

KEYNOTE

DIRECTORS' REPORT

To,
The Members of KEYNOTE FINCORP LIMITED

Dear Shareholders,

Your directors have pleasure in presenting the 27th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2022.

1. FINANCIAL SUMMARY OF THE COMPANY:

Particulars	(Amount Rs. In lakhs)	
	2021-22	2020-21
Total Receipts	616.66	183.96
Total Expenses	216.47	118.03
Profit/(Loss) before Depreciation	400.19	65.93
Depreciation	Nil	Nil
Profit/(loss) before Tax	400.19	65.93
a. Current Tax	-	(18.00)
b. Deferred tax	(66.13)	(1.25)
c. Prior period Tax adjustment	1.28	-
Profit / (Loss) after tax	335.34	46.68
Earning per Equity Share	9.58	1.33
Basic/Diluted	9.58	1.33

2. REVIEW OF OPERATIONS/PERFORMANCE:

During the financial year, the Company has earned total revenue of Rs. 616.66 lakhs as compared to Rs. 183.96 lakhs for the previous year. Profit after Tax stood at Rs. 335.34 lakhs as compared to Rs. 46.68 lakhs for the previous year.

3. DIVIDEND:

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

4. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

5. STATE OF COMPANY'S AFFAIRS:

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

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

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

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

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

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

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

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

9. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

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

10. 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.

11. 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 record such RBI directions under the RBI guidelines of Non-Banking Financial Companies from time to time.

12. 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).

13. STATUTORY AUDITORS:

The reappointment of M/s. Jayesh Dadia & Associates LLP, Chartered Accountants, having (Firm Registration Number: 121142W/W100122), as the Statutory Auditors of the Company was ratified in the previous Annual General Meeting to hold office till the conclusion of ensuing Annual General Meeting.

The Company has received a consent letter from them to the effect that their re-appointment for the financial year 2021-2022, 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. The Board recommends their re-appointment for the financial year 2021-2022 and to hold office till the conclusion of next Annual General Meeting.

14. 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 2021-2022, Therefore company has appointed M/s. Uma Lodha & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company for the financial year ended 31st March 2022.

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 II.

15. QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR COMMENT MADE BY THE STATUTORY AUDITORS:

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

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. 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).

18. ANNUAL RETURN:

As per section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and relevant rules, as amended from time to time, every company is required to place a copy of the annual return on the website of the Company, if any, and the web-link of such annual return shall be disclosed in the Board's report. Since the Company does not have a website, such provisions shall not be applicable to the Company.

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:

(i) Non- Independent Director:

There is no change in the Board of Directorship of the Company at the year end. 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
2.	Rakesh Choudhari	00009093	Non- Executive Director
3.	Harsh Choksey	07191272	Non- Executive Director

(ii) Independent Director:

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

(ii) Key Managerial Personnel (KMP):

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

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

Your Director 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. Vineet Suchanti (DIN: 00004031) 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 Company under the Companies Act, 2013 and the necessary rules made thereunder.

(b) Management Committee:

As per the provisions of Section 179 of the Companies Act, 2013, the Management Committee is formed to authorize the committee to approve intercorporate loans, investments or guarantee or security 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 six (06) times during the financial year under review, i.e. on, 05thApril 2021,26th May 2021 12th August 2021, 09th November 2021 ,07th February 2022 ,04th March 2022, and, 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-I.

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

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

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 INE040U01010.

