

# KEYNOTE

Ref # Key24/Stock Exchange Let/SK(23)

7<sup>th</sup> May, 2024

The Manager  
**BSE Limited,**  
Listing Department,  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

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

**Scrip Code: 512597**

**Symbol: KEYFINSERV**

Dear Sir/Madam,

**Sub: Notice of Postal Ballot dated May 2, 2024**

In line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Notice of Postal Ballot dated May 2, 2024, seeking approval of Members of the Company for the following resolution:

<b>Sr. No.</b>	<b>Description Of Resolution</b>	<b>Resolution Required (Ordinary/Special)</b>
1	Selective Capital Reduction of 14,51,702 Equity Shares of Rs. 10/- Each of the company held by Keynote Trust	Special
2	Appointment of Mr. Rakesh Choudhari (Din: 00009093) as a Non-Executive and Non-Independent Director of the Company	Special

**Dates of relevant events as to Postal Ballot are as below:**

<b>Sr No.</b>	<b>Particulars</b>	<b>Dates</b>
1.	Date of Completion of dispatch of Notice (by electronic means) to members whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories as on Friday, May 3, 2024	Tuesday, May 7, 2024

**Keynote Financial Services Limited**

The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400028  
Tel : 91 22 6826 6000 Fax : 91 22 6826 6088 Email : [info@keynoteindia.net](mailto:info@keynoteindia.net) Website [www.keynoteindia.net](http://www.keynoteindia.net)  
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Sr No.	Particulars	Dates
2.	Date of Commencement of e-Voting	Thursday, May 9, 2024
3.	Date of Ending of e-Voting ("Last Date")	Friday, June 7, 2024
4.	Results of Postal Ballot	On or before Monday, June 10, 2024

Postal Ballot Notice, along with the Explanatory Statement, is uploaded on the website of the Company at [www.keynoteindia.net](http://www.keynoteindia.net) and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.nsdl.com](http://www.evotingindia.nsdl.com) .

You are requested to take the same on record.

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

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

**Simran Kashela**  
**Company Secretary & Compliance Officer**

Encl : as above

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## NOTICE OF POSTAL BALLOT

Dear Member(s),

**NOTICE** is hereby given that the resolution set out below are proposed to be passed by the **Members of Keynote Financial Services Limited ("the Company")** by means of Postal Ballot, only by way of Remote e-Voting process ("e-Voting"), pursuant to Sections 108, 110 of the Companies Act, 2013 ("**the Act**") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 read with other relevant Circulars, including General Circular No. 20/2021 dated 8<sup>th</sup> December, 2021, issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Secretarial Standard on General Meetings ("**SS-2**") issued by the Institute of Company Secretaries of India and other laws, Rules and Regulations as may be applicable, including any statutory amendment(s), modification(s) or reenactment(s) thereof, for the time being in force and as amended from time to time.

The Statement pursuant to Section 102(1) and other applicable provisions of the Act read with the Rules setting out all material facts relating to the resolution mentioned in this Postal Ballot Notice are annexed hereto for your consideration.

In accordance with the MCA Circulars, members can vote only through the Remote e-Voting process. Accordingly, the Company is pleased to provide Remote e-Voting facility to all its members to cast their votes electronically. For this purpose, the Company has engaged the services of National Securities Depository Services (India) Limited (NSDL) as the agency to provide Remote e-Voting facility. Members are requested to read the instructions in the Notes in this Postal Ballot Notice so as to cast their vote electronically not later than 5:00 p.m. IST on **Friday, 7<sup>th</sup> June 2024** (the last day to cast vote electronically) to be eligible for being considered.

The physical Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will therefore **not** be sent to the Members for this Postal Ballot.

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## RESOLUTION TO BE PASSED THROUGH POSTAL BALLOT:

### SPECIAL BUSINESS:

#### 1. SELECTIVE CAPITAL REDUCTION OF 14,51,702 EQUITY SHARES OF RS. 10/- EACH OF THE COMPANY HELD BY KEYNOTE TRUST

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

**“RESOLVED THAT** pursuant to the provisions of Section 66 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with, National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (“Reduction Rules) and applicable rules, circulars, notifications, if any made there under, (including any statutory modification, amendment or re-enactment thereof for the time being in force) and pursuant to Article 40 of the Articles of Association of the Company, and such other applicable laws for the time being in force and the requisite sanction and approval from Stock exchanges and National Company Law Tribunal, Mumbai Bench (the “NCLT”) and such other appropriate authorities and third parties, as may be required, and on such terms, conditions or modifications, if any, as may be prescribed by any one or more or all of them while granting such approvals, sanctions, consents or permissions and as agreed by the Board of Directors of the Company (the “Board”), the consent of the Members of the Company be and is hereby accorded to the Scheme of Selective Capital Reduction (the “Scheme”) or such modification pursuant to which the Company proposes to selectively reduce the subscribed and paid-up equity share capital of the Company from Rs. 7,01,83,390/- (**Rupees Seven Crore One Lakh Eighty-Three Thousand Three Hundred and Ninety Only**) comprising of 70,18,339 (Seventy Lakh Eighteen Thousand Three Hundred and Thirty Nine) of Rs. 10/- (**Rupees Ten Only**) each to Rs. 5,56,66,370/- (**Rupees Five Crore Fifty Six Lakh Sixty Six Thousand Three Hundred and Seventy**) comprising of 55,66,637 (**Fifty Five Lakh Sixty Six Thousand Six Hundred and Thirty Seven**) of Rs. 10/- (**Rupees Ten Only**) each by cancelling and extinguishing 20.68 % of the total subscribed and paid-up equity share capital of the Company (the “**Selective Capital Reduction**”) comprising of 14,51,702 subscribed and fully paid-up equity shares of Rs.

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10/- (**Rupees Ten Only**) each (the “**Identified Shares**”) held by Keynote Trust (the “**Identified Shareholders**”) without any payment of consideration by the Company.

**RESOLVED FURTHER THAT** subject to the confirmation of the Scheme by the NCLT, and upon this Scheme becoming effective, the Identified Shares will be cancelled and extinguished without requiring any additional action from the Company and the Identified Shareholders, such as providing instructions to depository participants. These shares will be cancelled without any consideration or payout to the Keynote Trust and will be rendered invalid. Consequently, the subscribed and paid-up share capital of the Company will be reduced by the face value of the equity shares that are so extinguished.

**RESOLVED FURTHER THAT** all Directors, the Chief Financial Officer or the Company Secretary of the Company or such other persons as identified by the Board of Directors of the Company be and are hereby severally authorised to take all necessary steps and do all such acts, deeds, matters and things, as they may, in their absolute discretion, deem necessary, expedient, usual or proper in the best interest of the Company and its Members in connection with and relating to the Scheme, including any directions for settling any question or doubt or difficulty whatsoever that may arise for the purpose of giving effect to the Scheme, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any petitions, affidavits, declarations form of minutes of reduction of share capital and such other documents as may be necessary with the Hon’ble Tribunal for Its confirmation/ approval for such reduction and in this regard for sign, execute, affirm, deliver and/or file all such applications, petitions, pleadings, notices, e-forms, advertisements and other documents, which are necessary or incidental thereto.

- (i) engaging, hiring, appointing, consulting one or more advisors and other professionals including any counsel; registered valuer, chartered accountant, advocate, legal advisors, attorney, representatives and any other persons to avail advice, recommendations, inputs on the proposed reduction of equity share capital, to draft the necessary applications/ documents, to represent and act on behalf of the Company in the proceedings before the Hon'ble Tribunal any matter related hereto and

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to authorize them to exercise all or any of such powers which they are entitled to exercise for reduction of share capital;

- (ii) authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with the abovementioned resolution or to give effect to the abovementioned resolution.
- (iii) to provide necessary accounting treatment in the application/petition/ any other document required for implementing reduction of share, capital and obtain the necessary certificate of accounting treatment under Section 133 of the Act from the statutory auditors, confirming that the said accounting treatment specify in the application/petition/ any other document-required is as per the accounting standards applicable to the Company.
- (iv) withdraw the application/petition filed before the Tribunal for the capital reduction at any stage, in case any changes and/or modifications suggested/ required to be made in the application/ petition or any condition imposed, whether by any shareholder, creditor, Tribunal and /or any other regulatory authority are, in their view, not in the interest of the Company and/ or if the application /petition cannot be implemented otherwise, and to do. all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto.
- (v) affixing the common seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents in connection with the above resolution, as may be required;
- (vi) informing depository participants and registrar and share transfer agent about such reduction of equity share capital for updating their records;
- (vii) settling all questions, difficulties or doubts that may arise in connection with the reduction of paid-up equity share capital as it may, in its absolute discretion, deem fit;

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- (viii) doing all acts, deeds, and things and to take all such steps as may be considered necessary and expedient to give effect to this resolution arid for the purpose of ensuring compliance with the directions that may be given by Hon'ble Tribunal;
- (ix) filing certified copy of order of Hon'ble Tribunal with Registrar of Companies, NCLT of Mumbai; and
- (x) to delegate all or any of the aforesaid powers to any other person by way of a valid power of attorney”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, certified to be true by any Director of the Company and Company Secretary of the Company be and are hereby jointly and severally authorised to do all such acts, deeds, matters and things, be forwarded to concerned authorities for necessary actions.

