

KEYNOTE

DIRECTOR'S REPORT

To,
The Members of KEYNOTE FINCORP LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2021.

1. FINANCIAL SUMMARY OF THE COMPANY:

(Amount in Rs.)

Particulars	FY 2020-2021	FY 2019-2020
Total Income	1,83,96,395	1,84,95,068
Total Expenses	1,18,03,374	1,30,46,474
Profit/(loss) before Tax	65,93,021	54,48,594
a. Current Tax	(18,00,000)	(9,50,000)
b. Deferred tax	(1,25,498)	77,771
c. Prior period Tax adjustment		-
Profit / (Loss) after tax	46,67,523	45,76,365
Earning per Equity Share (in Rs.)	1.33	1.31
Basic/Diluted (in Rs.)	1.33	1.31

2. REVIEW OF OPERATIONS/PERFORMANCE:

During the financial year, the Company has earned total Income of Rs.1,83,96,395 as compared to Rs.1,84,95,068 for the previous year. Profit after Tax stood at Rs.46,67,523 as compared to Rs.45,76,365 for the previous year.

3. TRANSFER TO RESERVES:

During the year your Company has not transferred any amount to General Reserve.

4. DIVIDEND:

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

5. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

Keynote Fincorp Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: kcl@keynoteindia.net • Website: www.keynoteindia.net
CIN-U67120MH1995PLC084814

6. STATE OF COMPANY'S AFFAIRS:

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

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

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

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

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

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

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

10. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

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

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

- The Company is a subsidiary of "Keynote Financial Services Limited" (Formerly Keynote Corporate Services Limited).
- The Company is an Associate Company of "Keynote Capitals Limited".
- The Company neither has any Subsidiary Company nor any Joint Venture Company during the financial year under review.

12. RBI REGULATIONS AND GUIDELINES IN RESPECT OF FAIR PRACTICE CODE FOR NBFC'S:

Your Company always aims to operate in compliance with applicable RBI laws and regulations and employs its best efforts towards achieving the same.

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India in respect of Guidelines on Fair Practice Code for NBFC's from time to time.

Your Directors duly considered, adopted and taken on recordsuch RBI directions under theRBI guidelines of Non-Banking Financial Companies from time to time.

13. PUBLIC DEPOSIT:

The Company being a Non-Deposit Accepting, Non-Banking Financial Company has not accepted any deposits from the public 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 under review, and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

14. STATUTORY AUDITORS:

The Board of Directors of the Company recommends reappointment of M/s. Jayesh Dadia & Associates LLP, Chartered Accountants, having (Firm Registration Number: 121142W/W100122), as the Statutory Auditors of the Company to hold the office for the term of five years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 31stAnnual General Meeting of the Company to be held in financial year ended 2025-26 on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company.

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

There were no qualifications, reservations, adverse remarks or comment made by the Auditors in their report for the year 2020-21. The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.

15. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation no. 24A of SEBI Listing Obligations and Disclosure requirement (LODR) 2015, your Company being a Material Unlisted Subsidiary of Keynote Financial Services Limited for the Financial Year 2020-2021, Therefore company had appointed M/s. Uma Lodha & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company for the financial year ended 31st March 2021.

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

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

16. SHARE CAPITAL:

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

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

b. Issue of Sweat Equity Shares:

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

c. Issue of Equity Shares With Differential Rights:

The Company has not issued any Equity Shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

d. Issue of Employee Stock Option:

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

e. Issue of Equity Shares Without Differential Rights:

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

17. EXTRACT OF THE ANNUAL RETURN:

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

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

(A) Conservation of energy:

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

(B) Technology absorption:

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

(C) Foreign exchange earnings and Outgo:

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

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

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

20. DIRECTOR & KEY MANAGERIAL PERSONNEL:

There is no change in the Board of Directors of the Company during the year. The composition of the Board of Directors is as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Vineet Suchanti	00004031	Non- Executive Director
2.	Uday Patil	00003978	Non- Executive Director
3.	Rakesh Choudhari	00009093	Non- Executive Director
4.	Harsh Choksey	07191272	Non- Executive Director

Key Managerial Personnel (KMP):

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

Appointment of Designated Director under Prevention of Money Laundering Act (PMLA) 2002 and the rules framed there under:

Your Directors has appointed Mr. Vineet Suchanti, being a Director as Designated Director of the Company for the purpose of ensuring compliance of Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards /Combating of Financing of Terrorism (CFT) / Obligation of NBFCs under Prevention of Money Laundering Act (PMLA), 2002 and Rules framed there under.

21. DIRECTOR LIABLE TO RETIRE BY ROTATION:

In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company,Shri.Harsh Choksey (DIN: 07191272) Director of the Company liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers, himself for reappointment. Your Board recommends his re-appointment.

22. BOARD COMMITTEES:

(a) Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee:

As such, the provisions for constituting Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee are not applicable to the Companyunder the Companies Act, 2013 and the necessary rules made thereunder.

(b) Management Committee:

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

The Composition of Management Committee comprises as per the following:

Sr. No.	Name of the Director	Designation in the Committee
1.	Rakesh Choudhari	Chairman
2.	Vineet Suchanti	Member
3.	Uday Patil	Member
4.	Dinesh Chandra Gaur(Principal Officer)	Member

23. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE FINANCIAL YEAR:

Your Board of Directors has duly met Seven (07) times during the financial year under review, i.e. on 11th June, 2020, 27th June, 2020, 07th July, 2020, 13th August, 2020, 15th September, 2020, 31st October, 2020 and 08th February, 2021 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

24. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

25. RISK MANAGEMENT:

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

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

The Company is being NBFC registered with RBI and having Investment in Securities as its main business activity; hence, provisions of Section 186 under the Companies Act, 2013 are not applicable to the Company.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The detail regarding particulars of contracts or arrangements referred to in sub-section (1) of Sections 188 have been disclosed in the notes to accounts of financial statements under Accounting Standard -18.

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 is enclosed herewith in **Annexure-II**.

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

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

29. **DEMATERIALIZATION:**

As per the Rule 9A sub rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the company shall Issue the securities only in dematerialized form and Facilitate dematerialization of all its existing securities.

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

The Equity Shares of the Company must be deal in compulsory dematerialized mode. Presently 99.99% of equity capital of the company is in dematerialized mode.

The International Securities Identification Number (ISIN), allotted to the Company is INE04OU01010.