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: 03/06/2022**

ANNEXURE - I TO THE DIRECTORS' REPORT

Form No. AOC-2

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

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


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

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

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

Name of the Related Party	Keynote Capitals Limited
Nature of Relationship	Associate Concern
Nature of contracts/arrangements/transactions	(i) Availing of Services
Duration of the contracts / arrangements/transactions	As per the mutual agreed terms with the Board
Salient terms of the contracts or arrangements or transactions including the value, if any	Other expenses & DP charges Rs. 25.62 lakhs.
Date(s) of approval by the Board, if any,	NA
Amount paid as advances, if any	NA

By order of the Board
For KEYNOTE FINCORP LIMITED


Rakesh Choudhari
Director
(DIN: 00003978)


Uday Patil
Director
(DIN: 00003978)

Place: Mumbai
Date: 03/06/2022

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 AUDITOR'S REPORT

TO THE MEMBERS OF KEYNOTE FINCORP LIMITED

Report on the Standalone Financial Statements

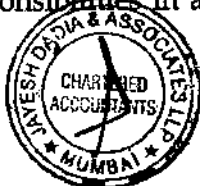
Opinion

We have audited the accompanying standalone financial statements of **KEYNOTE FINCORP LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and 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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We



believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

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



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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide 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 Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the company has not paid remuneration to its directors during the year.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which has any impact on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no occasion in case of the company during the year under report to transfer any amount to the Investor Education and Protection Fund by the Company. Thus the question of delay in transferring such sums does not arise.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Jayesh Dadia & Associates LLP
Chartered Accountants
FRN: 121142W/W100122



Samir Shah
Partner
Membership No.124298
UDIN: 22124298AJRJXV3402
Mumbai dated 23rd May, 2022



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 INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of KEYNOTE FINCORP LIMITED (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For Jayesh Dadia & Associates LLP
Chartered Accountants
FRN: 121142W/W100122



Samir Shah
Partner
Membership No.124298
UDIN: 22124298AJRJV3402
Mumbai Dated 23rd May, 2022



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

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a),(b)&(d) In our opinion and according to the information & explanation given to us, the Company does not own any fixed assets. Therefore, clause (a),(b) & (d) to para 3(i) of the order is not applicable.
 - c) In our opinion and according to information and explanation given to us and on the basis of our examination of records of the company, the company does not own any immovable property.
 - e) In our opinion and according to information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) 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.



(d) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made any investments in, companies, firms, Limited Liability Partnerships. The company being Finance company and registered NBFC, clause (a)&(e) of para 3(iii) to the order are not applicable

(b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the principal is repayable on demand along with the accrued interest thereon. According to information and explanation given to us, the demanded loans and accrued interest have been duly repaid. The other outstanding loans and accrued interest have not been demanded by the company.

(d) In our opinion and according to information and explanation given to us and based on our audit procedures, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(f) The Company has granted loans repayable on demand or advances to related parties. The details are as under.

	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans			
Repayable on demand (A)	5,51,72,932	0	5,51,72,932
Agreement does not specify any terms or period of repayment (B)	0	0	0
Total (A) + (B)	5,51,72,932	0	5,51,72,932
Percentage of loans/advances in nature of loans to the total loans	34.71%	-	34.71%

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.



- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- b. There has been no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of loans or in the payment of interest thereon to lenders during the year as the outstanding loans amounting to Rs. 9.64 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. It is further represented by the management of company that, these loans and interest thereon have not been demanded for repayment during the year.



- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) In our opinion and according to information and explanation given to us, the company does not fall into any class of company which requires establishment of whistle blower mechanism as prescribed under section 177(9) of the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.



- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information & explanation given to us, the internal audit system as mandated by section 138 of the Act is not applicable to the company as the company is unlisted public company and paid up share capital is neither more than rupees fifty crores nor the turnover is greater than rupees two hundred crores during the year and non-existence of outstanding loans/borrowings from the bank/public financial institutions.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a)&(b) 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.
- (c) In our opinion and according to the information & explanation given to us, the company is not a Core Investment Company as defined in the regulations made by reserve bank of India. Therefore, provisions of clause 3(xvi) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the current year as well as in the immediate preceding year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.