“**RESOLVED FURTHER THAT**, the certified copy of this resolution may be issued by any Director, Chief Financial Officer or the Company Secretary of the Company.”

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## **2. APPOINTMENT OF MR. RAKESH CHOUDHARI (DIN: 00009093) AS A NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (*“Companies Act”*) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (*“SEBI Listing Regulations”*) (including any statutory modification(s) or enactment thereof for the time being in force) (the *“Act”*), on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the Members be and is hereby accorded for appointment of Mr. Rakesh Choudhari (DIN- 00009093), who was appointed as an Additional Non-Executive Director be and is hereby appointed as Non-Executive Director liable to retire by rotation, for a term of five consecutive years starting from May 2, 2024 to May 1, 2029.

**RESOLVED FURTHER THAT** pursuant to section 197 of the Companies Act 2013 Mr. Rakesh Choudhari (DIN- 00009093) may be entitled to such sitting fees/commission/ remuneration as decided by and between the Board and Mr. Rakesh Choudhari (DIN- 00009093).

**RESOLVED FURTHER THAT** for the purposes of giving effect to the above resolution, the Board be and is hereby authorized to execute all such agreements, documents, instruments and writings, file requisite filings, settle all questions, difficulties or doubts that may arise in this regard including for obtaining necessary approvals in relation thereto, and do such other acts, deeds, matters and things as may be considered necessary, desirable or expedient and delegate all or any of its powers

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herein conferred to any committee of directors or director(s) or officer(s) of the Company”

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

**Date: May 2, 2024  
Place: Mumbai**

Sd/-  
**Simran Kashela  
Company Secretary and Compliance Officer**

## NOTES:

1. The Board of Directors of the Company at its Meeting held on Thursday, 2<sup>nd</sup> May 2024 has approved the issuance of this Postal Ballot Notice. The relative Explanatory Statement pursuant to Section 102(1) of the Act read with Rules in respect of item of Special Business as set out in the Postal Ballot Notice is annexed hereto.
2. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to those members whose names appear on the Register of Members/List of Beneficial Owners as on **Friday, 3<sup>rd</sup> May 2024** ("Cut-Off Date") received from the Depositories and whose e-mail address is registered with the Company/Registrar and Share Transfer Agents ("RTA") of the Company/Depositories. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to members for this Postal Ballot.
3. This Postal Ballot Notice will also be available on the Company's website at [www.keynoteindia.net](http://www.keynoteindia.net) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.nsdl.com](http://www.evotingindia.nsdl.com).
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through the concerned Depository Participant(s). Members who hold shares in physical form are requested to register their e-mail addresses with the Registrar and Share Transfer Agents of the Company - M/s. Link Intime India Pvt. Ltd. At [rnt.helpdesk@linkintime.co](mailto:rnt.helpdesk@linkintime.co). in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self attested scanned copy).

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5. Members would be able to cast their votes and convey their assent or dissent to the proposed resolution only through the Remote e-Voting process. Members whose names appear on the Register of Members/List of Beneficial Owners as on the Cut-Off Date will only be considered eligible for the purpose of Remote e-Voting. A person who becomes a member after the Cut-Off Date should treat this notice for information purpose only.
6. **Voting rights of a Member/Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date. The voting rights for equity shares are one vote per equity share registered in the name of the Members.**
7. Pursuant to Sections 108, 110 and other applicable provisions of the Act and the Rules made there under, the MCA Circulars and Regulation 44 of the Listing Regulations read with Circular dated 9<sup>th</sup> December 2020 of SEBI on e-Voting Facility provided by Listed Entities, SS-2 and any amendments thereto, the Company is providing the facility to the members to exercise their right to vote on the proposed resolution electronically. The Company has engaged the services of NSDL as the agency to provide Remote e-Voting facility. The instructions for Remote e-Voting are provided as part of this Postal Ballot Notice which the members are requested to read carefully before casting their vote.
8. The Remote e-Voting period commences at **10:00 A.M. (IST) on Thursday 9<sup>th</sup> May 2024** and ends at **5:00 P.M. (IST) on Friday 7<sup>th</sup> June 2024**. Members desiring to exercise their vote should cast their vote during this period, to be eligible for being considered.
9. The resolution(s), if approved by the members with requisite majority, shall be deemed to have been passed on the last date of Remote e-Voting i.e. **Friday, 7<sup>th</sup> June 2024**. The resolution(s) passed by the Members through this Postal Ballot is deemed to have been passed as if it has been passed at a General Meeting of Members of the Company.
10. The Board of Directors has appointed MM/s. M. K. Saraswat & Associates, Company Secretaries (**Certificate of Practice No. 10856**) Proprietor of firm M/s. M. K. Saraswat & Associates, in whole time practice for conducting the Postal Ballot through the Remote Evoting process, in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutinizers' decision on the validity of the Postal Ballot shall be final.

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11. The Scrutinizer will submit her report, after the completion of scrutiny, to the Chairman of the Company or a person authorized by him in writing in that behalf, who shall countersign the same and declare the result of the voting forthwith. **The result of Remote e-Voting will be announced on or before Monday, 10<sup>th</sup> June 2024** and will be displayed on the Company's website [www.keynoteindia.net](http://www.keynoteindia.net) and will also be communicated to the Stock Exchanges, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (together the "Depositories"). The Company will also display the result of the Postal Ballot at its Registered Office.
12. All documents referred to in this Postal Ballot Notice will be available for inspection electronically until the last date of voting. Members seeking to inspect such documents can send an e-mail to [investors@keynoteindia.net](mailto:investors@keynoteindia.net).
13. **INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:**

- 1) The voting period begins on **Thursday, 9<sup>th</sup> May 2024 at 10:00 A.M. (IST) and ends on Friday, 7<sup>th</sup> June 2024 at 5:00 P.M. (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, 3<sup>rd</sup> May 2024** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- 2) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/ 242 dated 9<sup>th</sup> December 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolution. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote

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without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

## **14. How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**


In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select</li></ol>

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	<p><b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li><li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol>  <p>The image shows a promotional banner for the NSDL Mobile App. At the top, it says "NSDL Mobile App is available on". Below this, there are two logos: the Apple App Store logo and the Google Play logo. Underneath each logo is a QR code for scanning to download the app.</p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li><li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the</li></ol>

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	<p>evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website.](#)

## Keynote Financial Services Limited

The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400028  
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**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12*****

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	then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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## General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [uma@umalodha.com](mailto:uma@umalodha.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 or send a request to Prajakta Pawle at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [simran@keynoteindia.net](mailto:simran@keynoteindia.net) or [investors@keynoteindia.net](mailto:investors@keynoteindia.net).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [simran@keynoteindia.net](mailto:simran@keynoteindia.net) or [investors@keynoteindia.net](mailto:investors@keynoteindia.net).

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3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

### Explanation relating to Resolution No. 1

#### 1. Details Of Previous Scheme of Arrangement Pursuant to which shares came to be held by to Keynote Trust pursuant to its formation:

- (a) A Scheme of Amalgamation of Cobal Investment Company Limited, Starline Ispat and Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plethora Investment Company Limited, and West Coast Lighterage Company Private Limited (the “**Transferor Companies**”) into the Company (the Transferee Company as per the said Scheme of Arrangement) was duly sanctioned by the Hon’ble High Court of Judicature at Allahabad vide its order dated December 21, 2006; Hon’ble High Court of Judicature at Bombay vide its order dated March 9, 2007 and Hon’ble High Court of Judicature at Guwahati vide its order dated March 19, 2007.
- (b) Clause 3.5 of the aforementioned Scheme of Arrangement required that the shares of the Company held by the Transferor Companies therein be transferred to the Board of Trustees to have and to hold in trust together with all additions or accretions thereto upon exclusively for the benefit of the Querist Company and its successor, subject to the powers, provisions, discretions, rights and agreements combined in to an instrument and in furtherance to the same, the Keynote Trust came to be formed.
- (c) Accordingly, the Deed of Keynote Trust was registered in Mumbai, under serial No. BBE- 2/ 3949/ 2007 on May 04, 2007 and the Keynote Trust is

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holding 14,51,702 equity shares of representing 20.68% of the total equity share capital of the Company.