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

The provisions relating to the Prevention of Sexual Harassment (POSH) as per Rule 8 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]" is not applicable to the company.

31. **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period,

- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- d. The directors had prepared the annual accounts on a going concern basis,
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. ACKNOWLEDGMENT:

We take this opportunity to express our deep sense of gratitude to Reserve Bank of India (RBI), Registrar of Companies (ROC), M/s. Jayesh Dadia & Associates, LLP (Statutory Auditors), our Clients, Bankers and other Government Agencies for their continued support.

**By order of the Board
For KEYNOTE FINCORP LIMITED**



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



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

**Place: Mumbai
Date: 26/05/2021**

ANNEXURE - I TO THE DIRECTORS' REPORT**Form No. MGT-9****Extract of Annual Return****As on the financial year ended on 31st March 2021****[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]****I. REGISTRATION AND OTHER DETAILS:**

1.	Corporate Identity Number (CIN)	:	U67120MH1995PLC084814
2.	Registration Date	:	20-01-1995
3.	Name of the Company	:	KEYNOTE FINCORP LIMITED
4.	Category/Sub-Category of the Company	:	Indian Non-Government Company
5.	Address of the Registered Office and contact details	:	The Ruby, 9 th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400 028
6.	Whether listed Company (Yes/No)	:	Unlisted
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Contact: 022 - 62638200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/services	NIC Code of the product /service	% to the total turnover of the Company
1.	Non-Banking Financial Activities-NBFC (Investment and Lending Activities& Non-Accepting Public Deposit Company)	64990	99.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of Shares held	Applicable Section
1.	Keynote Financial Services Limited (Formerly KeynoteCorporate ServicesLimited) The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028	L67120MH1993PLC072407	Holding	57.14	2(46)

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

I. CATEGORY-WISE SHARE HOLDING

[illegible]

Venture Capital Funds									
i).. Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Non-Institutions									
a).. Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i).. Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b).. Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i). Individual shareholders holding nominal share capital upto Rs.1 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii). Individual shareholders holding nominal share capital in excess of Rs.1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c).. Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	34,99,999	1	35,00,000	100	34,99,999	1	35,00,000	100	Nil

***Shareholders who are mentioned in Individual promoter category are holding shares as a nominees of Keynote Financial Services Limited and its behalf.**

II). SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1.	Keynote Financial Services Limited	19,99,994	57.14	Nil	19,99,994	57.14	Nil	Nil
2.	Mr. Vineet Suchanti (Nominee of Keynote Financial Services Limited)	01	0.00	Nil	01	0.00	Nil	Nil
3.	Mr. Rajguru Undage (Nominee of Keynote Financial Services Limited)	02	0.00	Nil	02	0.00	Nil	Nil
4.	Mr. Rakesh Choudhari (Nominee of Keynote Financial Services Limited)	01	0.00	Nil	01	0.00	Nil	Nil
5.	Mr. Uday S. Patil (Nominee of Keynote Financial Services Limited)	01	0.00	Nil	01	0.00	Nil	Nil
6.	Mr. B MadhuPrasad (Nominee of Keynote Financial Services Limited)	01	0.00	Nil	01	0.00	Nil	Nil
7.	Keynote Capitals Limited	15,00,000	42.86	Nil	15,00,000	42.86	Nil	Nil
	Total	35,00,000	100	Nil	35,00,000	100	Nil	Nil

* Mr. Vineet Suchanti, Mr. Rajguru Undage, Mr. Rakesh Choudhari, Mr. Uday S. Patil and Mr. B Madhu Prasad are holding shares as a nominees of Keynote Financial Services Limited and on its behalf.

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

Sr. No.	For Each Promoters	Shareholding at the beginning of the Year		Remarks			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of the company
1	Keynote Financial Services Limited	19,99,994	57.14		No change		19,99,994	57.14
2	Mr. Vineet Suchanti (Nominee of Keynote Financial Services Limited)	01	0.00		No change		01	0.00
3	Mr. Rajguru Undage (Nominee of Keynote Financial Services Limited)	02	0.00		No change		02	0.00
4	Mr. Rakesh Choudhari (Nominee of Keynote Financial Services Limited)	01	0.00		No change		01	0.00
5	Mr. Uday S. Patil (Nominee of Keynote Financial Services Limited)	01	0.00		No change		01	0.00
6	Mr. B MadhuPrasad (Nominee of Keynote Financial Services Limited)	01	0.00		No change		01	0.00
7	Keynote Capitals Limited	15,00,000	42.86		No change		15,00,000	42.86
	TOTAL	35,00,000	100		TOTAL		35,00,000	100

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

V.) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For Each Directors & KMP	Shareholding at the beginning of the Year		Remarks			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of the company
1	Uday Patil	01	0.00		No change		01	0.00
2	Vineet Suchanti	01	0.00		No change		01	0.00
3	Rakesh Choudhari	01	0.00		No change		01	0.00
4	Harsh R Choksey	NIL	NIL		No change		NIL	NIL

* Mr. Vineet Suchanti, , Mr. Rakesh Choudhari and Mr. Uday S. Patil are holding shares as a nominees of Keynote Financial Services Limited and on its behalf.

VI). DETAILS OF INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for paymentfor payment (For the year 2020-2021): (Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-04-2020				
i). Principal Amount	Nil	17,48,25,127	Nil	17,48,25,127
ii) Interest due but not paid	Nil	70,08,879	Nil	70,08,879
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	18,18,34,006	Nil	18,18,34,006
Change in Indebtedness during the financial year	Nil		Nil	
+ Addition	Nil	6,93,53,249	Nil	6,93,53,249
- Reduction	Nil	5,77,71,935	Nil	5,77,71,935
Net Change	Nil	1,15,81,314	Nil	1,15,81,314
Indebtedness at the end of the financial year 31-03-2021				
i). Principal Amount	Nil	18,44,62,071	Nil	18,44,62,071
ii) Interest due but not paid	Nil	89,53,249	Nil	89,53,249
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	19,34,15,320	Nil	19,34,15,320

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

(a) Remuneration to Managing Director, Whole-Time Directors and/or Manager:NA

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs. In lakhs)
1.	Gross Salary		
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961	-	-
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of Profit	-	-
	- Others specify	-	-
5.	Others, please specify (Bonus)	-	-
	Ceiling as per the Act	-	-
	Total	-	-

