

Independent Auditors' Report on Standalone Financial Results of Keynote Financial Services Limited (formerly known as Keynote Corporate Services Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Keynote Financial Services Limited (formerly known as Keynote Corporate Services Limited)

We have audited the accompanying annual standalone financial results of Keynote Financial Services Limited (formerly known as Keynote Corporate Services Limited) ('the Company') for the year ended 31 March, 2019, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016 ('the Circular'). Attention is drawn to the fact that the figures for the quarter ended 31 March, 2019 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year respectively. Also the figures up to the end of the third quarter for the current and previous financial years had only been reviewed and not subjected to audit.

Management's Responsibility for the Financial Statements

These standalone financial results have been prepared on the basis of the audited annual standalone financial statements and reviewed quarterly standalone financial results upto the end of the third quarter, which are responsibility of the Company's management and have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Regulation and the Circular.

This responsibility includes design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial results based on our audit of the annual standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and as specified under Section 143(10) of the Act . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31 March, 2019.

For S M S R & Co LLP

Chartered Accountants

Firm Registration No.110592W/W100094



U Balakrishna Bhat

Partner

Membership No.: 019216



Place: Mumbai

Date: 15 May, 2019

Independent Auditors' Report on Consolidated Financial Results of Keynote Financial Services Limited (formerly known as Keynote Corporate Services Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have audited the accompanying annual consolidated financial results of Keynote Financial Services Limited (formerly known as Keynote Corporate Services Limited) ('the Company'), its subsidiaries and trust (collectively referred as 'the Group') for the year ended 31 March, 2019 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016 ('the Circular').

Management's Responsibility for the Financial Statements

These consolidated financial results have been prepared on the basis of the audited annual consolidated financial statements, which are responsibility of the Company's management and have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Regulation and the Circular.

This responsibility includes design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on standalone financial statements and other financial information of subsidiaries and trust, these consolidated financial results:

(i) includes the results of the following entities :

Sr. No	Name of the Company	Relationship
1	Keynote Capitals Limited	Subsidiary
2	Keynote Commodities Limited	Subsidiary
3	Keynote Fincorp Limited	Subsidiary
4	Keynote Trust	Subsidiary


(ii) are presented in accordance with the requirements of the Regulation and the Circular in this regard; and

(iii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Group for the year ended 31 March, 2019.

Other Matters

We did not audit the financial statements and other financial information in respect of three subsidiaries and one trust included in the consolidated financial results, whose financial results reflect total assets of INR 847,179,696 as at 31 March, 2019, total revenues of INR 70,903,707 and total net profit after tax of INR 10,125,084 for the year ended 31 March 2019, as considered in the consolidated financial statements. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and trust, is based solely on the reports of the other auditors. Our opinion is not modified in respect of this matter.

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


U Balakrishna Bhat
Partner
Membership No.: 019216



Place: Mumbai
Date: 15 May, 2019

KEYNOTE

25
YEARS
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AND
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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.