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

- xx. In our opinion provisions of section 135(5) of the Act are not applicable to the company for the financial year covered by our report. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For Jayesh Dadia & Associates LLP
Chartered Accountants
FRN: 121142W/W100122



Samir Shah
Partner

Membership No.124298

UDIN: 22124298AJRJV3402

Mumbai - Dated 23rd May, 2022



KEYNOTE FINCORP LIMITED
(CIN No: U67120MH1995PLC084814)

Balance Sheet
As at 31st March, 2022

Amount (Rs.in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
1. Financial Assets			
a) Cash and cash equivalents	1	3.78	7.27
b) Loans	2	1,589.52	2,264.42
c) Other Financial Assets	3	0.32	-
d) Investments	4	860.76	781.11
"A"		2,454.37	3,052.80
2. Non Financial Assets			
a) inventories	5	15.34	20.59
b) Current tax Assets (Net)	6	32.94	106.07
c) Other Non Financial Assets	7	0.30	0.43
"B"		48.59	127.10
Total Assets - "A" + "B"		2,502.96	3,179.90
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	8	0.30	20.01
b) Borrowings	9	963.64	1,934.15
c) Other Financial Liabilities	10	7.52	9.98
"A"		971.47	1,964.15
2. Non-Financial Liabilities			
a) Current Tax Liabilities (Net)	11	18.00	101.56
b) Provisions against standard Assets	12	3.97	5.66
c) Deferred Tax Liabilities (Net)		66.61	0.48
d) Other Non-financial Liabilities	13	0.89	1.37
"B"		89.47	109.07
3. Equity			
a) Equity Share Capital	14	350.00	350.00
b) Other Equity	15	1,092.02	756.68
"C"		1,442.02	1,106.68
Total Liabilities and Equity - "A" + "B" + "C"		2,502.96	3,179.90

Summary of Significant Accounting Policies

26

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/W1D0122

SAMIR SHAH

Partner

Membership No: 124298

Place : Mumbai

Date : 23rd May, 2022



For Keynote Fincorp Limited

Rakesh Choudhari

Director

DIN: 00009093

Uday Patil

Director

DIN: 00003978

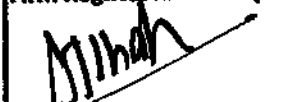
KEYNOTE FINCORP LIMITED
(CIN No: U67120MH1995PLC064814)
Statement of Profit & Loss
for the year ended 31st March, 2022

Amount (Rs. in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
Revenue from operations			
Interest Income	16	111.14	156.61
Dividend Income	17	2.22	1.10
Net gain on fair value changes	18	503.29	25.52
Total Revenue from operations (I)		616.66	183.23
Other Income (II)	19	-	0.73
Total Income (I + II)		616.66	183.96
EXPENSES			
Finance Costs	20	96.51	96.82
Changes in inventories of Stock-in-trade	21	5.25	11.23
Employee Benefits Expenses	22	18.20	14.06
Other Expenses	23	98.20	17.71
Provision for contingencies on Standard Assets		1.69	0.67
Total Expenses (IV)		219.65	118.03
Profit Before Tax (V-VI)		400.19	65.93
Tax Expenses			
-Current Tax	24	-	18.00
-Deferred Tax		66.13	1.25
-Prior period Tax adjustment		1.28	-
Profit for the Period ended (VI-VII)		335.34	46.68
Other Comprehensive Incomes		-	-
Total Comprehensive Incomes for the period		335.34	46.68
Earnings per Equity Share	25		
Basic (in Rs.)		9.58	1.33
Diluted (in Rs.)		9.58	1.33

Summary of Significant Accounting Policies 25
The accompanying Notes are an integral part of the Financial Statements
As per our report attached of even date

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



SAMIR SHAH
Partner
Membership No: 124298
Place : Mumbai
Date : 23rd May, 2022



For and on behalf of Board of Directors

For KEYNOTE FINCORP LIMITED


RAKESH CHOUDHARI
DIRECTOR
DIN : 00009093


JDAY PATIL
DIRECTOR
DIN: 00003978

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Amount (Rs in lakhs)