B. Remuneration of other Directors:

I.Independent Directors: NA

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

II. Other Non-Executive Directors:

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


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

Sr.No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
1.	Gross Salary				Total Amount
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b). Value of perquisites u/s17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - As % of Profit - Others specify	Nil	Nil	Nil	Nil
5.	Others, please specify (Bonus)	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

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

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES-NIL					
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

By order of the Board
For KEYNOTE FINCORP LIMITED


Rakesh Choudhari
Director
(DIN: 00009093)


Uday Patil
Director
(DIN: 00003978)

Place: Mumbai
Date: 26/05/2021

JAYESH DADIA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

422, Arun Chambers, Tardeo, Mumbai - 400034. Tel.: +91-22-66602417 / 66601056 Fax : +91-22-66602418
E-mail: info@jdaca.com Website : www.jdaca.com

INDEPENDENT AUDITORS' REPORT

To the Members of Keynote Fincorp Limited Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **M/s. Keynote Fincorp Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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

Responsibility of Management & Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for



our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable



2. As required by Section 143(3) of the Act, we report, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company in 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 Cash Flow Statement and 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 prescribed under section 133 of the Act read with relevant rules issued there under.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigation which will have impact on its financial position in its 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 not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. Thus the question of delay in transferring such sums does not arise.



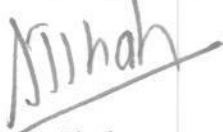
3. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the company has not paid any remuneration to its directors during the current year.

For Jayesh Dadia & Associates LLP

Chartered Accountants

Firm's Registration No. 121142W / W100122


Samir Shah
Partner
Membership No. 124298



Place of Signature: Mumbai

Date: 26th May, 2021

UDIN:21124298AAAADH2225

JAYESH DADIA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

422, Arun Chambers, Tardeo, Mumbai - 400034. Tel.: +91-22-66602417 / 66601056 Fax : +91-22-66602418
E-mail: info@jdaca.com Website : www.jdaca.com

Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31st March, 2021, we report that:

- (i) (a) & (b) In our opinion and according to the information & explanation given to us, the Company does not own any fixed assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held in the name of the Company.
- (ii) (a) In our opinion and according to the information & explanation given to us, the Company does not have stock of shares in physical form at the year end. The management has verified/reconciled the stock of shares lying in demat form during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of verification of stock of shares, as explained to us which are followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
- (c) In our opinion and according to information and explanation given to us, the company has maintained proper records of stock of shares. The discrepancies noticed on verification between the physical verification of stocks and demat account reconciliation were not material.
- (iii) In our opinion and according to the information & explanation given to us, the Company has granted unsecured loan to two companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) In our opinion, the terms and conditions of the grant of such loan are not prejudicial to the company's interest;
- (b) & (c) According to information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated. Therefore, we are unable to comment whether repayments of principal or interest are regular or not.
- (iv) In our opinion and according to the information & explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.




- (v) In our opinion and according to the information & explanation given to us, the Company has not accepted any deposits from public. Therefore paragraph 3(v) of the Order is not applicable.
- (vi) In our opinion and according to the information & explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the information & explanations provided to us & on the basis of our examination of the books of accounts & other relevant records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2021 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited or partially deposited.
- (viii) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to banks or financial institutions.
- (ix) The Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information & explanation given to us, Company has not paid any remuneration to managerial personnel.
- (xii) In our opinion and according to the information & explanations given to us, the Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- (xiii) In our opinion and according to the information & explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.



- (xiv) In our opinion and according to the information & explanation given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review.
- (xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him/her as specified under the provisions of section 192 of the Companies Act, 2013,.
- (xvi) In our opinion and according to the information & explanation given to us, the Company is registered Non banking Financial Company under section 45-1(A) of the Reserve Bank of India Act, 1934.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122


Samir Shah
Partner
Membership No. 124298



Place of Signature: Mumbai
Date: 26th May, 2021
UDIN: 21124298AAAADH2225

JAYESH DADIA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

422, Arun Chambers, Tardeo, Mumbai - 400034. Tel.: +91-22-66602417 / 66601056 Fax : +91-22-66602418
E-mail: info@jdaca.com Website : www.jdaca.com

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of **Keynote Fincorp Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jayesh Dadia & Associates LLP

Chartered Accountants

Firm's Registration No. 121142W/W100122


Samir Shah

Partner

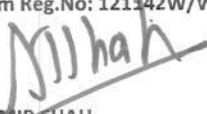


Membership No. 124298

Place of Signature: Mumbai

Date: 26th May, 2021

UDIN: 21124298AAAADH2225



<p style="text-align: center;">KEYNOTE FINCORP LIMITED (CIN No: U67120MH1995PLC084814) Balance Sheet As at 31st March, 2021</p>			
		(Amount in Rs.)	
Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
1. Financial Assets			
a) Cash and cash equivalents	1	7,26,743	62,64,415
b) Bank Balance other than (a) above	2	-	-
c) Loans	3	22,64,42,167	19,94,68,706
d) Investments	4	7,81,11,433	8,23,09,688
"A"		30,52,80,343	28,80,42,809
2. Non Financial Assets			
a) Inventories	5	20,59,130	9,35,755
b) Current tax Assets (Net)	6	1,06,07,156	94,22,087
c) Deferred tax Assets / (Liabilities) (Net)	7	(47,727)	77,771
d) Other Non Financial Assets	8	43,453	60,672
"B"		1,26,62,012	1,04,96,285
Total Assets - "A" + "B"		31,79,42,355	29,85,39,094
LIABILITIES AND EQUITY			
1. Financial Liabilities			
a) Trade Payables			
i) Total outstanding dues to Micro, Small and Medium Enterprises			
ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	9	20,01,493	6,93,856
b) Borrowings	10	19,34,15,320	18,18,34,006
c) Other Financial Liabilities	11	9,98,463	10,81,309
"A"		19,64,15,276	18,36,09,171
2. Non-Financial Liabilities			
a) Current Tax Liabilities (Net)	12	1,01,56,267	83,56,267
b) Provisions against standard Assets	13	5,66,105	4,98,672
c) Deferred Tax Liabilities (Net)		-	-
d) Other Non-financial Liabilities	14	1,36,735	74,535
"B"		1,08,59,107	89,29,474
3. Equity			
a) Equity Share Capital	15	3,50,00,000	3,50,00,000
b) Other Equity	16	7,56,67,972	7,10,00,449
"C"		11,06,67,972	10,60,00,449
Total Liabilities and Equity - "A" + "B" + "C"		31,79,42,355	29,85,39,094
<p>Summary of Significant Accounting Policies 28</p> <p>The accompanying Notes are an integral part of the Financial Statements</p> <p>As per our report attached of even date For and on behalf of Board of Directors</p>			
<p>For JAYESH DADIA & ASSOCIATES LLP Chartered Accountants Firm Reg.No: 121342W/W100122</p>		<p>For Keynote Fincorp Limited</p>	
<p> SAMIR SHAH Partner Membership No: 124298 Place : Mumbai Date : 26th May, 2021</p>		<p> Rakesh Choudhari Director DIN: C0009093</p> <p> Uday Patil Director DIN: 00003978</p>	

