								
Keynote Capitals Limited	42.49%	4,297.59	41.63%	669.59	77.31%	5.64	41.79%	675.23
Keynote Fincorp Limited	14.26%	1,442.02	26.27%	422.43	0.00%	-	26.15%	422.43
<b>Step down Subsidiary</b>								
Keynote Commodities Limited	6.87%	694.59	10.28%	165.35	0.00%	-	10.23%	165.35
<b>Trust</b>								
Keynote Trust	1.25%	126.38	-0.02%	(0.24)	0.00%	-	-0.02%	(0.24)
<b>Total</b>	<b>126.00%</b>	<b>12,742.28</b>	<b>100.90%</b>	<b>1,622.83</b>	<b>100.00%</b>	<b>7.30</b>	<b>100.91%</b>	<b>1,630.14</b>
Eliminations	-26.00%	(2,627.36)	-0.90%	(14.53)	0.00%	-	-0.91%	(14.53)
<b>Net total</b>	<b>100.00%</b>	<b>10,114.92</b>	<b>100.00%</b>	<b>1,608.31</b>	<b>100.00%</b>	<b>7.30</b>	<b>100.00%</b>	<b>1,615.61</b>

61 The step down subsidiary - Keynote Commodities Limited has surrendered the Membership of Multi Commodity Exchange and NCDEX during the previous year (F.Y 2019-20) and has encashment the security deposit as follows:

Nature of Security deposit	Amount (INR)
Collateral deposit with MCX exchange	42.50
NCDEX Base Capital Collateral deposit	25.00
NCDEX Interest free security deposit	10.00
<b>Total</b>	<b>77.50</b>

#### 62 Change of name

During the financial year 2018-19, the Holding Company - Keynote Financial Service Limited had changed its name from "Keynote Corporate Services Limited" to "Keynote Financial Services Limited" by passing a resolution at the Board Meeting dated 8 February 2019. Further, the necessary secretarial compliances with respect to the same were completed by the Holding Company, evidenced by a fresh certificate of incorporation dated 23 April 2019.

#### 63 Events after reporting date

The Board of Directors have recommended dividend of INR 1 per fully paid up equity share of INR 10 each (31 March 2021 : INR 1 each) for the financial year 2021-22.

#### 64 Treatment of 4% Optionally Convertible Preference Shares

During the year ended 31 March 2021, the Board of Directors of Keynote Commodities Limited have issued 4% Optionally Convertible Preference Shares during the year to be converted at the option of the Issuer. In view of the intention of the management to settle by converting these into equity in due time, the same is recognised as part of Equity in the consolidated financial statements.

#### 65 Details of Scheme of amalgamation approved by the Hon'ble High Court

As per the scheme of amalgamation approved by the Allahabad, Bombay, and Gauhati High court vide order dated 21 December 2006, 09 March, 2007 and 19 March, 2007 respectively, 14,51,702 equity shares of INR 10 each fully paid up is held by Keynote trust as a beneficiary of the Holding Company. Due to such cross holding the dividend of INR 14,51,702 (P.Y : INR 14,51,702) has been paid and received back from the trust. With respect to the dividend of INR 1 per share (P.Y: INR 1 per share) for 31 March, 2021, the Holding Company has adjusted its liability of dividend towards shares held by the Trust.

#### 66 Changes in liabilities arising from financing activities

The Group does not have any financing activities which affect the capital and asset structure of the group without the use of cash and cash equivalents

#### 67 Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement and the same has been relied upon by the Auditor.

#### 68 Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact in the consolidated financial statements.

# KEYNOTE FINANCIAL SERVICES LIMITED

**Notes forming part of the Consolidated Ind AS Financial Statements**  
(₹ in lakhs)

**69 Approval of consolidated Ind AS financial statements**

The consolidated Ind AS financial statements financial statements were approved for issue by the Board of Directors on 27 May 2022.

**70 Prior year comparatives**

The figures of the previous year have been regrouped / reclassified wherever necessary to conform to the classification / presentation of current year figures.

As per our report of even date attached

**For S M S R & Co LLP**

*Chartered Accountants*

Firm Registration No: 110592W/W100094

**Sd/-**

**Ravi Kapoor**

*Partner*

MeMembership No:040404

Date : 27 May 2022

Place : Mumbai

**For and on behalf of the Board of Directors of**

**Keynote Financial Services Limited**

CIN: L67120MH1993PLC072407

**Sd/-**

**Vineet Suchanti**

*Director*

DIN : 00004031

Date : 27 May 2022

Place : Mumbai

**Sd/-**

**Uday Patil**

*Director & CFO*

DIN : 00003978

**Sd/-**

**Renita Crasto**

*Company Secretary*

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary Companies

Details of Subsidiary Companies as on 31st March 2022

(₹ in lakhs)

Particulars	Name of Subsidiaries		
	Keynote Capitals Limited	Keynote Commodities Limited	Keynote Fincorp Limited
Share Capital	1,126.67	305.00	350.00
Reserves & Surplus	3,170.92	389.59	1,092.02
Total Assets	5,764.36	2,274.55	2,502.96
Total Liabilities	5,764.36	2,274.55	2,502.96
Investment (Except investment in subsidiaries)	1,816.55	-	-
Turnover	1,216.42	229.75	616.66
Profit/(Loss) before Taxation	839.61	197.91	400.19
Add Excess Provision	-	-	-
Less Short Provision	1.00	-	1.28
Provision for Taxation	146.75	32.67	-
Deferred Tax (Asset) / Liability	16.63	(0.11)	(66.13)
Profit/(Loss) after Taxation	675.23	165.35	335.34

**For on behalf of the Board of Directors of  
Keynote Financial Services Limited**

**Sd/-**

**Vineet Suchanti**

*Director*

DIN:00004031

**Sd/-**

**Uday Patil**

*Director & CFO*

DIN:00003978

**Sd/-**

**Renita Crasto**

*Company Secretary*

Place : Mumbai

Date: 27th May, 2022



**BY COURIER**

If undelivered, please return to:

**KEYNOTE FINANCIAL SERVICES LIMITED**

The Ruby, 9th floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028