Particulars	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Items		408.19		65.93
Adjustment For :				
Dividend Income	2.22	-	1.10	-
Profit on sale of mutual funds (Realised)	76.33	-	23.62	-
Provision for Bonus	0.89	-	1.37	-
Provision for Standard asset	1.89	-	0.67	-
Changes on A/c. of Revaluation as per IND-AS (Unrealised)	428.97	-	1.90	-
Bonus paid	1.37	-	0.76	-
		597.67		28.32
Operating profit before working capital changes		107.48		40.61
Adjustment For :				
Decrease / (Increase) in Inventory	5.26	-	11.23	-
Decrease / (Increase) in Loans	674.90	-	269.73	-
Decrease / (Increase) in other Current Tax Assets	73.13	-	11.85	-
Decrease / (Increase) in other Financial Assets	0.32	-	-	-
Increase / (Decrease) in Other Financial Liabilities	970.51	-	116.81	-
Increase / (Decrease) in Other Non Financial Assets	0.13	-	0.17	-
Increase / (Decrease) in Trade Payables	19.71	-	13.08	-
Increase / (Decrease) in Other Current Liabilities	2.46	239.59	0.83	163.59
CASH FROM OPERATING ACTIVITIES		347.07		123.98
Less: Tax paid				
Less: Tax paid	82.28	82.28		-
NET CASH FROM OPERATING ACTIVITIES		429.36		123.98
CASH FLOW FROM INVESTING ACTIVITIES:				
Dividend income	2.22	-	1.10	-
Purchase of investment	1,175.47	-	952.60	-
Sale of investment	1,598.12	-	1,020.00	-
NET CASH FROM INVESTING ACTIVITIES		425.86		88.50
CASH FLOW FROM FINANCING ACTIVITIES:				
NET CASH FROM FINANCING ACTIVITIES				
NET INCREASE IN CASH AND CASH EQUIVALENTS		3.49		65.38
Cash and cash equivalents as at 31st March, 2021 (Opening Balance)		7.27		62.64
Cash and cash equivalents as at 31st March, 2022 (Closing Balance)		3.78		7.27
NET INCREASE IN CASH AND CASH EQUIVALENTS		3.49		65.38

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 conform to current year classification.
- Cash and Cash Equivalents represent:

Cash	0.12	0.09
With Banks		
-Current Accounts	3.68	7.17
Total cash and cash equivalents	3.78	7.27

As per Report of Even Date Attached
For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Reg. No.: 121142W/W/100122

SAMIR SHAH
PARTNER

Mem. No.: 124298
Mumbai

Date : 23rd May, 2022



On behalf of the Board of Directors
For Keynote Fincorp Limited

RAKESH CHOUDHARI
DIRECTOR
DIN:00009093

UDAY PATIL
DIRECTOR
DIN: 00003978

KEYNOTE FINCORP LIMITED (CIN No. U67120MH1995PLC084814)
STATEMENT OF CHANGE IN EQUITY AS ON 31ST MARCH, 2022

A. Equity Share Capital

Amount (Rs. In Lakhs)

Particulars	31st March, 2022		31st March, 2021		1st April, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	35.00	350.00	35.00	350.00	35.00	350.00
Changes in equity share capital during the year	-	-	-	-	-	-
At the end of the year	35.00	350.00	35.00	350.00	35.00	350.00

B. Other Equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	Other Comprehensive Income	Securities Premium	Retained Earnings	
Balance as at 1st April, 2020	82.48	-	300.00	327.52	710.00
Other Comprehensive Income	-	-	-	-	-
Transferred to Statutory Reserve	-	-	-	9.34	-
Transfer from Retained Earnings	9.34	-	-	-	-
Appropriate -reversal of Deferred Tax Assets prov.	-	-	-	-	-
Profit/Loss for the period	-	-	-	46.68	46.68
Balance as at 31st March, 2021	91.82	-	300.00	364.86	756.68
Other Comprehensive Income	-	-	-	-	-
Transferred to Statutory Reserve	-	-	-	67.07	-
Transfer from Retained Earnings	67.07	-	-	-	-
Appropriate -reversal of Deferred Tax Assets prov.	-	-	-	-	-
Profit/Loss for the period	-	-	-	335.34	335.34
Balance as at 31st March, 2022	158.88	-	300.00	633.14	1,092.02