KEYNOTE FINCORP LIMITED
(CIN No: U67120MH1995PLC084814)
Statement of Profit & Loss
for the year ended 31st March, 2021

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
Revenue from operations			
Interest Income	17	1,56,61,318	1,50,69,372
Dividend Income	18	1,10,227	42,215
Net gain on fair value changes	19	25,51,745	33,81,431
Total Revenue from operations (I)		1,83,23,290	1,84,93,018
Other Income (II)	20	73,105	2,050
Total Income (I + II)		1,83,96,395	1,84,95,068
EXPENSES			
Finance Costs	21	96,82,114	78,15,829
Net loss on fair value changes	22	-	2,86,030
Changes in Inventories of Stock-in-trade	23	(11,23,375)	11,72,625
Employee Benefits Expenses	24	14,05,919	18,28,420
Other Expenses	25	17,71,283	18,85,112
Provision for contingencies on Standard Assets		67,433	58,458
Total Expenses (IV)		1,18,03,374	1,30,46,474
Profit Before Tax (V-VI)		65,93,021	54,48,594
Tax Expenses			
-Current Tax	26	(18,00,000)	(9,50,000)
-Deferred Tax		(1,25,498)	77,771
-Prior period Tax adjustment		-	-
Profit for the Period ended (VI-VII)		46,67,523	45,76,365
Other Comprehensive Incomes		-	-
Total Comprehensive Incomes for the period		46,67,523	45,76,365
Earnings per Equity Share	27		
Basic (in Rs.)		1.33	1.31
Diluted (in Rs.)		1.33	1.31

Summary of Significant Accounting Policies 28
The accompanying Notes are an integral part of the Financial Statements
As per our report attached of even date

For and on behalf of Board of Directors

For JAYESH DADIA & ASSOCIATES LLP
Chartered Accountants
Firm Reg.No: 121142W/W100122

For KEYNOTE FINCORP LIMITED

SAMIR SHAH
Partner

Membership No: 124298
Place : Mumbai
Date : 26th May,2021



RAKESH CHOUDHARI
DIRECTOR
DIN : 00009093

UDAY PATIL
DIRECTOR
DIN: 00003978

M/s. KEYNOTE FINCORP LIMITED
(CIN No: U67120MH1995PLC084814)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Items		65,93,021		54,48,594
Adjustment For :				
Dividend Income	(1,10,227)		(42,215)	
Profit on sale of mutual funds (Realised)	(23,62,111)		(30,41,523)	
Provision for Bonus	1,36,735		74,535	
Provision for Standard asset	67,433		58,458	
Changes on A/c. of Revaluation as per IND AS (Unrealised)	(1,89,634)		(3,39,908)	
Bonus paid	(74,535)		(73,885)	
Loss on sale of Shares	-		2,86,030	
		(25,32,339)		(30,78,507)
Operating profit before working capital changes		40,60,682		23,70,087
Adjustment For :				
Decrease /(Increase) in Inventory	(11,23,375)	-	11,72,625	
Decrease /(Increase) in Loans	(2,69,73,461)	-	(2,33,83,226)	
Decrease /(Increase) in other Current Tax Assets	(11,85,069)	-	2,13,53,051	
Increase / (Decrease) in Other Financial Liabilities	1,15,81,314	-	5,31,08,879	
Increase /(Decrease) in Other Non Financial Assets	17,219	-	(10,020)	
Increase /(Decrease) in Trade Payables	13,07,637	-	(8,949)	
Increase / (Decrease) in Other Current Liabilities	(82,846)	(1,64,58,580)	1,37,707	5,23,70,067
CASH FROM OPERATING ACTIVITIES		(1,23,97,899)		5,47,40,152
Less: Tax paid				
Less: Tax paid				
NET CASH FROM OPERATING ACTIVITIES		(1,23,97,899)		5,47,40,152
CASH FLOW FROM INVESTING ACTIVITIES:				
Dividend income	1,10,227		42,215	
Purchase of Investment	(9,52,50,000)		(32,74,30,000)	
Sale of Investment	10,20,00,000		26,72,57,995	
NET CASH FROM INVESTING ACTIVITIES		68,60,227		(6,01,29,791)
CASH FLOW FROM FINANCING ACTIVITIES:				
NET CASH FROM FINANCING ACTIVITIES				
NET INCREASE IN CASH AND CASH EQUIVALENTS		(55,37,672)		(53,89,638)
Cash and cash equivalents as at 31st March, 2020 (Opening Balance)		62,64,415		1,16,54,053
Cash and cash equivalents as at 31st March, 2021 (Closing Balance)		7,26,743		62,64,415
NET INCREASE IN CASH AND CASH EQUIVALENTS		(55,37,672)		(53,89,638)

NOTES TO THE CASH FLOW STATEMENT

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

Cash	9,244	15,844
With Banks		
-Current Accounts	7,17,499	62,48,571
Total cash and cash equivalents	7,26,743	62,64,415

As per Report of Even Date Attached
For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Reg.No.: 127142W/W100122

SAMIR SHAH
PARTNER
Mem. No.: 124298
Mumbai
Date : 26th May, 2021



On behalf of the Board of Directors
For Keynote Fincorp Limited

RAKESH CHOUDHARI
DIRECTOR
DIN:00009093

UDAY PATIL
DIRECTOR
DIN: 03003978

KEYNOTE FINCORP LIMITED (CIN No. U67120MH1995PLC084814)
STATEMENT OF CHANGE IN EQUITY AS ON 31ST MARCH, 2021

A. Equity Share Capital

(Amount in Rs)

