

KEYNOTE

Ref # Key24/Stock Exchange Let/Sk (16)

16th April, 2024

The Manager
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

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

Scrip Code: 512597

Symbol: KEYFINSERV

Dear Sir/Madam,

Sub.: Receipt of “No Observation letters” regarding the draft scheme of Selective Capital Reduction between Keynote Financial Services Limited (The Company) and its Shareholders and Creditors.

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/ Madam,

We hereby inform that the Company has received observation letters from BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) dated April 15, 2024, in regards to **scheme of Selective Capital Reduction between Keynote Financial Services Limited (The Company) and its Shareholders and Creditors**, wherein Stock Exchanges have issued “No adverse Objection” and “No Objection” on the Scheme. The effectiveness of the Scheme will be subject to the approval of National Company Law Tribunal and other necessary approvals as may be required.

The Stock Exchanges observation letters are enclosed herewith.

This is for your information.

Thanking you.

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

SIMRAN
Prakash
Kashela

Simran Kashela
Company Secretary & Compliance Officer

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 Website www.keynoteindia.net

CIN - L67120MH1993PLC072407

DCS/AMAL/AK/R37/3139/2024-25

The Company Secretary,
Keynote Financial Services Ltd.
The Ruby, 9th Floor, Senapati Bapat
Marg, Dadar (W), Mumbai,
Maharashtra, 400028

Dear Sir,

Sub: Observation letter regarding the Scheme of selective capital reduction of the issued, subscribed and paid-up capital between Keynote Financial Services Limited and its Shareholders and Creditors

We are in receipt of the Scheme of selective capital reduction of the issued, subscribed and paid-up capital between Keynote Financial Services Limited and its Shareholders and Creditors filed Keynote Financial Services Limited as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_DivI/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated April 12, 2024 has inter alia given the following comment(s) on the draft scheme of reduction:

- a. "The proposed Scheme shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015".
- b. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- c. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- d. "Entities involved in the proposed scheme shall not make any changes to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges(s), except those mandated by the regulators/ authorities / tribunals."
- e. "Company shall ensure compliance with SEBI circulars issued from time to time. The entities involved in the scheme shall duly comply with the various provisions of the circular dated June 20, 2023."
- f. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- g. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- h. "The Company is advised to additionally disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by

the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:

- (i) Details of Previous Scheme of Arrangement and the reason for the issue of shares to Keynote Trust.
 - (ii) Brief of Terms of Trust Deed of Keynote Trust.
 - (iii) Need and rationale for reduction of shares held by Keynote Trust.
 - (iv) Impact of reduction of shares held by Keynote Trust on Public shareholders and their rights.
 - (v) Details of rights other than voting rights assigned to shares held with Keynote Trust.
 - (vi) Details of cash and non-cash benefits accrued to shares held by Keynote Trust and accounting of the same in the books of accounts in compliance with accounting policies and Companies Act, 2013.
 - (vii) Details of increase or decrease in the shareholding of Keynote Trust from the date of order of High Court.”
- i. “Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice to shareholders.”
 - j. “Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.”
 - k. “Company is advised that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
 - l. “Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
 - m. “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company is obliged to bring the observations to the notice of Hon’ble NCLT.”
 - n. “Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
 - o. “It is to be noted that the petitions are filed by the company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

The company shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

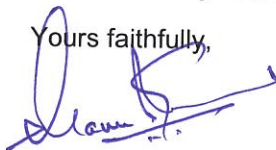
Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the**

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Manu Thomas
Additional General Manager



Tanmayi Lele
Assistant Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/D/2024/39982

April 15, 2024

The Company Secretary
Keynote Financial Services Limited
The Ruby, 9th floor, Senapati Bapat Marg,
Dadar (West), Mumbai - 400028

Kind Attn.: Ms. Simran Kashela

Dear Madam,

Sub: Observation Letter for draft scheme of Selective Capital Reduction between Keynote Financial Services Limited (The Company) and its shareholders and creditors.

We are in receipt for draft Scheme of Selective Capital Reduction between Keynote Financial Services Limited (The Company) and its shareholders and creditors vide application dated February 9, 2024.

Based on our letter reference no. NSE/LIST/39982 dated March 14, 2024, submitted to SEBI pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Regulation 37 and Regulation 94(2) of SEBI (LODR) Regulations, 2015, SEBI vide its letter dated April 12, 2024, has inter alia given the following comment(s) on the draft scheme of amalgamation:

- a. *The Company shall ensure that the proposed scheme shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.*
- b. *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c. *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed Company and the stock Exchanges.*
- d. *The entities involved in the scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/authorities/tribunal.*
- e. *The Company shall ensure compliance with the SEBI Circular issued from time to time and duly comply with various provisions of the SEBI Master Circular date June 20, 2023.*
- f. *The Company shall ensure that information pertaining to all the unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

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- h. The Companies shall ensure to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make informed decision in the matter:*
- Details of previous scheme of arrangement and reason for issue of shares to Keynote Trust.*
 - Brief of Terms of Trust deed of Keynote Trust.*
 - The need and rationale for the reduction of shares held by Keynote Trust.*
 - Impact of reduction of shares held by Keynote Trust on public shareholders and their rights.*
 - Details of rights other than voting rights assigned to shares held with Keynote Trust.*
 - Details of cash and non-cash benefits accrued to shares held by Keynote Trust and accounting of same in the book of accounts in compliance with accounting policies and companies act, 2013.*
 - Details of increase or decrease in the shareholding of Keynote Trust from the date of order of High Court.*
- i. The Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*
- j. The Company shall ensure that the proposed equity shares to be issued in terms of the “scheme” shall mandatorily be in demat form only.*
- k. Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- l. Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- m. Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n. Company shall ensure that all the applicable provisions of the Companies Act,2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

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Signer: DHAROD CHARMI CHETAN
Date: Mon, Apr 15, 2024 18:13:52 IST
Location: NSE

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

The validity of this “Observation Letter” shall be six months from April 15, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Charmi Dharod
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: DHAROD CHARMI CHETAN
Date: Mon, Apr 15, 2024 18:13:52 IST
Location: NSE