## **2. Brief of Terms of Trust Deed of Keynote Trust including the rights assigned to the Keynote Trust:**

- (a) In furtherance to the terms of the aforementioned Scheme of Amalgamation, the Keynote Trust was established through the Deed of Keynote Trust which was registered in Mumbai, under serial No. BBE- 2/ 3949/ 2007 on May 04, 2007. The said Deed of Keynote Trust was amended through Trust deed dated December 15, 2012 and subsequent amended Trust deed dated January 04, 2019.
- (b) The Keynote Trust is holding these shares for the exclusive benefit of the Company and the shares held by the Keynote Trust are contingent on the Keynote Trust's existence.
- (c) The objective and purpose of Keynote Trust are as under:
  - a. To have and to hold equity shares of the Company in trust for exclusively for the benefit of the beneficiary (i.e.) the Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the Deed of Keynote Trust or any modifications thereof. The shares held by the Keynote Trust are contingent on the Keynote Trust's existence.
  - b. The shares which are held by the Keynote Trust carry voting rights and they are pari-passu with the other equity shares of the Company,

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however, as per the terms of the Scheme of Amalgamation, the Trustees of the Keynote Trust shall not exercise the voting rights as attached to the shares as held by the Keynote Trust as per the terms of the Deed of Keynote Trust.

- c. To sell, transfer or dispose of the shares of the Company held by it within a period of 3 years (36 months) calendar months commencing from the effective date of the aforesaid Scheme of Amalgamation subject, however, to the prevailing market conditions (in which case, the said period may be suitably extended by the Trustees subject to the provisions hereof) consequent thereto all obligations of the Trustee under the Deed of Keynote Trust shall stand discharged and the Trust shall stand terminated.
- d. To exercise its aforesaid power to sell, transfer or dispose of the shares held in trust at such time or times and on such terms and manner (including in relation to the terms of such proposed sale, transfer or disposal, the proposed transferee thereof, the sale price and other related matters) only upon receipt of and in accordance with the written instruction from the Beneficiary being the Company in this regard.
- e. To extend the aforesaid period of 3 years (36 months) months by such period as the Beneficiary (i.e.) the Company may instruct in writing in the event the Company determines that the prevailing market conditions during such period of 36 months is not conducive to the sale of the Shares. Here it is to be noted that the Company in its capacity as the beneficiary of the Keynote Trust has, from time to time,

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submitted a written request to the trustees to extend the period by three years which has been duly acceded by them.

- f. To remit the cash and non-cash benefits accrued on the shares of the Company to the Company in its capacity as the beneficiary of the shares.
  - g. Undertake such other incidental and ancillary activities in a manner as provided for under the Keynote Trust Deed.
- (d) The Company has received No-Objection Certificate from the Keynote Trust acting through their trustees for the reduction and subsequent cancellation of the shares held by it for the exclusive benefit of the company without any consideration pursuant to the scheme of Selective Capital Reduction subject to necessary appropriate. The copy of such No-Objection Certificate issued by the Keynote Trust is appended herewith as **Annexure -1.**

### 3. **Details with respect to increase or decrease in the shares held by Keynote Trust:**

There has been no change in the number of shares held by the Keynote Trust since the implementation of the High Court Order. The tabular representation of the same is as under:

Date*	Opening balance	Increase	Decrease	Closing Balance
May 18, 2007	14,51,702	NIL	NIL	14,51,702

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\*(date of implementation of the aforementioned Scheme of Amalgamation)

4. **Details of Cash (dividend etc) and non-cash benefits (rights / bonus etc) accrued to Shares held by Keynote Trust and accounting of same in the books of accounts and whether same is in compliance with Accounting Policies and Companies Act, 2013:**

(a) The following table sets the details of payment of dividend made to Keynote Trust.

Sr. No	Financial Year	Date of Declaration of Dividend	Number of Shares held	Dividend	Dividend (in Rs.)
1.	2007-2008	September 24, 2008	1451702	10%	14,51,702
2.	2008-2009	August 25, 2009	1451702	10%	14,51,702
3.	2009-2010	September 29, 2010	1451702	15%	21,77,553
4.	2010-2011	September 30, 2011	1451702	15%	21,77,553
5.	2011-2012	September 27, 2012	1451702	15%	21,77,553
6.	2012-2013	September 25, 2013	1451702	15%	21,77,553
7.	2013-2014	September 09, 2014	1451702	10%	14,51,702
8.	2014-2015	September 29, 2015	1451702	10%	14,51,702
9.	2015-2016	July 29, 2016	1451702	10%	14,51,702
10.	2016-2017	August 23, 2017	1451702	10%	14,51,702
11.	2017-2018	August 09, 2018	1451702	25%	36,29,255
12.	2018-2019	August 13, 2019	1451702	10%	14,51,702
13.	2019-2020	September 30, 2020	1451702	10%	14,51,702
14.	2020-2021	September 29, 2021	1451702	10%	14,51,702
15.	2021-2022	September 28, 2022	1451702	10%	14,51,702
16.	2022-2023	September 29, 2023	1451702	10%	14,51,702
<b>TOTAL</b>					<b>2,83,08,189</b>

(b) As per the aforementioned Scheme of Amalgamation 14,51,702 equity shares of the Company having face value of Rs. 10/- each fully paid up is held by Keynote Trust in trust of its beneficiary being the Company itself

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and accordingly as per the terms of the Deed of Keynote Trust, the cumulative dividend of Rs. **2,83,08,189/-** paid to Keynote Trust is subsequently transferred back to the Company being beneficiary of Keynote Trust.

- (c) Extract of the *Accounting treatment for receipt of dividend in books of the account of the Company is as follows:*

Keynote Trust a/c	Dr.	Rs. 14,51,702
To Dividend a/c	Cr.	Rs. 14,51,702

*As per Accounting policies,* the Company recognises dividend income received from the Keynote Trust as the beneficiary of the Keynote Trust in its Statement of Profit and Loss every year under the head 'Other Income'.

## 5. Need And Rationale for Selective Capital Reduction of Shares Held by Keynote Trust:

- a) The primary objective of this scheme is to reorganize and selectively reduce the equity share capital of the Company.
- b) To better represent Keynote Financial Services Limited's Capital Structure which has come into effect pursuant to the implementation of the aforementioned Scheme of Amalgamation, it is necessary to realign and reorganize the Share Capital by cancelling the Shares held by the Trust through the process of Capital reduction.

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- c) Upon the Scheme becoming effective, the Company would be able to better represent its shareholding pattern. This Scheme would be value accretive to the shareholders as well, as their holding would yield better results.
- d) Upon the Scheme becoming effective, it would enable the Company to explore opportunities for the benefit of its Shareholders, including higher form of dividend payments, in terms of the applicable laws.
- e) The Scheme after full implementation, will result in making the Company's balance sheet leaner and rationalised.
- f) The Scheme, if approved by the shareholders and NCLT, would provide greater flexibility to the Company in raising funds either from the capital market or from any bank/ financial institutions in the form of equity or debt, depending on the business needs of the Company.
- g) The present reduction of the Equity Share Capital of the Company is also being carried out inter-alia to:
  - a. re-adjust the relation between its capital and assets; and
  - b. to realign & reorganise the share Capital in accordance with compliance as per Companies Act, 2013.
  - c. ensure that the financials Company reflects the current position of the Company in accordance with Shareholding Pattern and Voting Rights.

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- h) The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- i) The proposed reduction of the Equity Share Capital will be for the benefit of the Company and its Equity Shareholders, Creditors and all other concerned stakeholders as a whole.
- j) Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, Keynote Trust whose Equity Shares are being cancelled in the manner prescribed under this Scheme will receive NIL consideration as against the said cancellation/ extinguishment of the Equity Share Capital, including but not limited to redemption amounts or exit consideration thereon (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any.