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2019

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter Ended on		31-Mar-18 (Audited) (Refer note 9) (3)	Year Ended on 31-Mar-19 (Audited) (4)	Year Ended on 31-Mar-18 (Audited) (5)	31-Mar-19 (Audited) (6)	31-Mar-18 (Audited) (7)
		31-Mar-19 (Audited) (Refer note 9) (1)	31-Dec-18 (Unaudited) (2)					
	Revenue							
i	Revenue from Operations	109.97	102.93	386.40	587.96	826.16	1,100.21	1,524.25
	Other Income	33.48	83.07	40.92	301.12	245.80	428.74	517.83
	Total Revenue	143.45	186.00	427.32	889.08	1,071.96	1,528.95	2,042.08
	Expenses							
a)	Employee benefits expenses	51.90	63.36	101.38	244.21	293.69	446.89	521.97
b)	Finance costs	-	-	0.03	-	0.46	112.61	186.45
c)	Depreciation and amortisation expenses	9.51	9.69	9.55	38.64	38.63	76.38	71.35
d)	Legal and Professional Charges	43.62	17.83	22.45	200.46	91.70	-	-
e)	Other Expenses	21.85	35.30	45.81	162.55	161.42	553.73	492.98
	Total expenses	126.88	126.18	179.22	645.86	585.90	1,189.61	1,272.75
iii	Profit/(Loss) before exceptional items & tax (I-II)	16.57	59.82	248.10	243.22	486.06	339.34	769.33
iv	Exceptional items	-	-	(42.40)	-	(42.40)	-	(42.40)
v	Profit before tax (III-IV)	16.57	59.82	205.70	243.22	443.66	339.34	726.93
	1) Current Tax	8.15	12.38	71.31	55.17	120.36	81.83	182.68
	2) Mat Credit	(9.53)	-	-	(9.53)	-	(9.53)	-
	3) Short/(Excess) provision for tax in respect of earlier years	(0.00)	-	(1.85)	(23.04)	(1.85)	(24.12)	(33.77)
	4) Deferred Tax	4.55	3.56	0.75	6.74	2.43	15.91	6.79
vi	Tax Expenses	3.17	15.94	70.21	29.34	120.94	64.09	155.70
vii	Profit / (Loss) for the period (V-VI)	13.40	43.88	135.49	213.88	322.72	275.25	571.23
viii	Paid-up equity share capital (Face Value Rs.10/- per share)	701.83	701.83	701.83	701.83	701.83	556.66	556.66
ix	Reserves excluding Revaluation Reserves as per balancesheet of previous accounting year	-	-	-	4,703.27	4,700.57	7,256.49	7,156.14
x	Earnings Per Share (EPS) (of Rs.10/-each) (not annualised)	Not Annualised	Not Annualised	Not Annualised				
	(a) Basic	0.19	0.63	1.93	3.05	4.60	4.94	10.26
	(b) Diluted	0.19	0.63	1.93	3.05	4.60	4.94	10.26



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Standalone & Consolidated Statement of Assets & Liabilities		(Rs. in lakhs)			
Sr.	Particulars	Standalone		Consolidated	
		As at 31-March -19 (Audited)	As at 31-March -18 (Audited)	As at 31-March -19 (Audited)	As at 31-March -18 (Audited)
I	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	701.83	701.83	556.66	556.66
	(b) Reserves & Surplus	4,703.27	4,700.57	7,256.49	7,156.14
		5,405.10	5,402.40	7,813.15	7,712.80
2	Non Current Liabilities				
	(a) Long-term borrowings	-	-	47.97	6.88
	(b) Deferred tax Liability (net)	77.39	70.65	166.41	150.50
	(c) Other Long term liabilities	2.60	2.60	2.60	2.60
	(d) Long-term provisions	37.24	35.49	57.52	35.49
		117.23	108.74	274.50	195.47
3	Current liabilities				
	(a) Short Term Borrowings	-	-	1,426.91	1,340.64
	(b) Trade payables	-	-	478.33	648.66
	(c) Other current liabilities	76.69	118.53	728.24	559.12
	(d) Short-term provisions	25.72	48.30	127.64	44.80
		102.41	166.83	2,761.12	2,593.22
	TOTAL	5,624.74	5,677.97	10,848.77	10,501.49
II	ASSETS				
1	Non Current assets				
	(a) Fixed assets				
	(i) Tangible assets	852.42	890.29	1,797.81	1,781.88
	(ii) Intangible assets	-	-	-	-
	(iii) Goodwill on Consolidation	-	-	10.42	10.42
	(b) Non-current investments	2,388.60	2,388.68	1,659.64	1,398.04
	(c) Deferred tax Asset (net)	-	-	-	-
	(d) Long-term loans and advances	5.72	22.61	630.35	715.96
	(e) Other non-current assets	-	-	120.35	102.50
		3,246.74	3,301.58	4,218.57	4,008.80
2	Current assets				
	(a) Current investments	1,682.13	2,067.52	1,690.68	2,068.86
	(b) Inventories	-	-	25.08	198.68
	(c) Trade receivables	57.98	26.40	378.84	630.35
	(d) Cash and bank balances	412.34	101.47	2,262.44	1,945.82
	(e) Short-term loans and advances	182.21	167.47	2,208.66	1,634.09
	(f) Other current assets	43.34	13.53	64.50	14.89
		2,378.00	2,376.39	6,630.20	6,492.69
	TOTAL	5,624.74	5,677.97	10,848.77	10,501.49



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Notes:

- 1 Name of the Company has been changed from "Keynote Corporate Services Limited" to "Keynote Financial Services Limited", w.e.f. 23rd April, 2019, accordingly the Scrip Code of the Company has been changed to KEYFINSERV and to KEYFINSER w.e.f. 3rd May, 2019 on National Stock Exchange of India Ltd. and BSE Ltd respectively.
- 2 The Audit Committee and the Board of Directors at its meeting held on 15th May 2019 reviewed and approved the Audited Financial Statements for the Financial Year 2018-19 on standalone as well as consolidated basis.
- 3 The Consolidated Financial statements have been prepared in accordance with applicable Accounting Standards, based on the Audited Financial Statements of the Keynote Corporate Services Limited ('the Company') and its subsidiaries Keynote Capitals Limited; Keynote Fincorp Limited its step-down subsidiary; Keynote Commodities Limited and Keynote Trust.
- 4 The Board of Directors of the Company have recommended dividend of Rs.1/- per equity share of Face Value Rs.10/- each (i.e.10 %) payable to shareholders of the company subject to approval in the Annual General Meeting.
- 5 The figures for quarter ended 31st March 2019 and 31st March 2018 are balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year.
- 6 The Consolidated financial results as given above, have been prepared as per Accounting Standard - 21.
- 7 The results for the year ended 31st March 2019 have been audited by the statutory auditors. The Audit Report does not contain any modification and will be filed with the Stock Exchanges and will be available on the Company's website-www.keynoteindia.net.
- 8 Figures for the previous quarter/period/year have been regrouped, reclassified and/or recasted wherever necessary.
- 9 The figures of the quarter ended 31st March 2019 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter which were subjected to limited review.

For and on behalf of Board of Directors



Uday S. Patil
Director & CFO
DIN : 00003978

Place : Mumbai

Dated : 15 May, 2019



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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.			
CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE YEAR ENDED 31st MARCH 2019			
(Rs. in lakhs)			
Sr. No.	Particulars	Year Ended on 31-Mar-19 (Audited)	Year Ended on 31-Mar-18 (Audited)
1	Segment Revenue		
	a Income from Advisory Services	711.24	946.42
	b Broking & Related Activities	136.32	305.60
	c Trading in Securities	126.99	375.90
	d Investment Activities	213.37	235.39
	e Unallocated	200.04	76.52
	Total	1,387.96	1,939.83
	Less : Inter segment revenue	(69.17)	(145.64)
	Net sales/income from operations	1,318.79	1,794.19
2	Segment Results		
	a Income from Advisory Services	(30.38)	300.53
	b Broking & Related Activities	(36.75)	11.70
	c Trading in Securities	40.60	206.93
	d Investment Activities	96.37	52.53
	e Unallocated (Net off unallocated expenditure)	95.05	7.77
	Total	164.89	579.46
	Less:		
	a Less: Interest	(35.72)	(186.46)
	b Add: Interest Income	210.15	247.88
	c Less: Exceptional items	-	(42.40)
	d Less: Unallocated (Net off unallocated expenditure)	-	128.46
	Total Profit Before Tax	339.32	726.94
3	Segment Assets		
	a Advisory Services	1,330.46	1,035.26
	b Broking & Related Activities	3,664.22	3,532.59
	c Trading in Securities	1,715.83	2,267.61
	d Investment Activities	1,991.79	1,529.68
	e Unallocated	2,146.47	2,136.35
	Total	10,848.77	10,501.49
4	Segment Liabilities		
	a Advisory Services	106.65	111.92
	b Broking & Related Activities	1,282.15	1,769.29
	c Trading in Securities	-	-
	d Investment Activities	1,288.21	585.05
	e Unallocated	358.60	322.43
	Total	3,035.61	2,788.69
	Notes:		
	- Segment information is published in respect of consolidated financial results.		
	- Segment Revenue comprises of revenue from Advisory Services, Broking & Related Activities, Trading in Securities, Investment Activities and other income which have been identified taking into account the nature of activities & nature of risk.		
	for KEYNOTE FINANCIAL SERVICES LTD.		
	Place : Mumbai		
	Dated : 15/05/2019		
			Uday S. Patil Director & CFO DIN : 00003978

Place : Mumbai
Dated : 15/05/2019



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