

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF STANDALONE INTERIM FINANCIAL RESULTS

**To The Board of Directors of
Keynote Financial Services Limited**
(formerly known as 'Keynote Corporate Services Limited')


We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Keynote Financial Services Limited** (formerly known as 'Keynote Corporate Services Limited') ('the Company'), for the quarter ended 30 June, 2019 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June, 2018 including the reconciliation of loss under Indian Accounting Standards ('Ind AS') of the corresponding quarter ended 30 June, 2018 with loss reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410. "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


U B Bhat
Partner
Membership No.: 019216



Place : Mumbai
Date: 13 August, 2019
UDIN : 19019216AAAAAI2860

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL RESULTS

**To The Board of Directors of
Keynote Financial Services Limited**
(formerly known as 'Keynote Corporate Services Limited')

We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Keynote Financial Services Limited** (formerly known as 'Keynote Corporate Services Limited') ('the Holding Company'), its subsidiaries and a trust ('the Holding Company, its subsidiaries and a trust together referred to as the Group'), for the quarter ended 30 June, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30 June, 2018, as reported in these financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results have become mandatory from 1 April, 2019.

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Holding Company's persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

1. Keynote Capitals Limited
2. Keynote Commodities Limited
3. Keynote Fincorp Limited
4. Keynote Trust



Based on our review conducted above and procedures performed as stated above and based on the consideration of the review reports of the other auditors referred below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the interim financial information of 3 subsidiaries included in the unaudited consolidated financial results, whose interim financial information reflect total revenues of INR 76.17 lakhs for the quarter ended 30 June, 2019, total net loss after tax of INR 82.37 lakhs for the quarter ended 30 June, 2019 and total comprehensive loss of INR 82.37 lakhs for the quarter ended 30 June, 2019, as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated above.

Our conclusion on the Statement is not modified in respect of this matter.

The unaudited consolidated financial results includes the interim financial information of a trust which have not been reviewed or audited by its auditor, whose interim financial information reflect total revenue of NIL for the quarter ended 30 June, 2019, total loss after tax of NIL for the quarter ended 30 June, 2019 and total comprehensive loss of NIL for the quarter ended 30 June, 2019, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For S M S R & Co LLP

Chartered Accountants

Firm Registration No.110592W/W100094



U B Bhat

Partner

Membership No.: 019216



Place : Mumbai

Date: 13 August, 2019

UDIN: 19019216AAAAAJ4067

KEYNOTE

25
YEARS
OF CREATING
VALUE
THROUGH
RELATIONSHIPS
AND
TRUST

KEYNOTE FINANCIAL SERVICES LTD.					
(formerly known as "Keynote Corporate Services Ltd")					
Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028					
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2019					
(INR in Lakhs)					
Sr. No.	Particulars	Standalone		Consolidated	
		Quarter Ended on		Quarter Ended on	
		30-Jun-19 (Unaudited)	30-Jun-18 (Unaudited)	30-Jun-19 (Unaudited)	30-Jun-18 (Unaudited)
		(1)	(2)	(3)	(4)
	Income				
1	Revenue from operations	72.93	112.58	110.81	153.26
2	Other income	58.72	46.61	97.01	58.47
3	Total income from Operations (net) (1+2)	131.65	159.19	207.82	211.73
	Expenses				
	a) Employee benefits expense	55.46	65.92	103.58	112.68
	b) Finance costs	0.10	0.04	5.70	8.61
	c) Depreciation and amortisation	9.70	9.64	19.03	18.96
	d) Legal and professional charges	13.73	17.43	29.82	29.99
	e) Other expenses	39.48	114.35	116.44	425.02
4	Total Expenses	118.47	207.38	274.57	595.26
5	Profit / (Loss) before exceptional items (3-4)	13.18	(48.19)	(66.75)	(383.53)
6	Exceptional items	-	-	-	-
7	Profit / (Loss) before tax (5-6)	13.18	(48.19)	(66.75)	(383.53)
	Tax Expenses				
	Current Tax	4.48	-	4.48	-
	Deferred Tax	7.82	6.15	10.25	6.16
	Taxation of earlier years	-	(23.04)	-	(23.04)
8	Total Tax Expenses	12.30	(16.89)	14.73	(16.88)
9	Net Profit / (Loss) for the period (7-8)	0.88	(31.30)	(81.48)	(366.65)
10	Other Comprehensive Income				
	Items that will not be subsequently reclassified to profit and loss (net of tax)	-	-	-	-
	Items that will be subsequently reclassified to profit and loss (net of tax)	-	-	-	-
11	Total Comprehensive Income for the period (net of tax) (9+10)	0.88	(31.30)	(81.48)	(366.65)
12	Paid up equity share capital (Face Value - INR 10 per share)	701.83	701.83	556.66	556.66
13	Basic Earnings Per Share (70,18,339 Equity shares of INR 10/- each) (Not annualised)	0.01	(0.45)	(1.46)	(6.59)
14	Diluted Earnings Per Share (70,18,339 Equity shares of INR10/- each) (Not annualised)	0.01	(0.45)	(1.46)	(6.59)

Notes:

- The above financial results have been reviewed and recommended by the Audit Committee, for approval by the Board of Directors of the Company, at its meeting held on Tuesday 13 August, 2019 and were approved and taken on record at the meeting of the Board of Directors of the Company held on that date.
- Beginning 1 April, 2019 the Company has for the first time adopted Ind AS with a transition date of 1 April, 2018. Hence, the financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Accordingly, the figures for the corresponding quarter ended 30 June, 2019 have been presented after incorporating the applicable Ind AS adjustments.
- The financial results for the quarter ended 30 June, 2019 is reviewed by the statutory auditors, while results for the quarter 30 June, 2018 have not been subjected to audit or limited review by the auditors and are compiled by the Company's management after exercising necessary due diligence to ensure a true and fair view of the Company's affairs. The limited review report will be filed with the Stock Exchanges and will also be available on the Company's website - www.keynoteindia.net
- The name of the Company was changed from "Keynote Corporate Services Limited" to "Keynote Financial Services Limited", w.e.f 23 April, 2019. Accordingly, the scrip code of the Company has been changed to KEYFINSERV and to KEYFINSER w.e.f 3 May, 2019 on the National Stock Exchange of India Ltd. and BSE Ltd. respectively.
- With effect from 1 April, 2019, the Company has adopted Ind AS 116 - "Leases", using modified retrospective approach with the cumulative effect of initially applying the Standard recognised at the date of initial application. Accordingly, the comparatives have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per share and adjustments to retained earnings.



Keynote Financial Services Limited
(formerly known as Keynote Corporate Services Limited)

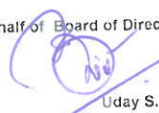
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

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CIN-L67120MH1993PLC072407

KEYNOTE

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KEYNOTE FINANCIAL SERVICES LTD. (formerly known as "Keynote Corporate Services Ltd") Regd. Office : The Ruby,9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028			
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2019			
6 Consolidated segment results for the quarter ended 30 June, 2019 (INR in Lakhs)			
Sr No	Particulars	Consolidated Quarter Ended	
		30-Jun-19 (Unaudited)	30-Jun-18 (Unaudited)
1	Segment Revenue		
	(a) Income from Advisory Services	78.93	115.58
	(b) Broking & Related Activities	19.39	30.57
	(c) Trading in Securities	38.04	20.05
	(d) Investment Activities	13.62	17.18
	(e) Unallocated	57.84	28.35
	Total	207.82	211.73
	Less: Inter Segment Revenue	-	-
	Income From Operations, Other Operating income & Other Income	207.82	211.73
2	Segment Results Profit / (Loss) before tax and interest from each segment)		
	(a) Income from Advisory Services	(67.81)	(127.89)
	(b) Broking & Related Activities	(25.23)	(23.16)
	(c) Trading in Securities	(21.18)	(248.16)
	(d) Investment Activities	9.07	12.12
	(e) Unallocated	40.35	10.47
	Total	(64.79)	(376.62)
	Less: Interest expenses	5.70	7.12
	Add: Interest Income	3.74	0.21
	Un-allocable income	-	-
	Profit / (Loss) from Ordinary Activities before tax	(66.75)	(383.53)
3	Segment Assets		
	(a) Income from Advisory Services	1,250.20	1,301.72
	(b) Broking & Related Activities	4,128.37	3,640.87
	(c) Trading in Securities	1,570.13	1,796.74
	(d) Investment Activities	2,114.87	1,160.25
	(e) Unallocated	2,606.34	2,376.85
	Total	11,669.91	10,276.43
	Segment Liabilities		
	(a) Income from Advisory Services	79.10	107.71
	(b) Broking & Related Activities	1,635.74	1,058.18
	(c) Trading in Securities	-	-
	(d) Investment Activities	1,843.40	946.10
	(e) Unallocated	399.54	422.09
	Total	3,957.78	2,534.08
<p>The Segment information is presented on the basis of the Unaudited financial statements. The company's operation predominantly relate to Merchant Banking & related activities and Investment activities. In accordance with Ind AS 108 on 'Segment Reporting, Merchant Banking and related activities and Investment activities are classified as reportable segments. The balance is shown as unallocated items.</p> <p>Further, In accordance with Ind AS 108 "Operating Segments", segment information has been given for the consolidated financials results of the Company Hence, no separate disclosures on segment information were given for standalone financial results.</p>			
<p>7 Reconciliation of net profit / (loss) as previously reported under previously applicable Generally Accepted Accounting Principles ("previous GAAP") and Ind AS for the quarter ended 30 June, 2018 is as below :</p>			
(INR in Lakhs)			
	Standalone		
	Quarter ended		
	30-June-2018		
	Unaudited		
	Particulars		
	Net profit / (loss) as per Previous GAAP	(50.39)	
	On account of measuring financial assets and liabilities on fair value	26.45	
	Deferred tax on above	(7.36)	
	Total Comprehensive Income / (loss)	(31.30)	
<p>8 The figures for the previous period / quarter have been regrouped, reclassified and/or recasted wherever necessary</p>			
Place: Mumbai Date: 13 August, 2019		For and on behalf of Board of Directors  Uday S. Patil Director & CFO DIN 00003978	