## **Capital Structure and Shareholding and Voting Pattern of the Company pre and post the implementation of the Scheme:**

- a) The Authorised, Issued, Subscribed and Paid-up share capital of the Company prior to approval of Scheme is as under:

<b>Authorized Share Capital</b>	<b>Amount (Rs.)</b>
1,50,00,000 Equity Shares of Rs.10/- each, fully paid	Rs. 15,00,00,000
<b>Issued Capital</b>	<b>Amount (Rs.)</b>
1,12,74,417 Equity Shares of Rs.10/- each, fully paid	Rs. 11,27,44,170
<b>Subscribed, and Paid- up Capital</b>	<b>Amount (Rs.)</b>

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70,18,339 Equity Shares of Rs.10/- each, fully paid	Rs. 7,01,83,390
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- b) The Authorised, Issued, Subscribed and Paid-up share capital of the Company, subsequent to the implementation of Scheme will be as under:

<b>Authorized Share Capital</b>	<b>Amount (Rs.)</b>
1,50,00,000 Equity Shares of Rs.10/- each, fully paid	Rs. 15,00,00,000
<b>Issued Capital</b>	<b>Amount (Rs.)</b>
1,12,74,417 Equity Shares of Rs.10/- each, fully paid	Rs. 11,27,44,170
<b>Subscribed, and Paid- up Capital</b>	<b>Amount (Rs.)</b>
55,66,637 Equity Shares of Rs.10/- each, fully paid	Rs. 5,56,66,370

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- c) The Shareholding and Voting Pattern of the Equity Share Capital of the Company representing the status Pre and Post the implementation of the proposed Scheme of Capital Reduction is as follows:

Pre - Capital Reduction				Post - Capital Reduction		
Entity	No. of shares	Share holding %	Voting %	No. of shares	Share holding %	Voting %
Promoter	39,60,368	56.43	72.53	39,60,368	71.14	72.53
Public other than Keynote Trust / IEPF	14,99,696	21.37	27.47	14,99,696	26.94	27.47
Keynote Trust *	14,51,702	20.68	0	NA	NA	NA
Investor Education & Protection Fund **	1,06,573	1.52	0	1,06,573	1.92	0
<b>TOTAL</b>	<b>70,18,339</b>	<b>100.00</b>	<b>100.00</b>	<b>55,66,637</b>	<b>100.00</b>	<b>100.00</b>

*Note:*

*\* "Keynote Trust" does not carry any voting rights as per "Trust Deed" in terms of Hon'ble High Court orders, representation has been accordingly made. Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, Keynote Trust whose Shares are being cancelled in the manner prescribed under this Scheme shall not involve any payout to Keynote Trust and they will receive NIL consideration as against the said cancellation/ extinguishment of the Share Capital, including but not limited to redemption amounts or exit consideration thereon (whether such*

### Keynote Financial Services Limited

The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400028  
 Tel : 91 22 6826 6000 Fax : 91 22 6826 6088 Email : [info@keynoteindia.net](mailto:info@keynoteindia.net) Website [www.keynoteindia.net](http://www.keynoteindia.net)  
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*consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any.*

**\*\* Equity Share held by Investor Education and Protection Fund (IEPF) does not carry any voting rights as per IPEF rules. Representation has been made accordingly.**

## **6. Effect of the Scheme:**

- a) The Scheme of Selective Capital Reduction involves only the selective reduction of paid-up equity share capital of the Company and does not envisage transfer and vesting of any properties and / or liabilities to or in favour of the Company.
- b) The Scheme of Selective Capital Reduction does not involve any conveyance of transfer of any property and does not involve any issue of shares. Consequently, the order of the NCLT, Mumbai approving the Scheme shall not attract any Stamp Duty.

## **7. Impact Of Reduction of Shares held by Keynote Trust on Public Shareholders and their Rights.**

- a. The proposed Selective Capital Reduction shall result in an increase in proportionate shareholding of all the shareholders of the Company, including public shareholders.
- b. The Scheme of Reduction of Capital, if approved, the Company would be able to better represent its shareholding pattern. This scheme would be

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value accretive to the shareholders as well, as their holding would yield better results.

- c. The proposed restructuring under the scheme, if approved, would enable the Company to explore opportunities for the benefit of its shareholders, including the form of dividend payments, in terms of the applicable laws.
- d. Upon the Scheme becoming effective, the difference between the value of company's investment in equity instruments of Keynote Financial Services Limited (held by the Keynote Trust) and the share capital being extinguished will be credited to Capital Reserve Account. Capital Reserve Account created shall not be utilised for any distribution of dividend to the shareholders of the Company.
- e. The below table reflects the pre and post reduction of Capital Reserve Account of the Company as on 30<sup>th</sup> November 2023

Particulars	Pre capital reduction (Rs.) as on September 30, 2023	Post capital reduction (Rs.) as on November 30,2023
<b>Subscribed, and Paid- up Capital</b>		
70,18,339 Equity Shares of Rs.10/- each, fully paid	7,01,83,390	-
55,66,637 Equity Shares of Rs.10/- each, fully paid	-	5,56,66,370
<b>Reserve and surplus</b>		
Security premium	23,06,48,293	23,06,48,293
General reserve	1,33,91,679	1,33,91,679
Capital reserve	NIL	15,46,147
Capital redemption reserve	NIL	NIL
Retained earning	33,77,08,151	33,77,08,151
	58,17,48,122	58,32,94,269
<b>Total Net worth</b>	<b>65,19,31,512</b>	<b>63,89,60,639</b>

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- f. The Proposed Scheme does not involve any financial outlay/outgo and therefore would not affect the ability or liquidity of the Company to meet its obligations/commitments in the normal course of business. Further, the Proposed Scheme does not envisage any arrangement or sacrifice nor does it in any manner, alter, vary or affect the rights of the creditors/lenders/financial institutions.
- g. Accordingly, the Proposed Scheme does not result in any prejudice to the Shareholders, employees, the creditors, lenders, financial institutions or any other stakeholders of the Company.
- h. Upon the proposed scheme becoming effective, the financial statements of the Company would represent the better financial position of the company and would also help the Company position itself better in the market and undertake business activities efficiently. The proposed scheme would be for the overall benefit of the Company, its Creditors, its Shareholders and all other Stakeholders.

i. **Impact of the Scheme on employees of the Company:**

The Scheme of Selective Capital Reduction shall not have any adverse impact on the employees of the Company or the ability of the Company to fulfill its commitments or meet its obligations in the ordinary course of business as there is no payout resulting from the proposed scheme.

j. **Impact of the Scheme on Creditors of the Company:**

- a. The intended capital reduction will not cause any prejudice to the interest of the Company's creditors, as it will not impact the amounts

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owed to them. Further, in absence of any payment to the Keynote Trust pursuant to the capital reduction, it does not alter, vary, or affect the rights of the Creditors in any manner as there is no cash outflow.

- b. The proposed capital reduction would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

**k. Impact of the Scheme on Keynote Trust:**

Upon the implementation of the Scheme Keynote Trust will take all the necessary steps to dissolve the Keynote Trust in accordance with applicable Laws.

**l. Legal Proceedings:**

Any ongoing or future legal proceedings involving the Company will not be dismissed, discontinued, or adversely impacted due to the Scheme of Selective Capital Reduction outlined in this document. These legal matters will proceed and be enforced against or by the Company in the same manner and with the same extent as if the Scheme of Selective Capital Reduction had not been implemented.

**m. Enforcement of contracts, deeds and bonds:**

Save and except as expressly provided in this Scheme, nothing contained in the Scheme shall affect any contract, deed, bond, agreement and any other instrument of whatsoever nature to which the Company is a Party

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and which is subsisting or having effect on or immediately before the 'Effective Date' and shall remain in full force and effect against or in favor of the Company and may be enforced fully and effectively.

n. **Others**

The Company will pray before the NCLT for providing exemption to add "And Reduced" as a suffix to its name and the Company shall continue in its existing name considering that no payout is being made to any existing members as the Company will be able to discharge its liability in the due course of business. The Special Resolution, if approved by the Shareholders of the Company with requisite majority, will be subject to the approval by National Company Law Tribunal as per Section 66(3) of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016. The Scheme is conditional upon and subject to:

- a) The Scheme being approved by the Shareholders of the Company through special resolution;
- b) The Scheme being approved by the creditors of the Company as prescribed under the Act and/or as may be directed by NCLT and/or any other appropriate authority as may be applicable;
- c) The Company obtaining the observation letter/ no-objection letter from the relevant Stock Exchanges for the implementation of the Scheme;

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- d) The Scheme being approved by the NCLT under Section 66 read and other applicable provisions of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable);
  - e) Certified copy of the order of the NCLT sanctioning this Scheme and the form of minutes of reduction being filed with the RoC by the Company; and
  - f) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.
- o. **Effective Date of the Proposed Reduction**

The Special Resolution, if approved by the Members of the Company with requisite majority, the Company will file the requisite petition with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to Section 66(5) of the Companies Act, 2013, this resolution will be effective from the date of registration of the NCLT order approving the Capital Reduction by the Registrar of Companies, Mumbai to that effect.