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

For KEYNOTE FINCORP LIMITED


SANJAY SHAH
Partner
Membership No: 124298




RAKESH CHOUDHARI
DIRECTOR
DIN : 00009093


UDAY PATIL
DIRECTOR
DIN: 00003978

Place : Mumbai
Date : 23rd May, 2022

KEYNOTE FINCORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

NOTE 1. CASH AND CASH EQUIVALENTS

Amount (Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
a) Cash on Hand	0.12	0.09
b) Balance with Banks : In Current Account	3.66	7.17
Total	3.78	7.27

NOTE 2. LOANS

Particulars	31.03.2022	31.03.2021
Short Term Loans & Advances		
<u>Secured</u>		
To others (Secured against pledge of 12,00,000 equity shares of Websol Energy Systems Ltd)	369.33	292.36
<u>Unsecured</u>		
To others	668.46	1,516.69
To Related Parties	551.73	455.38
Total	1,589.52	2,264.42

NOTE 3. OTHER FINANCIAL ASSETS

Particulars	31.03.2022	31.03.2021
Dividend Declared & Receivable	0.32	-
Total	0.32	-

NOTE 4. INVESTMENTS

Particulars	31.03.2022	31.03.2021
A) NON CURRENT INVESTMENTS		
Investment in Equity Shares -Quoted, Fully paid, Measured at FVTPL	-	-
Rights in Financial Assets - at cost	113.70	113.70
Total (A)	113.70	113.70
B) CURRENT INVESTMENTS		
Investment In Mutual Funds -Quoted, Fully paid, Measured at FVTPL		
<u>Debt Fund</u>		
NIL Units (16118.048)Kotak Liquid Fund- Regular Growth (FV Rs.1000/-)	-	667.42
<u>Quoted Equity</u>		
110000 shares (—) Sona BLW Precision Forgings Ltd (FV Rs.10/-)	747.07	-
Total (B)	747.07	667.42
Total (A+B)	860.76	781.11

NOTE 5. INVENTORIES

Particulars	31.03.2022	31.03.2021
STOCK-IN-TRADE		
Quoted Equity shares Fully paid up 46905 (46905) Hudco Ltd (FV Rs.10/-) (measured at NRV or Cost whichever is less)	15.34	20.59
Total	15.34	20.59

NOTE 6. CURRENT TAX ASSETS

Particulars	31.03.2022	31.03.2021
Balance with Government and other Statutory Authorities	32.94	97.48
MAT Credit	-	8.59
Total	32.94	106.07

NOTE 7. OTHR NON-FINANCIAL ASSETS

Particulars	31.03.2022	31.03.2021
Prepaid Expenses	0.12	0.25
Security Deposit with CDSL	0.18	0.18
Total	0.30	0.43

NOTE 8. TRADE PAYABLES

Particulars	31.03.2022	31.03.2021
(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	0.30	20.01
Total	0.30	20.01

NOTE 9. BORROWINGS

Particulars	31.03.2022	31.03.2021
Unsecured Short Term Borrowings		
From others	963.64	1,934.15
From Related Parties	-	-
Total	963.64	1,934.15

NOTE 10. OTHER FINANCIAL LIABILITIES

Particulars	31.03.2022	31.03.2021
OTHER CURRENT LIABILITIES		
Other Liabilities	6.16	8.45
Outstanding Expenses	1.36	1.53
Total	7.52	9.98

NOTE 11. CURRENT TAX LIABILITIES

Particulars	31.03.2022	31.03.2021
Provisions for Tax		
Income Tax	18.00	101.56
Total	18.00	101.56

NOTE 12. PROVISION AGAINST STANDARD ASSETS

Particulars	31.03.2022	31.03.2021
Provision against Standard Assets	3.97	5.66
Total	3.97	5.66