Particulars	31st March, 2021		31st March, 2020		1st April, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	35,00,000	3,50,00,000	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Change in equity share capital during the year	-	-	-	-	-	-
At the end of the year	35,00,000	3,50,00,000	35,00,000	3,50,00,000	35,00,000	3,50,00,000

B. Other Equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	Other Comprehensive Income	Securities Premium	Retained Earnings	
Balance as at 1st April, 2019	73,32,783	-	3,00,00,000	2,92,29,361	6,65,62,143
Other Comprehensive Income	-	-	-	-	-
Transferred to Statutory Reserve	-	-	-	(9,15,273)	-
Transfer from Retained Earnings	9,15,273	-	-	-	-
Appropriate reversal of Deferred Tax Assets prov.	-	-	-	(1,38,060)	(1,38,060)
Profit/Loss for the period	-	-	-	45,76,365	45,76,365
Balance as at 31st March, 2020	82,48,056	-	3,00,00,000	3,27,52,393	7,10,00,449
Other Comprehensive Income	-	-	-	-	-
Transferred to Statutory Reserve	-	-	-	(9,33,505)	-
Transfer from Retained Earnings	9,33,505	-	-	-	-
Appropriate reversal of Deferred Tax Assets prov.	-	-	-	-	-
Profit/Loss for the period	-	-	-	46,67,523	46,67,523
Balance as at 31st March, 2021	91,81,561	-	3,00,00,000	3,64,86,411	7,56,67,972

Notes :

- 1 Retained earnings represent the accumulated earnings net of losses if any made by the company over the years.
- 2 Statutory reserve represents amount appropriated from retained earnings.
- 3 Securities premium is created in issue of shares during previous financial years.
- 4 Other comprehensive income represents remeasurements of defined benefit plans measured at fair value through other comprehensive income.

The accompanying Notes are an integral part of the Financial Statements

As per our report attached of even date

For and on behalf of Board of Directors

For JAYESH DADIA & ASSOCIATES LLP

Chartered Accountants

Firm Reg.No: 121142W/W100122

SAMIR SHAH

Partner

Membership No: 124298



For KEYNOTE FINCORP LIMITED

RAKESH CHOUDHARI

DIRECTOR

DIN : 00009093

UDAY PATIL

DIRECTOR

DIN: 00003978

Place : Mumbai

Date : 26th May, 2021

KEYNOTE FINCORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 1. CASH AND CASH EQUIVALENTS

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
a) Cash on Hand	9,244	15,844
b) Balance with Banks : In Current Account	7,17,499	62,48,571
Total	7,26,743	62,64,415

NOTE 2. BANK BALANCE OTHER THAN NOTE NO.1 ABOVE

Particulars	31.03.2021	31.03.2020
Bank balances other than Note no.1 above	-	-
Total	-	-

NOTE 3. LOANS

Particulars	31.03.2021	31.03.2020
Short Term Loans & Advances		
<u>Secured</u>		
To others	2,92,35,555	5,57,11,618
<u>Unsecured</u>		
To others	15,16,68,644	10,00,66,162
To Related Parties	4,55,37,968	4,36,90,926
Total	22,64,42,167	19,94,68,706

NOTE 4. INVESTMENTS

Particulars	31.03.2021	31.03.2020
A) NON CURRENT INVESTMENTS		
Investment in Equity Shares -Quoted, Fully paid, Measured at FVTPL	-	-
Rights in Financial Assets - Measured at FMV	1,13,69,780	1,13,69,780
Total (A)	1,13,69,780	1,13,69,780
B) CURRENT INVESTMENTS		
Investment in Mutual Funds -Quoted, Fully paid, Measured at FVTPL		
<u>Debt Fund</u>		
16,18,048 Units(17732.8650)Kotak Liquid Fund- Regular Growth (FV Rs.1000/-)	6,67,41,653	7,09,39,908
Total (B)	6,67,41,653	7,09,39,908
Total (A+B)	7,81,11,433	8,23,09,688

NOTE 5. INVENTORIES

Particulars	31.03.2021	31.03.2020
STOCK-IN-TRADE		
Quoted Equity shares Fully paid up 46905 (46905) Hudco Ltd (FV Rs.10/-) (measured at NRV or Cost whichever is less)	20,59,130	9,35,755
Total	20,59,130	9,35,755

NOTE 6. CURRENT TAX ASSETS

Particulars	31.03.2021	31.03.2020
Balance with Government and other Statutory Authorities	97,48,393	85,63,324
MAT Credit	8,58,763	8,58,763
Total	1,06,07,156	94,22,087

NOTE 7. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

Particulars	31.03.2021	31.03.2020
Deferred Tax Assets (Ind As)		
On Fair valuation of Investments		77,771
Deferred Tax Liabilities (Ind As)		
On Fair valuation of Investments	(47,727)	
Total	(47,727)	77,771

NOTE 8. OTHER NON-FINANCIAL ASSETS

Particulars	31.03.2021	31.03.2020
Prepaid Expenses	25,453	42,672
Security Deposit	18,000	18,000
Total	43,453	60,672

NOTE 9. TRADE PAYABLES

Particulars	31.03.2021	31.03.2020
(a) Total outstanding dues of micro enterprise and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprise and small enterprises		
-Creditors for expenses	20,01,493	6,93,856
Total	20,01,493	6,93,856

NOTE 10. BORROWINGS

Particulars	31.03.2021	31.03.2020
Unsecured Short Term Borrowings		
From others	19,34,15,320	18,18,34,006
From Related Parties	-	-
Total	19,34,15,320	18,18,34,006

NOTE 11. OTHER FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
OTHER CURRENT LIABILITIES		
Other Liabilities	8,45,283	9,32,136
Outstanding Expenses	1,53,180	1,49,173
Total	9,98,463	10,81,309

NOTE 12. CURRENT TAX LIABILITIES

Particulars	31.03.2021	31.03.2020
Provisions for Tax		
Income Tax	1,01,56,267	83,56,267
Total	1,01,56,267	83,56,267

NOTE 13. PROVISION AGAINST STANDARD ASSETS

Particulars	31.03.2021	31.03.2020
Provision against Standard Assets	5,66,105	4,98,672
Total	5,66,105	4,98,672