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p. **General information**

- a. No inquiry or investigation is pending against the Company under any provisions of Companies Act, 2013. Further, there are no ongoing adjudication & recovery proceedings, prosecution initiated and any other enforcement action taken against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.
- b. The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no payout to the members of the Company nor a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.
- c. The Independent Director Committee, Audit Committee and the Board of Directors of the Company approved the draft Scheme at their respective meetings held on December 8, 2023. Subsequently, the Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The draft Scheme of Reduction of Share Capital is annexed as **Annexure - 2**.
- d. BSE and NSE had issued observation letters dated April 15, 2024 to the above proposed reduction of share capital. Copies of the aforesaid

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Observation Letters are enclosed as **Annexure - 3** to this notice. As per the terms of the Observation Letters, BSE and NSE has given its 'no adverse observation', so as to enable the company to file the scheme with the Hon'ble NCLT. No consideration shall be paid by the Company to the Shareholders with respect to the Proposed Scheme and hence no separate valuation of shares is necessary in determining the fair value of the shares of the Company.

- e. Accordingly, the need for a valuation report is dispensed of. Certificate with regards to non-applicability of the valuation report in relation to the Proposed Scheme has been obtained from Mr. Niren K. Vikamsey, a registered valuer and the same is annexed as **Annexure - 4**.
- f. The Company has filed the Complaints Report as on 21<sup>st</sup> December, 2023 with BSE and 27<sup>th</sup> March, 2024 with NSE and has uploaded the same on the website of the Company and the same is annexed as **Annexure - 5**.
- g. A copy of the Scheme along with the related documents, setting out in detail the terms and conditions of the proposed Scheme which has been duly approved by the Board of Directors of the Company at its meeting held on December 8, 2023, along with the documents submitted to the BSE and NSE and other documents referred to in the accompanying Special Resolution and Explanatory Statement thereto have been uploaded on the website of the Company at <https://keynoteindia.net/investor-relations/scheme-of-capital-reduction> and would also be available for inspection to the members

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at the Registered Office of the Company on all working days during the business hours except Saturday up to closure of e-voting on Friday, June 7 , 2024. The Board of Directors of the Company considers that this resolution is in best interest of the Company and its shareholders and therefore recommends the resolution for your approval as Special Resolution.

- h. None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No.1.

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## **Explanation relating to Resolution No. 2**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 2, 2024 appointed Mr. Rakesh Choudhari (DIN-00009093) as an Additional Non Executive and Non Independent Director for a term of five consecutive years i.e from May 2, 2024 till May 1, 2029 who shall hold office till the date of next General Meeting or three months from the date of his appointment.

Mr. Rakesh Choudhari, has rich experience of more than 30 years in the field of Investment Banking, Stock Broking and in Investment Advisory etc. He is also serving as a Managing Director on the Board of subsidiary company.

Accordingly, the Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Item No.2 of this Notice for the approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Rakesh Choudhari and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No.2 of the accompanying Notice of Postal Ballot. This statement may also be regarded as an appropriate disclosure under the Act and SEBI LODR Regulations.

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**Annexure to the Notice  
Details of Directors Seeking Appointment  
(Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial  
Standard -2 on General Meetings)**

<b>Name of the Director</b>	Mr. Rakesh Choudhari
<b>DIN</b>	00009093
<b>Date of Birth</b>	11-04-1971
<b>Age</b>	51 years
<b>Date of first appointment on the Board</b>	May 2, 2024
<b>Qualifications</b>	Qualifications- Bachelor of Commerce from H.R. College of Commerce and Economics, Mumbai.
<b>Expertise in specific functional areas</b>	Refer Notice and Explanatory Statement
<b>Skills and capabilities required for the role and manner in which the Directors meet the requirements</b>	Refer Notice and Explanatory Statement
<b>Terms and conditions of appointment</b>	Appointment as a Non-Executive and Non-Independent Director for a period of 5 consecutive years effective from with effect from May 2, 2024 to May 1, 2029 (for further details refer the Notice and Explanatory Statement)
<b>Details of remuneration last drawn (FY 2022-2023)</b>	Refer Notice and Explanatory Statement
<b>Details of remuneration sought to be paid</b>	NIL
<b>Directorships in other listed companies (excluding foreign companies)</b>	NIL
<b>Membership/Chairmanship of committees in other listed companies (excluding foreign companies )</b>	NIL
<b>Listed entities from which directors has resigned from Directorship in last 3 (three) years</b>	NIL
<b>No. of Board Meetings attended during FY 2022-2023</b>	NIL
<b>Interse relationship with other Directors and Key Managerial Personnel of the Company. No of Shares held (a) Own (b) For other person on beneficial basis</b>	NIL

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**SCHEME OF SELECTIVE CAPITAL REDUCTION OF THE ISSUED  
SUBSCRIBED AND PAID-UP SHARE CAPITAL**

**BETWEEN**

**KEYNOTE FINANCIAL SERVICES LIMITED**

**AND**

**ITS SHAREHOLDERS AND CREDITORS**

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE  
SECTIONS OF THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW  
TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF  
COMPANY) RULES, 2016**



## INTRODUCTION

### A. PREAMBLE

This Scheme of Reduction of Issued, Subscribed and Paid-up Equity Share Capital is made pursuant to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and provides for the cancellation and extinguishment of selective issued, subscribed and paid-up Equity Share Capital of Keynote Financial Services Limited ("the Company") as well as various other matters consequential or otherwise integrally connected thereto.

The purpose of this Scheme is to undertake a restructuring of equity share capital of Company and to give a more true and realistic view of the financial position of the Company and other matters incidental thereto.



**B. BACKGROUND AND DESCRIPTION OF THE COMPANY**

- a. Keynote Financial Services Limited (hereinafter called as the "Company") is incorporated in the name of "Keynote Corporate Services Private Limited" on the 16<sup>th</sup> Day of June 1993, under the provisions of the Companies Act, 1956. Subsequently, the Company was converted into a Public Limited Company and the name of the Company was changed from "Keynote Corporate Services Private Limited" to "Keynote Corporate Services Limited" and a fresh certificate of incorporation was issued on 5<sup>th</sup> Day of November, 1993. Subsequently, the name of Company was changed from "Keynote Corporate Services Limited" to "Keynote Financial Services Limited" and a fresh certificate of incorporation was issued on 23<sup>rd</sup> Day of April, 2019. The registered office of the Company is situated at "The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai- 400 028."
- b. The Corporate Identification Number ("CIN") is L67120MH1993PLC072407 and its Permanent Account Number ("PAN") is AAACK3234D.
- c. The equity shares of the Company are currently listed with BSE Limited and National Stock Exchange of India Limited.
- d. The Company is registered as Category 1 merchant Banker, having SEBI registration number INM000003606. The services of the Company enables clients to access Capital Markets, Corporate Finance Advisory, Mergers and Acquisitions Advisory, ESOP Advisory, Equity/Debt Placements and Restructuring.



- e. The main objects of the Company as set out in the Memorandum of Association of the Company are as follows:

*To carry on the business as lead managers, advisors, consultants, issue house, managers and advisors to public/rights issue of equity and preference shares, debentures, other securities and units and to act as shares consultants, registrar and transfer agent, underwriters and researchers.*

*To carry on the business of Merchant Banking and Portfolio Management subject to Securities and Exchange Board of India (Merchant Banking) Rules and Regulations, 1992 and such other approvals as may be required from other authorities subjects to compliance of any other law in this regard, but not to carry on all or any part of banking business as contemplated by the Reserve Bank of India Act/Banking Regulations Act, 1949.*

- f. Capital Reduction and the Articles of Association of the Company:

Article 40 of the Articles of Association of the Company authorizes the Company by special resolution to reduce its share capital in any manner. Article 40 of the Articles of Association of the Company for the sake of ready reference, is set out hereunder:

*The Company may, by special resolution, reduce in any manner and with and subject to, any incident authorised and consent required by law*

- a) its share capital;*
- b) any capital redemption reserve account; or*
- c) any share premium account.*



C. RATIONALE AND BENEFITS OF THE SCHEME

The rationale and benefits of the proposed Scheme are as follows:

- a) This Scheme of Selective reduction of capital is made by Keynote Financial Services Limited formerly known as Keynote Corporate Services Limited in accordance with the provisions of Section 66 of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions, if any. The primary objective of this scheme is to reorganize and selectively reduce the equity share capital of Keynote Financial Services Limited.
  
- b) Pursuant to the Scheme of Amalgamation of Cobal Investment Company Limited, Starline Ispat and Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plethora Investment Company Limited, and West Coast Lighterage Company Private Limited into the Company duly sanctioned by Hon'ble High Court of Judicature at Allahabad, vide order dated December 21, 2006, Hon'ble High Court of Judicature at Bombay vide order dated March 9, 2007 and Hon'ble High Court of Judicature at Guwahati vide order dated March 19, 2007 and becoming fully effective led to allotment of shares of the Company to the shareholders of the Transferor Companies. Accordingly, implementation of this Scheme would have lead to the Company holding shares of itself. Upon the Scheme becoming effective, these share were transferred to the trustees of the Keynote Trust ("Trust"). This Trust was holding these shares for the exclusive benefit of the Company and the shares held by the Keynote Trust are contingent on the Trust's existence. Therefore, to better represent Keynote Financial Services Limited's Capital Structure, it is necessary to realign and reorganize the Share Capital by cancelling the Shares held by the Trust through the process of Capital reduction.