NOTE 13. OTHER NON-FINANCIAL LIABILITIES

Particulars	31.03.2022	31.03.2021
Provisions for Employee Benefits		
Bonus	0.89	1.37
Total	0.89	1.37

NOTE 14. EQUITY SHARE CAPITAL

Particulars	31.03.2022	31.03.2021
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)	1,700.00	1,700.00
Total	1,700.00	1,700.00
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)	350.00	350.00
Total	350.00	350.00

Particulars	31.03.2022 No. of shares	31.03.2021 No. of shares
Reconciliation of Number of Equity Shares		
Number of shares outstanding as at the beginning of the year	35.00	35.00
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	35.00
Less:		
Number of shares bought back during the year	-	-
Number of shares outstanding as at the end of the year	35.00	35.00

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/-	31.03.2022 % of holding	31.03.2021 % of holding
Name of Equity Shareholders			
M/s. Keynote Financial Services Ltd.	20	0.00	0.57
M/s. Keynote Capital Ltd.	15	0.00	0.43
Total	35	1.00	1.00

NOTE 15. OTHER EQUITY

Particulars	31.03.2022	31.03.2021
Securities Premium	300.00	300.00
Statutory Reserve (u/s 45 IC of RBI Act)		
Opening Balance	91.82	82.48
Addition during the year	67.07	9.34
Closing Balance	158.88	91.82
6) Statement of Profit & Loss		
As per Last Balance sheet	364.86	327.52
Less: Opening Deffered Tax Assets Reversal	-	-
Add : Profit transfered from Statement of Profit & Loss	335.34	46.68
Less: Transferred to Statutory Reserve	67.07	9.34
	633.14	364.86
Total	1,092.02	756.68

KEYNOTE FINCORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

NOTE 16. INTEREST INCOME

Amount (Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
	Interest from loans	111.14
	111.14	156.61

NOTE 17. DIVIDEND INCOME

Particulars	31.03.2022	31.03.2021
	Dividend Income	2.22
	2.22	1.10

NOTE 18. NET GAIN ON FAIR VALUE CHANGES

Particulars	31.03.2022	31.03.2021
	(A) Net gain/(Loss) on financial instruments through profit or loss	
(i) On trading portfolio		
Investments in Shares	70.46	-
Investments in MF	5.87	23.62
(ii) On financial instruments designated at fair value through profit or loss		
Investments in Shares	426.97	-
Investments in MF	-	1.90
(B) Others- Stock in Trade of shares	-	-
(C) Total Net Gain/(Loss) on fair value changes	503.29	25.52
Fair Value Changes :		
Realised	76.33	23.62
Unrealised	426.97	1.90
(D) Total Net Gain on fair value changes	503.29	25.52

NOTE 19. OTHER INCOME

Particulars	31.03.2022	31.03.2021
	Interest Income on Income Tax refund	-
Interest on Fixed deposits	-	0.73
	-	0.73

NOTE 20. FINANCE COSTS

Particulars	31.03.2022	31.03.2021
	Interest on borrowings	96.47
Bank & Other Charges	0.04	0.03
	96.51	96.82

NOTE 21. CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	31.03.2022	31.03.2021
	Changes in stock in trade	5.25
	5.25	11.23

NOTE 22. EMPLOYEE BENEFITS EXPENSES

Particulars	31.03.2022	31.03.2021
Salary, Wages, Allowances & Bonus	17.26	13.25
Staff Welfare Expenses	0.93	0.81
Total	18.20	14.06