NOTE 14. OTHER NON-FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
Provisions for Employee Benefits		
Bonus	1,36,735	74,535
Total	1,36,735	74,535

NOTE 15. EQUITY SHARE CAPITAL

Particulars	31.03.2021	31.03.2020
Authorised, issued, subscribed and paid up share capital and value per share:		
1,70,00,000 Equity shares of Rs.10/- each (Previous year 1,70,00,000 Equity shares of Rs.10/- each)	17,00,00,000	17,00,00,000
Total	17,00,00,000	17,00,00,000
Issued, Subscribed & Fully paid up shares		
35,00,000 Equity Share of Rs. 10/- each (Previous Year 35,00,000 Equity shares of Rs.10/- each)	3,50,00,000	3,50,00,000
Total	3,50,00,000	3,50,00,000

Particulars	31.03.2021 No. of shares	31.03.2020 No. of shares
Reconciliation of Number of Equity Shares		
Number of shares outstanding as at the beginning of the year	35,00,000	35,00,000
Add:		
a) Number of shares allotted as fully paid up bonus shares during the year	-	-
b) Number of shares allotted during the year as fully paid up pursuant to a contract without payment being received in cash	-	-
c) Number of shares allotted to employees pursuant to ESOPs/ ESPs	-	-
d) Number of shares allotted for cash pursuant to public issue	-	-
	35,00,000	35,00,000
Less:		
Number of shares bought back during the year	-	-
Number of shares outstanding as at the end of the year	35,00,000	35,00,000

The Rights, Preferences, Restriction including restriction on the distribution of dividend and repayment of capital

1. The company is having only one class of share, that is equity carrying nominal value of Rs.10 per share.
2. Every holder of equity share of the company is entitled to one vote per share held.

The details of shareholders holding more than 5% shares

Particulars	No. of shares Fully Paid Rs.10/-	31.03.2021 % of holding	31.03.2020 % of holding
Name of Equity Shareholders			
M/s. Keynote Corporate Services Ltd.	20,00,000	57.14%	57.14%
M/s. Keynote Capital Ltd.	15,00,000	42.86%	42.86%
Total	35,00,000	100%	100%

NOTE 16. OTHER EQUITY

Particulars	31.03.2021	31.03.2020
Securities Premium	3,00,00,000	3,00,00,000
Statutory Reserve (u/s 45 IC of RBI Act)		
Opening Balance	82,48,056	73,32,783
Addition during the year	9,33,505	9,15,273
Closing Balance	91,81,561	82,48,056
6) Statement of Profit & Loss		
As per Last Balance sheet	3,27,52,393	2,92,29,361
Less: Opening Deferred Tax Assets Reversal	-	(1,38,060)
Add : Profit transferred from Statement of Profit & Loss	46,67,523	45,76,365
Less: Transferred to Statutory Reserve	(9,33,505)	(9,15,273)
	3,64,86,411	3,27,52,393
Total	7,56,67,972	7,10,00,449

KEYNOTE FINCORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**NOTE 17. INTEREST INCOME**

(Amount in Rs.)

Particulars	31.03.2021	31.03.2020
Interest from loans	1,56,61,318	1,50,69,372
	1,56,61,318	1,50,69,372

NOTE 18. DIVIDEND INCOME

Particulars	31.03.2021	31.03.2020
Dividend Income	1,10,227	42,215
	1,10,227	42,215

NOTE 19. NET GAIN ON FAIR VALUE CHANGES

Particulars	31.03.2021	31.03.2020
(A) Net gain/(Loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
Investments in Shares	-	-
Investments in MF	23,62,111	30,41,523
(ii) On financial instruments designated at fair value through profit or loss		
Investments in Shares	-	-
Investments in MF	1,89,634	3,39,908
(B) Others- Stock in Trade of shares	-	-
(C) Total Net Gain/(Loss) on fair value changes	25,51,745	33,81,431
Fair Value Changes :		
Realised	23,62,111	30,41,523
Unrealised	1,89,634	3,39,908
(D) Total Net Gain on fair value changes	25,51,745	33,81,431

NOTE 20. OTHER INCOME

Particulars	31.03.2021	31.03.2020
Interest Income on Income Tax refund	-	-
Processing Fee Received	-	2,050
Interest on Fixed deposits	73,105	-
	73,105	2,050

NOTE 21. FINANCE COSTS

Particulars	31.03.2021	31.03.2020
Interest on borrowings	96,79,188	78,14,767
Bank & Other Charges	2,926	1,062
	96,82,114	78,15,829

NOTE 22. NET LOSS ON FAIR VALUE CHANGES

Particulars	31.03.2021	31.03.2020
(A) Net gain/(Loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
Investments in Shares	-	2,86,030
(ii) On financial instruments designated at fair value through profit or loss		
Investments in Shares	-	-
Investments in MF	-	-
(C) Total Net Gain/(Loss) on fair value changes	-	2,86,030
Fair Value Changes :		
Realised	-	2,86,030
Unrealised	-	-
(D) Total Net Loss on fair value changes	-	2,86,030

NOTE 23. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	31.03.2021	31.03.2020
Changes in stock in trade	(11,23,375)	11,72,625
	(11,23,375)	11,72,625

NOTE 24. EMPLOYEE BENEFITS EXPENSES

Particulars	31.03.2021	31.03.2020
Salary, Wages, Allowances & Bonus	13,25,119	15,53,745
Leave Encashment	-	10,112
Staff Welfare Expenses	80,800	2,64,563
Total	14,05,919	18,28,420

NOTE 25. OTHER EXPENSES

Particulars	31.03.2021	31.03.2020
Auditors' Remuneration (see below)	2,06,500	2,65,500
Conveyance Exp	1,25,145	92,510
Custodial/ R&T charges	16,520	16,520
Depository Charges	3,068	6,992
Donation	-	-
Electricity Charges	1,90,696	3,11,438
Insurance	25,655	22,909
Interest on delayed payment (TDS)	12,060	-
Miscellaneous Expenses	4,900	1,595
Sharing of common expenses	-	6,27,251
Legal and Professional fees	4,44,960	4,95,483
Membership fees & subscription Exp	23,600	24,034
Profession Tax	2,085	2,085
Processing Charges (CDSL)	-	-
Registration & filing fees	5,040	4,260
Bad Debts Written off	6,99,484	-
Telephone Expenses	11,570	14,535
Total	17,71,283	18,85,112
Auditor's Remuneration		
For Statutory and Tax Audit	1,47,500	1,47,500
For Certification work	59,000	-
For Income Tax and other Matters	-	1,18,000
	2,06,500	2,65,500