- c) Upon the Scheme becoming effective, the Company would be able to better represent its shareholding pattern. This Scheme would be value accretive to the shareholders as well, as their holding would yield better results.
- d) Upon the Scheme becoming effective, it would enable the Company to explore opportunities for the benefit of its Shareholders, including higher form of dividend payments, in terms of the applicable laws.
- e) The Scheme after full implementation, will result in making the Company's balance sheet leaner and rationalised.
- f) The Scheme, if approved by the shareholders and NCLT, would provide greater flexibility to the Company in raising funds either from the capital market or from any bank/ financial institutions in the form of equity or debt, depending on the business needs of the Company.
- g) The present reduction of the Equity Share Capital of the Company is also being carried out inter-alia to:
  - a. re-adjust the relation between its capital and assets; and
  - b. to realign & reorganise the share Capital in accordance with compliance as per Companies Act, 2013.
  - c. ensure that the financials Company reflects the current position of the Company in accordance with Shareholding Pattern and Voting Rights.



- h) The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- i) The proposed reduction of the Equity Share Capital will be for the benefit of the Company and its Equity Shareholders, Creditors and all other concerned stakeholders as a whole.
- j) Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, Keynote Trust whose Equity Shares are being cancelled in the manner prescribed under this Scheme will receive NIL consideration as against the said cancellation/ extinguishment of the Equity Share Capital, including but not limited to redemption amounts or exit consideration thereon (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any.

#### **D. PARTS OF THE SCHEME**

The scheme is divided in to following parts:

- a. **Part I:** which deals with the Definitions, Interpretations, Capital Structure;
- b. **Part II:** deals with the Selective Reduction of Equity Share Capital of the Company, and;
- c. **Part III:** deals with General Terms and Conditions applicable to the Scheme.



## PART-1

### 1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. **“Act” or “The Act”** means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder and will include any Statutory Modification, Re-enactments and/or amendments thereof from time to time, including without limitation the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, each as amended from time to time;
- 1.2. **“Applicable Laws”** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;
- 1.3. **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority within the territories of Mumbai, including Registrar of Companies, Mumbai, Maharashtra;
- 1.4. **“Board” or “Board of Directors”** means the Board of Directors of the Company including any duly constituted Committee(s) thereof;





- 1.5. "Capital Reduction" means the selective reduction of 14,51,702 Equity Shares of Rs.10/-each of the Company held by Keynote Trust without payment of any consideration.
- 1.6. "Company" means Keynote Financial Services Limited; a Company having CIN: L67120MH1993PLC072407 incorporated under the provisions of Companies Act, 1956.
- 1.7. "Effective Date"(or) the "Scheme being effective" for this Scheme shall mean the date on which a certified copy of the order of the NCLT under Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, is filed with the office of the Registrar of Companies.
- 1.8. "Equity Shares" means fully paid up equity shares of Rs. 10/- each issued by the Company.
- 1.9. "Ind AS" means the Indian Accounting Standards prescribed under Section 133 of the Act.
- 1.10. "Keynote Trust" means Trust registered before the joint sub-registrar Mumbai City no. II, under the serial no. BBE - 2/3949/2007 on May 4, 2007 as amended on time to time.
- 1.11. "NCLT" or "Tribunal" means the Hon'ble National Company Law Tribunal, Mumbai.
- 1.12. "Registrar of Companies" means Registrar of Companies, Mumbai.



- 1.13. "Rules" means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time; and such other rules wherever applicable.
- 1.14. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Selective Capital Reduction as provided herein in its present form or with such alterations/ modifications as may be approved or imposed or directed by the any of the Regulatory Authorities and may be approved by Hon'ble Tribunal.
- 1.15. "SEBI" means the Securities Exchange Board of India.
- 1.16. "SEBI Regulations" means the regulations inter-alia including Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time read with and any other applicable circulars, notifications, orders, and other communication, existing and / or as may be introduced by SEBI, from time to time.
- 1.17. "SEBI Circular" means the SEBI Master Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (ii) Relaxation under Sub-Rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time; or such other circulars wherever applicable.
- 1.18. "Shareholders" or "The Shareholder" means a person registered (Whether registered owner of the shares) as holders of the equity share capital in the register of members of the Company. The word "Shareholder" and/or "Member", wherever mentioned, are used to denote the same meaning and are used interchangeably.



1.19. "Stock Exchanges" means the stock exchanges where the equity shares of the Company are listed and are admitted to trading viz. BSE Limited and the National Stock Exchange of India Limited.

1.20. "Tax Laws" means all applicable laws dealing with taxes including but not limited to income-tax, Good and Services Tax or any other levy of similar nature.

## 2. INTERPRETATION:

All the terms and expressions which are used in this scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015 i.e. Listing Regulations, Listing Agreement or other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

## 3. CAPITAL STRUCTURE

The Authorised, Issued, Subscribed and Paid-up share capital of the Keynote Financial Services Limited, as on September 30, 2023, is as under:

Authorized Share Capital	Amount (Rs.)
1,50,00,000 Equity Shares of Rs.10/- each, fully paid	Rs. 15,00,00,000
Issued Capital	Amount (Rs.)
1,12,74,417 Equity Shares of Rs.10/- each, fully paid	Rs. 11,27,44,170
Subscribed, and Paid- up Capital	Amount (Rs.)
70,18,339 Equity Shares of Rs.10/- each, fully paid	Rs. 7,01,83,390



**Shareholding pattern of promoters and public:**

Category of shareholder	No. of Shareholders	Total no. shares held
Promoter & Promoter Group	10	39,60,368
Public	3,750	30,57,971
<b>Total</b>	<b>3,760</b>	<b>70,18,339</b>

\*Subsequent to September 30, 2023 and up to the date of approval of this scheme by the Board of Directors of the Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of the Company.

The Authorised, Issued, Subscribed and Paid-up share capital of the Keynote Financial Services Limited, on implementation of Scheme will be as under:

<b>Authorized Share Capital</b>	<b>Amount (Rs.)</b>
1,50,00,000 Equity Shares of Rs.10/- each, fully paid	Rs. 15,00,00,000
<b>Issued Capital</b>	<b>Amount (Rs.)</b>
1,12,74,417 Equity Shares of Rs.10/- each, fully paid	Rs. 11,27,44,170
<b>Subscribed, and Paid- up Capital</b>	<b>Amount (Rs.)</b>
55,66,637 Equity Shares of Rs.10/- each, fully paid	Rs. 5,56,66,370



**PART-II**

**SELECTIVE REDUCTION OF THE ISSUED, SUBSCRIBED AND PAID  
UP EQUITY SHARE CAPITAL OF THE COMPANY**

**A. SELECTIVE REDUCTION OF EQUITY SHARE CAPITAL:**

- a) Upon the Scheme becoming effective, and after obtaining necessary approvals, consents and permission, issued, subscribed and paid up Equity Share Capital will be reduced to the extent of 14,51,702 Equity Shares of Rs.10/-each as on the Effective Date. These shares are held by Keynote Trust.
- b) Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduced" as a suffix to its name and the Company shall continue in its existing name.
- c) This Scheme is being presented under Section 66 of the Act and, upon the effectiveness of the Scheme, shall have the effect of having obtained the sanction / approval of NCLT pursuant to the provisions contained in Section 66 of the Act dealing with reduction of capital and all other consequential and incidental compliances as contemplated under the Act.



- d) Equity Share Capital of the Company representing voting rights Pre and Post the proposed Scheme of Capital Reduction is as follows:

Pre - Capital Reduction				Post - Capital Reduction		
Entity	No. of shares	Share holding %	Voting %	No. of shares	Share holding %	Voting %
Promoter	39,60,368	56.43	72.53	39,60,368	71.14	72.53
Public other than Keynote Trust / IEPF	14,,99,696	21.37	27.47	14,,99,696	26.94	27.47
Keynote Trust *	14,51,702	20.68	0	NA	NA	NA
Investor Education & Protection Fund **	1,06,573	1.52	0	1,06,573	1.92	0
<b>TOTAL</b>	<b>70,18,339</b>	<b>100.00</b>	<b>100.00</b>	<b>55,66,637</b>	<b>100.00</b>	<b>100.00</b>

**Note :**

\* "Keynote Trust" does not carry any voting rights as per "Trust Deed" in terms of Hon'ble High Court orders, representation has been accordingly made. Upon the Scheme becoming effective and after obtaining the necessary approvals, consent, permissions, Keynote Trust whose Shares are being cancelled in the manner prescribed under this Scheme shall not involve any payout to Keynote Trust and they will receive NIL consideration as against the said cancellation/ extinguishment of the Share Capital, including but not limited to redemption amounts or exit consideration thereon (whether such consideration is the nominal value of the shares or higher), all outstanding dividends, and share premiums, if any.