NOTE 23. OTHER EXPENSES

Particulars	31.03.2022	31.03.2021
Auditors' Remuneration (see below)	2.78	2.07
Conveyance Exp	1.06	1.25
Custodial/ R&T charges	0.17	0.17
Depository Charges	0.22	0.03
Electricity Charges	2.26	1.91
Insurance	0.16	0.26
Interst on delayed payment (TDS)	0.00	0.12
Miscellaneous Expenses	0.02	0.05
Legal and Professional fees	5.23	4.45
Membership fees & subscription Exp	0.24	0.24
Profession Tax	0.02	0.02
Registration & filing fees	0.01	0.05
Sundry Balances Written off	85.91	6.99
Telephone Expenses	0.12	0.12
Total	98.20	17.71
Auditor's Remuneration		
For Statutory and Tax Audit	1.48	1.48
For Certification work	0.30	0.59
For Income Tax and other Matters	1.01	-
	2.78	2.07

NOTE 24 TAX EXPENSES

Particulars	31.03.2022	31.03.2021
Current Tax	-	18.00
Less: Mat Credit utilised	-	-
Total	-	18.00

NOTE 25. Earnings Per Equity Shares

Particulars	31.03.2022	31.03.2021
Basic Earing Per Shares		
Total Comprehensive Incomes for the period (a)	335.34	46.68
Weighted average number of equity shares outstanding during the period (b)	35.00	35.00
Basic Earning Per Share (a/b)	9.58	1.33
Diluted Earning Per Share		
Profit after tax as per Statement of Profit & Loss (a)	335.34	46.68
Weighted average number of equity shares outstanding during the year	35.00	35.00
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	35.00
Diluted Earning Per Share (a/b)	9.58	1.33
Nominal Value per Share	10.00	10.00

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

NOTE NO. 26

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, 2022 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,2022

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 became 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, 2022

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, 2022

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 recognizes its 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,2022

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.

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

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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, 2022

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. 27

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. 28

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. 29

AUDITORS REMUNERATION (Including GST):

S.no.	Particulars	Amount (Rs.In Lakhs)	
		Year ended 31st March, 2022	Year ended 31st March, 2021
(i)	Statutory Audit Fees	1.48	1.48
(ii)	Certification work	0.30	-
(iii)	Income Tax & other matters	1.01	0.59
	Total	2.78	2.07

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE NO. 30

Earnings Per Share

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

Particulars	Amount (Rs.In Lakhs)	
	31st March 2022	31st March 2021
Profit for the year ended	335.34	46.48
Weighted Average Number of equity shares issued (B) (face value of Rs. 10 each)	35.00	35.00
Basic Earnings per share (A/B)	9.58	1.33
Weighted Number of equity shares outstanding for Diluted EPS (C)	35.00	35.00
Diluted Earnings per share (A/C)	9.58	1.33

NOTE NO. 31

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. 32

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, 2022

Transactions carried out with related parties referred above				Amount (Rs.in Lakhs)
Sr no.	Nature of transactions	KMP & Relatives	Ultimate Holding Company	Entities having significant influence
1	Interest paid	-	-	7.94
		-	-	-
2	Interest Received	-	-	(2.50)
		-	-	<i>(30.51)</i>
3	Paid for expenses	-	-	25.62
		-	-	<i>13.10</i>
4	Brokerage on Sale/Purchase of shares	-	-	-
		-	-	-
5	Purchase of Shares	-	-	-
		-	-	-
6	Loan given <i>(see note below)</i>	-	-	2059.01
		-	-	<i>830.50</i>
7	Repayment of Loan given	-	-	(1901.84)
		-	-	<i>(1084.00)</i>
8	Loan taken	-	-	(1004.50)
		-	-	<i>(150.00)</i>
9	Repayment of Loan taken	-	-	754.58
		-	-	<i>393.75</i>
10	Closing Balance	-	-	551.73
		-	-	<i>435.64</i>
	Previous year's figures are in "Italic"			

Note: The amount of loan given to entities having significant influence include loan amount of Rs.994.65 lakhs outstanding from unrelated party which is assigned to an associate entity of the company.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

NOTE NO. 33

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. 34

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
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

(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. 35

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.