NOTE 26. TAX EXPENSES

Particulars	31.03.2021	31.03.2020
Current Tax	18,00,000	9,50,000
Less: Mat Credit utilised	-	-
Total	18,00,000	9,50,000

NOTE 27. Earnings Per Equity Shares

Particulars	31.03.2021	31.03.2020
Basic Earing Per Shares		
Total Comprehensive Incomes for the period (a)	46,67,523	45,76,365
Weighted average number of equity shares outstanding during the period (b)	35,00,000	35,00,000
Basic Earning Per Share (a/b)	1.33	1.31
Diluted Earning Per Share		
Profit after tax as per Statement of Profit & Loss (a)	46,67,523	45,76,365
Weighted average number of equity shares outstanding during the year	35,00,000	35,00,000
Add : Weighted average number of potential equity shares on account of conversion of Optionally Convertible Preference Shares	-	-
Weighted average number of equity shares outstanding for diluted EPS (b)	35,00,000	35,00,000
Diluted Earning Per Share (a/b)	1.33	1.31
Nominal Value per Share	10	10

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 28

I. GENERAL INFORMATION:

Keynote Fincorp Limited (the 'Company') is a Non-Banking Finance Company registered with the Reserve Bank of India.

II. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation and Presentation of Financial Statements & Use of Estimates:

1.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the relevant provisions of the Companies Act, 2013 ("The Act") and guidelines issued by the Securities & Exchange Board of India.

The Company's Financial Statements for the year ended 31st March, 2021 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

1.2 The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

1.4 All assets and liabilities have been classified as finance and non-finance as per the Indian Accounting Standards (Amendment) Rules 2016 to which Indian Accounting Standards applied, prepared financial statements in accordance with Schedule III or with such modifications as may be required under certain circumstances.

1.5 Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Indian accounting standards are followed insofar as the Prudential Norms prescribed by Reserve Bank of India (RBI).

2. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

i. Gains / Losses on Securities are accounted on the basis of purchases and sales contracted up to the last day of the financial year.

ii. In respect of other heads of income, the entity follows the practice of accounting of such income on accrual basis.

iii. Incomes including interest/discount or any other charges on Non-Performing Assets are recognised only when it is actually realised. Any such income recognised before the asset becomes non-performing and remaining unrealised are reversed.

iv. Income from dividend on shares of corporate bodies and units of mutual funds are taken into account on receipt basis. The income from dividend on shares of corporate bodies are taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the company's right to receive payment is established.

3. Investments

The Company being regulated as a Non-Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Indian Accounting Standard (IND-AS) on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India.

'Long Term Investments' are carried at acquisition/amortised cost. A provision is made for diminution other than temporary on an individual investment basis.

4. Stock in Trade

Stock in trade in securities are carried at lower of cost or market value on an individual investment category basis.

5. Classification of Assets and Liabilities into Current / Non - Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non Current classification of its Assets and Liabilities.

For the Purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realize the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for

at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

6. Financial Instrument:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments to the Financial Statements for the period ended 31st March, 2021

6 a. Financial asset:

All regular way purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

6 b. Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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 principal amount outstanding.

6 c. Financial assets at Fair Value Through profit and Loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income / Other expenses' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends 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 measured reliably.

6 d. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets

The Company has made an irrevocable election to present subsequent changes in the fair value of Debt instruments not held for trading in other comprehensive income.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

6 e. Impairment of financial assets:

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual rights to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures their allowances at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivable, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

6 f. De-recognition of financial assets:

The Company de-recognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognize sits retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received

6 g. Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortized cost and FVTPL, exchange differences are recognized in profit and loss, except for those which are designated as hedging instruments in a hedging relationship.

6 h. Financial liabilities:

Financial liabilities are subsequently measured at amortized cost or at FVTPL.

6 i. Financial liabilities at FVTPL:

Financial liabilities such as derivative that is not designated and effective as a hedging instrument are classified as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit and loss. The net gain or loss recognized in profit and loss is included in the 'Other Income/ Other expenses' line item.

6 j. Financial liabilities subsequently measured at amortized cost:

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at cost.

6 k. Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains or losses are determined based on the amortized cost of the instruments and are recognized in 'Other Income / Other Expenses'

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The fair value of financial liabilities denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit and loss.

6 l. Derecognition of financial liabilities:

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Derivative financial instruments:

The Company enters into foreign exchange forward contracts to manage its exposure of foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit and loss immediately.

6 m. Contingent liabilities and contingent assets

Contingent liability is disclosed in the case of:

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii) a present obligation when no reliable estimate is possible, and
- iii) a possible obligation, arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed.

7. Provision:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered From a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

8. Income Taxes:

Income tax expenses comprise current tax and deferred tax charge or credit. Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax, 1961 and other applicable tax laws.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the statement of Profit and Loss. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with deferred Tax asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

9. Earnings Per Share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the Equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

10. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

10.1 Critical judgments in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements

10.2 Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

10.3 Fair value measurement of financial instruments:

Fair value of financial assets and liabilities is normally determined by references to the transaction price. If the fair value is not reliably determinable, the company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE NO. 29

Employee Benefits

In the opinion of the management and in the absence of required number of staff strength, employee benefits viz. Provident Fund, Gratuity etc are not applicable to the company. Therefore, provision for employee benefits is not made.

NOTE NO. 30

Disclosure under Micro, small and medium enterprises development Act, 2006

No dues payable to micro, small and Medium Enterprises. The Status about these enterprises is based on the available information with the Company.

NOTE NO. 31

AUDITORS REMUNERATION (Including GST):

(Rs.in Lakhs)

S.no.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Statutory Audit Fees	1.47	1.47
(ii)	Certification work	-	-
(iii)	Income Tax & other matters	0.59	1.18
	Total	2.07	2.65

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 32

Earnings Per Share

The disclosure requirements with respect to Indian Accounting Standard (AS) - 33 "Earnings per share is as follows:

(Amount in Rs.)