\*\* Equity Share held by Investor Education and Protection Fund (IEPF) does not carry any voting rights as per IPEF rules. Representation has been made accordingly.



**B. COMPLIANCE:**

- The consent of the Shareholders of the Company to this Scheme of reduction of Share Capital of the Company shall be taken through a resolution under the provisions of Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable).
- The Scheme, if sanctioned, shall be in compliance with Securities and Exchange Board of India ("SEBI") Act, and the Rules and Regulations made and the Circulars issued thereunder.

**C. ACCOUNTING TREATMENT:**

- Upon the Scheme becoming effective, the difference between the value of company's investment in equity instruments of Keynote Financial Services Limited (held by the Keynote Trust) and the share capital being extinguished will be credited to Capital Reserve Account. Capital Reserve Account created shall not be utilised for any distribution of dividend to the shareholders of the Company.
- The Company will comply with all the Accounting Policies and Accounting Standards as applicable in relation to the accounting for the said reduction of capital.



- The Company has obtained a certificate from its Statutory Auditors certifying that the proposed accounting treatment in respect of this Scheme for Reduction of Issued, Subscribed and Paid-up Share Capital is in accordance with the applicable standards of accounting prescribed by the Central Government under Section 133 of the Companies Act, 2013. The Company will take into consideration, the recommendations of the Audit Committee of the Company, if any, and also comply with all relevant Accounting Standards applicable to the present Scheme.

**D. FORM OF MINUTES UNDER SECTION 66(5) OF COMPANIES ACT, 2013:**

The form of minutes proposed to be registered under Section 66(5) of the Companies Act, 2013 is as follows:

“The paid up share capital of Keynote Financial Services Limited is henceforth Rs. 5,56,66,370 (Rupees Five Crore Fifty Six Lakhs Sixty Six Thousand Three Hundred Seventy only) divided into 55,66,637 (Fifty Five Lakhs Sixty Six Thousand Six Hundred Thirty-Seven) equity shares of Rs.10/- each.”

**E. EFFECT OF THE SCHEME:**

- a) The Scheme involves only the selective reduction of paid-up equity share capital of the Company and does not envisage transfer and vesting of any properties and / or liabilities to or in favour of the Company.
- b) The Scheme does not involve any conveyance of transfer of any property and does not involve any issue of shares. Consequently, the order of the NCLT, Mumbai approving the Scheme shall not attract any Stamp Duty.





**F. IMPACT OF THE SCHEME ON EMPLOYEES:**

The Scheme shall not have any adverse impact on the employees of the Company or the ability of the Company to fulfill its commitments or meet its obligations in the ordinary course of business as there is no payout resulting from the proposed scheme.

**G. IMPACT OF THE SCHEME ON SHAREHOLDERS AND BENEFITSTO SHAREHOLDERS:**

- a) The proposed capital reduction shall result in an increase in proportionate shareholding of all the shareholders of the Company, including public shareholders.
- b) The Scheme of Reduction of Capital, if approved, the Company would be able to better represent its shareholding pattern. This scheme would be value accretive to the shareholders as well, as their holding would yield better results.
- c) The proposed restructuring under the scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including the form of dividend payments, in terms of the applicable laws.

**H. IMPACT OF THE SCHEME ON CREDITORS:**

- a) The intended capital reduction will not cause any prejudice to the interest of the Company's creditors, as it will not impact the amounts owed to them. Further, in absence of any payment to the Trust pursuant to the capital reduction, it does not alter, vary, or affect the rights of the Creditors in any manner.



- b) The proposed capital reduction would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.

**I. IMPACT OF THE SCHEME ON KEYNOTE TRUST**

Upon the implementation of the Scheme of selective capital reduction Keynote Trust will take all the necessary steps to dissolve the trust in accordance with applicable Laws.

**J. LEGAL PROCEEDINGS:**

Any ongoing or future legal proceedings involving the Company will not be dismissed, discontinued, or adversely impacted due to the Scheme outlined in this document. These legal matters will proceed and be enforced against or by the Company in the same manner and with the same extent as if the Scheme had not been implemented.

**K. ENFORCEMENT OF CONTRACTS, DEEDS AND BONDS**

- a) Save and except as expressly provided in this Scheme, nothing contained in the Scheme shall affect any contract, deed, bond, agreement and any other instrument of whatsoever nature to which the Company is a Party and which is subsisting or having effect on or immediately before the 'Effective Date' and shall remain in full force and effect against or in favor of the Company and may be enforced fully and effectively.
- b) The Scheme shall not affect, in any manner, the rights and interest of creditors and employees of the Company.



L. OTHER DISCLOSURES

- a) No investigations or proceedings have been instituted and are pending against the Company under the Act.
- b) The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees and depositors of the Company. The Company does not have any debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.
- c) The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- d) The Benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board, are mentioned in Part D of the introduction of this Scheme (Rationale and benefits of the Scheme).



### PART-III

#### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

##### A. APPLICATION TO THE TRIBUNAL

The Company shall make application(s)/petition(s) under Section 66 and other applicable provisions of the Act to the NCLT for the sanction of this Scheme, minute of reduction and all matters ancillary or incidental thereto.

##### B. MODIFICATION/AMENDMENTS TO THE SCHEME

- a) The Company will be at liberty to apply to the NCLT from time to time for necessary direction in matters relating to this Scheme or any terms thereof, in terms of the Act.
- b) Subject to the provisions of the SEBI Circular, the Company through its Board, may assent to any modifications/ amendments to the respective section of this Scheme and/ or to any conditions or limitations, including such modifications/ amendments and/ or conditions or limitations that the Tribunal, the SEBI, the Stock Exchanges and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Company, through its authorized representatives, be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.



### C. CONDITIONS OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- a) the Scheme being approved by the members of the Company through special resolution and provided that the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it through e-voting in terms of the SEBI Circular;
- b) the Scheme being approved by the creditors of the Company as prescribed under the Act and/or as may be directed by NCLT and/or any other appropriate authority as may be applicable;
- c) the Company obtaining the observation letter / no-objection letter from the relevant Stock Exchanges for the implementation of the Scheme;
- d) the Scheme being sanctioned by the Tribunal under Section 66 and any other applicable provision of the Act;
- e) certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction being filed with the RoC by the Company; and
- f) the requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.



**D. EFFECT OF NON-RECEIPT OF APPROVALS**

- a) In the event of any of the sanctions and approvals referred to in the abovementioned para is not being obtained and / or the Capital Reduction not being sanctioned by the Tribunal or such other appropriate authority, if any, this Capital Reduction shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Capital Reduction or as may otherwise arise in law and agreed between the relevant parties.
- b) The Board shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and/ or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the Tribunal for any reason including, i.) if the Board is of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication on the Company or ii.) in case any condition or alteration imposed by the Tribunal or any other authority or entity is not on terms acceptable to them.

**E. COST, CHARGES AND EXPENSES**

The Company shall bear all the costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.



F. SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme is hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the Board that such shall be severable part from the remainder of the Scheme, and the Scheme shall not be affected thereby. Unless the deletion of such part shall cause this Scheme to become material adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall entitle to revoke, cancel and declare the Scheme of no effect, if the Board is of the view that the coming into effect of the scheme would have adverse implications on the Company.

G. MISCELLANEOUS

- a) Notwithstanding the Capital Reduction, the listing benefits of the Company on all the Stock Exchange(s) shall continue, and the Company will comply with the applicable provisions of the Listing Regulations, 2015 / listing agreement with the Stock Exchange(s) for listing and trading of shares of the Company.
- b) The Designated Stock Exchange for interaction with SEBI in terms of the SEBI Circular shall be BSE Limited.
- c) Nothing contained in the scheme shall effect the conduct of the business of the Company and for any deed, contract, agreements and any other Instrument to which the Company is a Party and/or any legal or other proceedings by or against the Company.
- d) Upon this scheme becoming effective it shall be binding on the Shareholder, Creditors and all other stakeholder.