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE NO. 36

Financial Instruments

(a) Financial Instruments by Category **Amount (Rs. in Lakhs)**

Particulars	Mar-22	Mar-21	Fair Value Hierarchy
Financials assets			
<u>Measured at Amortized Cost</u>			
Cash and cash equivalents	3.78	7.27	Level 3
Loans	1589.52	2264.42	Level 3
<u>Measured at Fair Value through Profit & Loss</u>			
Investments	860.76	781.11	Level 1
Total financial assets	2454.37	3052.80	
Financials liabilities			
<u>Measured at Amortized Cost</u>			
Trade Payables	0.30	20.01	Level 3
Borrowings	963.64	1934.15	Level 3
Other financial liabilities	7.52	9.98	Level 3
Total financials liabilities	971.47	1964.15	

(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,2022

NOTE NO. 37

Income Tax

Amount (Rs.in Lakhs)

Tax Expenses	For the year Ended 31.03.2022	For the year Ended 31.03.2021
Recognized in the statement of profit & loss		
Current tax	0.00	18.00
Deferred tax	66.13	1.25
Others including (excess)/short provision	-1.28	-
	64.85	19.25
Recognized in other comprehensive income		
Deferred tax	-	-
	-	-
Total Taxes		
Current tax	0.00	18.00
Deferred tax	66.13	1.25
Others including (excess)/short provision	-1.28	-
	64.85	19.25
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Tax Expenses	For the year Ended 31.03.2022	For the year Ended 31.03.2021
Profit before tax	400.19	65.93
Statutory income tax rate	-	25.17%
Tax expenses @ statutory income tax rate	-	16.59
Effect of :		
Expenses disallowed for tax expenses	-	0.30
Non-taxable income / loss	-	-
Income taxed at higher / (lower) rate	-	2.16
Others including (excess)/short provision	1.28	0.20
	1.28	2.66
Total Tax Expenses	64.85	19.25

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2022

NOTE NO. 38

Capital Commitment

The estimated amount of contracts remaining to be executed on capital account not provided for as on the Balance Sheet dated in NIL.

NOTE NO. 39

Details of Benami Property held

No proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE NO. 40

Borrowings from banks for Credit Facility

There is no borrowings from bank during the year.

NOTE NO. 41

Wilful Defaulter

The company has not been declared as wilful defaulter by any bank or financial institution or any lender during the year.

NOTE NO. 42

Relationship with Struck Off Companies

The company has not entered into any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year.

NOTE NO. 43

Registration of Charges or satisfaction with Registrar of Companies (ROC)

During the year, there are no instances of any registration, modification or satisfaction of charges which are pending for registration with Registrar of Companies (RoC) beyond the statutory period.

NOTE NO. 44

Compliance with number of layers of companies

The company is in compliance with the relevant provisions of Companies Act, 2013 with respect to the number of layers under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of layers) Rules, 2017

NOTE NO. 45

Utilisation of Borrowed Funds and Share Premium under Rule 11(e)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the company("Ultimate Beneficiaries")

KEYNOTE FINCORP LIMITED
(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 46

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTE NO. 47

Analytical Ratio

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance
Capital to risk weighted asset ratio (CRAR)	1442.02	2499.18	57.70%	34.88%	65.42%	The increase in CRAR for current year as compared to previous year is mainly on account of net gain in fair value changes.
	<i>1106.68</i>	<i>3172.63</i>				

Note:

1. Where numerator denotes equity and denominator denotes all assets excluding cash & cash equivalents with 0% weight.
2. Previous year's figures are given in italic.
3. With effect from March, 2022, disclosure requirement of Liquidity Coverage Ratio (LCR) is applicable to all deposit taking NBFCs and non-deposit taking NBFCs with asset size of Rs. 5000 crore and above. The company being non deposit taking NBFC with asset size less than Rs. 5000 crore is not under obligation to disclose LCR.

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.

KEYNOTE FINCORP LIMITED

(CIN NO: U67120MH1995PLC084814)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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: 23rd May, 2022**

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



**Rakesh Choudhari
Director
DIN: 00009093**



**Uday Patil
Director
DIN: 00003978**