Particulars	31st March 2021	31st March 2020
Profit for the year ended	46,67,523	45,76,365
Weighted Average Number of equity shares issued (B) (face value of Rs. 10 each)	35,00,000	35,00,000
Basic Earnings per share (A/B)	1.33	1.31
Weighted Number of equity shares outstanding for Diluted EPS (C)	35,00,000	35,00,000
Diluted Earnings per share (A/C)	1.33	1.31

NOTE NO. 33

SEGMENT REPORTING

Primary Segment

The Company is engaged in only one segment i.e. Financing Activity as its primary segment.

The company has business operations only in India and does not hold any fixed / financial assets outside India.

NOTE NO. 34

RELATED PARTY TRANSACTIONS

Related party disclosures as per Accounting Standard-18 are as under:

- a) Key Management Personnel:
 - (i) Mr. Vineet Suchanti
 - (ii) Mr. Rakesh Choudhari
- b) Ultimate Holding Company:
 - (i) Keynote Financial Services Limited
(Formerly Keynote Corporate Services Ltd)
- c) Entities having significant influence :
 - (i) Keynote Capitals Limited
 - (ii) Keynote Commodities Limited

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Transactions carried out with related parties referred above

(Amount in Rs.)

Sr no.	Nature of transactions	KMP & Relatives	Ultimate Holding Company	KMP or relative having significant influence
1	Interest paid	-	-	-
2	Interest Received	-	-	(30,50,856)
		-	-	(32,49,240)
3	Paid for expenses	-	-	13,10,221
		-	-	6,63,522
4	Brokerage on Sale/Purchase of shares	-	-	-
		-	-	-
5	Purchase of Shares	-	-	-
		-	-	-
6	Loan given	-	-	8,30,50,000
		-	-	14,17,50,000
7	Repayment of Loan given	-	-	(10,84,00,000)
		-	-	(10,87,00,000)
8	Loan taken	-	-	(1,50,00,000)
		-	-	-
9	Repayment of Loan taken	-	-	3,93,75,000
		-	-	-
10	Closing Balance	-	-	4,35,64,225
		-	-	4,30,27,404
Previous year's figures are in "Italic"				

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 35

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.

NOTE NO. 36

Financial risk management

Company has operations in India. Whilst 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. The company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

(A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and control credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the standalone Ind AS financial statements. The company's major classes of financial assets are cash and Cash equivalents, loans, investment in mutual fund units, Inter corporate deposits, trade receivables and security deposits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored. The company has a dedicated risk management team , which monitors the positions, exposures and margins on a continuous basis.

(B) Liquidity risk :

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation. Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions. The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

KEYNOTE FINCORP LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(C) Market risk :

(i) Interest rate risk

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.

The Company's interest risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.

(ii) Market price risk

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.

NOTE NO. 37

Impact of Covid -19 Pandemic

The Covid -19 Pandemic has resulted in significant decrease in economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Company's business operations during the year ended on March, 2021.

Further in accordance with the RBI guidelines relating to 'Covid -19 Regulatory Package' dated 27 March 2020. The Company has not taken loan from any financial institution. Hence no need to opt for EMI Moratorium.

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging / forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances.

Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the company.

Due to Covid-19 Pandemic it was not possible to send physical letters for balance confirmations to borrowers. However, the Company has a procedure of sending the outstanding balance confirmations to the borrowers on yearly basis via email and the same has been relied upon by auditors.

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 38

Capital Management

Objective

"The Company's 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."

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

The Company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes non-current borrowings net of cash and bank balances and total equity comprises of Equity share capital, security premium, share options outstanding account and retained earnings. Further, the Company also manages its capital and return to shareholders by adequately investing in mutual funds.

NOTE NO. 39

Financial Instruments

(a) Financial Instruments by Category

Particulars	Mar-21	Mar-20	Fair Value Hierarchy
Financials assets			
<u>Measured at Amortized Cost</u>			
Cash and cash equivalents	7,26,743	62,64,415	Level 3
Loans	22,64,42,167	19,94,68,706	Level 3
<u>Measured at Fair Value through Profit & Loss</u>			
Investments	7,81,11,433	8,23,09,688	Level 1
Total financial assets	30,52,80,343	28,80,42,809	
Financials liabilities			
<u>Measured at Amortized Cost</u>			
Trade Payables	20,01,493	6,93,856	Level 3
Borrowings	19,34,15,320	18,18,34,006	Level 3
Other financial liabilities	9,98,463	10,81,309	Level 3
Total financials liabilities	19,64,15,276	18,36,09,171	

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(b) Fair Value Hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are available-for-sale financial assets, measured at fair value.

Financial assets not measured at fair value include cash and cash equivalents, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 40

Income Tax

Tax Expenses	For the year Ended 31.03.2021	For the year Ended 31.03.2020
Recognized in the statement of profit & loss		
Current tax	18,00,000	9,50,000
Deferred tax	1,25,498	(77,771)
	19,25,498	8,72,229
Recognized in other comprehensive income		
Deferred tax	-	-
	-	-
Total Taxes		
Current tax	18,00,000	9,50,000
Deferred tax	1,25,498	(77,771)
	19,25,498	8,72,229
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Tax Expenses	For the year Ended 31.03.2021	For the year Ended 31.03.2020
Profit before tax	65,93,021	54,48,594
Statutory income tax rate	25.17%	22.88%
Tax expenses @ statutory income tax rate	16,59,463	1,246,638
Effect of :		
Expenses disallowed for tax expenses	29,660	13,524
Non-taxable income / loss	-	(9,659)
Income taxed at higher / (lower) rate	2,16,432	(303,732)
Others including (excess)/short provision	19,943	(74,543)
	2,66,035	(374,409)
Total Tax Expenses	19,25,498	872,229

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE NO. 41

Others Notes

- i. In the opinion of the Board of Directors of the Company, the value of realization of Current Assets, Loans and Advances in the ordinary course of business have value on realization of an amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and provided in the accounts for the year end.
- ii. Previous year's figures have been re-grouped, re-arranged and re-cast wherever necessary.
- iii. During the year the company did not earn any income in foreign exchange.
- iv. During the year the company did not incur any expenditure in foreign exchange.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration No. 121142W / W100122


Samir Shah
Partner
Membership No. 124298



Place: Mumbai
Dated: 26th May, 2021

For & on behalf of the Board of Directors of
Keynote Fincorp Limited


Rakesh Choudhari
Director
DIN: 00009093


Uday Patil
Director
DIN: 00003978