\*\*\*\*\*



# KEYNOTE TRUST

The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg, Dadar (West), Mumbai -400 028

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Ref # Key Trust/Let-23/Ru(03)

8<sup>th</sup> December, 2023

To,  
The Board of Directors  
Keynote Financial Services Limited  
The Ruby Tower, 9<sup>th</sup> Floor,  
Near Senapati Bapat Marg Road,  
Dadar West  
Mumbai- 400028

Dear Sir,

**Sub: No Objection Certificate with regard to the scheme for selective reduction of share capital of the company under section 66 and other applicable provisions of the Companies Act, 2013**

We refer to Scheme relating to reduction of share capital of Keynote Financial Services Limited ("Company"). Please note Keynote Trust holds 14,51,702 Equity shares in their capacity as Trustee of Keynote Trust. We have No Objection to the proposed reduction of share capital wherein shares held in Trust shall stand cancelled without payment of any consideration. Kindly treat this as our no objection to the proposed reduction.

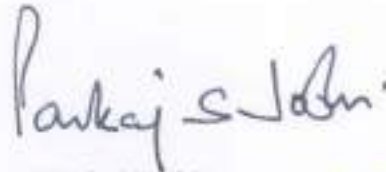
Thanking you,

Yours sincerely,

For KEYNOTE TRUST



Anant B. Khamankar  
Trustee



Pankaj Joshi  
Trustee





**National Stock Exchange Of India Limited**

Ref: NSE/LIST/D/2024/39982

April 22, 2024

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

**Kind Attn.: Ms. Simran Kashela**

Dear Madam,

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

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

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

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

This Document is Digitally Signed

- h. The Companies shall ensure to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 66 of the Companies Act 2013, so that public shareholders can make informed decision in the matter:*
- Details of previous scheme of arrangement and reason for issue of shares to Keynote Trust.*
  - Brief of Terms of Trust deed of Keynote Trust.*
  - The need and rationale for the reduction of shares held by Keynote Trust.*
  - Impact of reduction of shares held by Keynote Trust on public shareholders and their rights.*
  - Details of rights other than voting rights assigned to shares held with Keynote Trust.*
  - Details of cash and non-cash benefits accrued to shares held by Keynote Trust and accounting of same in the book of accounts in compliance with accounting policies and companies act, 2013.*
  - Details of increase or decrease in the shareholding of Keynote Trust from the date of order of High Court.*
- i. The Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*
- j. The Company shall ensure that the proposed equity shares to be issued in terms of the “scheme” shall mandatorily be in demat form only.*
- k. Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- l. Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- m. Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n. Company shall ensure that all the applicable provisions of the Companies Act,2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o. It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated in the Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

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Signer: DHAROD CHARMI CHETAN  
Date: Mon, Apr 22, 2024 12:26:50 IST  
Location: NSE

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

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

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

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

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

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

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

Yours faithfully,  
For National Stock Exchange of India Limited

Charmi Dharod  
Senior Manager

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

This Document is Digitally Signed



Signer: DHAROD CHARMI CHETAN  
Date: Mon, Apr 22, 2024 12:26:50 IST  
Location: NSE

April 15, 2024

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

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

Dear Sir,

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

We are in receipt of the Scheme of selective capital reduction of the issued, subscribed and paid-up capital between Keynote Financial Services Limited and its Shareholders and Creditors filed Keynote Financial Services Limited as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS\_Div/P/CIR/2022/000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated April 12, 2024 has inter alia given the following comment(s) on the draft scheme of reduction:

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

the company to the shareholders while seeking approval u/s 66 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:

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

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

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

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

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

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

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

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

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

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

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

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

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

Yours faithfully,



**Manu Thomas**  
Additional General Manager



**Tanmayi Lele**  
Assistant Manager

# NIREN K VIKAMSEY

IBBI REGISTERED VALUER – SECURITIES & FINANCIAL ASSETS

Regd NO.(IBBI/RV/07/2019/11225)

116, 1<sup>ST</sup> FLOOR, BHARAT INDUSTRIAL ESTATE, TOKERSHI JIVRAJ ROAD, SEWREE (W), MUM-400015.

TEL NO.24156007 / 24180667 MOBILE NO.9820319610 EMAIL ID: kkc@karamsey.com / nirenkv@gmail.com

Ref No. : FA-01-2024.

Date : 12<sup>th</sup> January, 2023.

## OPINION DATED 12<sup>TH</sup> JANUARY, 2024.

I Niren K Vikamsey have reviewed the draft Scheme of selective capital reduction of the issued and subscribed paid up share capital of Keynote Financial Services Ltd. (Company), incorporated under the provisions of Companies Act 1956 and having its registered office at The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400028. The equity shares of the company are listed on BSE & NSE.

I, as registered Valuer, under IBBI, have been requested by the Company to examine reasons for non-applicability of valuation report pursuant to requirement of Regulation 37 of SEBI (Listing Obligation & Disclosure Requirements) 2015 for scheme of selective capital reduction of the subscribed & paid up share capital between the Company and its shareholders & creditors.

On review of draft scheme of selective reduction of capital, I hereby state that the requirement of obtaining valuation report as per para 1 (A)(4) of Annexure I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable since there is no change in the shareholding pattern of the Company i.e.

- i. There is no change in the proportion of shareholding of any of the existing shareholders of the Company.
- ii. No new shareholders are proposed to be allotted equity shares of the Company and
- iii. There are no existing shareholders exiting the Company pursuant to the proposed scheme of selective capital reduction.

**The basis of our conclusion is as follows:**

The draft scheme outlines the cancellation of the equity shares held by Keynote Trust ('Exiting Shareholder'). The trust does not possess any voting rights on the equity shares of the Company held by it in accordance with the terms of the Hon'ble High Court order and provisions of its Trust Deed dated May 04, 2007 and as reaffirmed by Keynote Financial Services Ltd.

Further, pursuant to the draft Scheme, neither any consideration shall be paid nor any equity shares shall be issued by the Company on account of reduction of capital. Further, pursuant to the Scheme no assets /liabilities of the Company are conveyed/transferred to any party.

Accordingly, the share of voting rights along with number of shares held by continuing shareholders shall remain unchanged post implementation of the Scheme.

In view of above, the Draft Scheme of selective capital reduction of the Company does not fall within the ambit of any of the conditions mentioned in Part 1(A)(4)(c) of the SEBI Master Circular and resultantly there is no requirement for obtaining a valuation report from Registered Valuer.

This is also reiterated by Expert Legal Opinion of Former Chief Justice of Kerala High Court Mr. Navaniti Prasad Singh.

This opinion is issued at the request of the Company for onward submission to the relevant authorities as may be required.

**Date:** 12<sup>th</sup> January, 2024



*Niren*

**Place:** Mumbai

**Mr. NIREN K VIKAMSEY**  
**(Regd No. IBBI/RV/07/2019/11225)**



# KEYNOTE

ANNEXURE-13

21<sup>st</sup> December 2023

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

Scrip Code: 512597

Dear Sir/Ma'am,

Sub: Complaint Report

Ref : Application under Regulation 37 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended for the proposed Scheme of Selective Capital Reduction between Keynote Financial Services Limited ("The Company") and its Shareholders and Creditors


We hereby confirm that the company has not does not have any pending complaints till date.

## Part A

Sr.	Particular	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

## Part B

Sr.	Name of complainant	Date of complaint	Status
	NA	NA	NA

  
Simran Kashela  
Company Secretary

Date: 21<sup>st</sup> December, 2023

## Keynote Financial Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 6826 6000 • Fax: 91 22 6826 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

# KEYNOTE

27<sup>th</sup> March, 2024

To,  
Manager - Listing Compliance  
National Stock Exchange of  
India Limited 'Exchange Plaza'.  
C-1, Block G, Bandra Kurla  
Complex, Bandra (E),  
Mumbai - 400 051

NSE SYMBOL- KEYFINSERV

Dear Sir/Ma'am,

Sub: Complaint Report

**Ref : Application under Regulation 37 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended for the proposed Scheme of Selective Capital Reduction between Keynote Financial Services Limited ("The Company") and its Shareholders and Creditors**

We hereby confirm that the company does not have any pending complaints till date.

## Part A

Sr.	Particular	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

## Part B

Sr.	Name of complainant	Date of complaint	Status
1.	NIL	NIL	NIL
2.	NIL	NIL	NIL
3.	NIL	NIL	NIL

SIMRAN  
PRAKASH  
KASHELA

Digitally signed by  
SIMRAN PRAKASH  
KASHELA  
Date: 2024.03.27  
18:23:54 +05'30'

**Simran Kashela**  
Company Secretary

**Keynote Financial Services Limited**

The Ruby, 9<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400028

Tel : 91 22 6826 6000 Fax : 91 22 6826 6088 Email : [info@keynoteindia.net](mailto:info@keynoteindia.net) Website [www.keynoteindia.net](http://www.keynoteindia.net)

CIN - L67120MH1993PLC072407