

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of Keynote Financial Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
**The Board of Directors of
Keynote Financial Services Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Keynote Financial Services Limited** (the "Company"), for the quarter ended 30 June 2021 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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 ("the Act"), as amended, 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 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 ('ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Company's personnel 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 prescribed under section 143(10) of the Act 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.

Based on our review conducted as 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 Ind AS 34 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 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 Balakrishna Bhat
Partner



Membership No.: 019216

Place: Mumbai

Date: 13 August 2021

UDIN: 21019216AAAAEA5203

KEYNOTE

25
YEARS
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VALUE
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AND
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KEYNOTE FINANCIAL SERVICES LIMITED					
CIN: L67120MH1993PLC072407					
Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.					
Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2021					
(INR in lakhs)					
Sr No	Particulars	Quarter ended		Year ended	
		30 June 2021	31 March 2021	30 June 2020	
		Unaudited	Audited (refer note 4)	Unaudited	Audited
	Revenue from operations				
	Sale of services	83.87	119.19	49.39	545.25
	Net gain on fair value changes	139.93	116.22	75.82	424.60
	Other operating income	-	-	1.50	6.93
1	Total revenue from operations	223.80	235.41	126.71	976.78
2	Other income	35.67	37.91	33.06	150.98
3	Total income (1+2)	259.47	273.32	159.77	1,127.76
	Expenses				
	Finance costs	0.09	4.42	0.11	4.79
	Impairment on financial instruments	(2.89)	(4.93)	2.54	10.34
	Employee benefits expense	76.10	62.75	51.10	221.69
	Depreciation and amortisation expense	6.71	7.93	7.94	31.92
	Other expenses	56.20	48.69	34.45	180.55
4	Total expenses	136.21	118.86	96.14	449.29
5	Profit before exceptional items and tax (3-4)	123.26	154.46	63.63	678.47
6	Exceptional items	-	-	-	-
7	Profit before tax (5+6)	123.26	154.46	63.63	678.47
8	Tax expenses				
	- Current tax	4.24	(40.69)	5.00	75.94
	- Deferred tax charge / (credit)	(70.46)	36.12	41.55	137.49
	- Taxation for earlier years	-	(0.76)	-	2.81
	Total tax expenses	(66.22)	(5.33)	46.55	216.24
9	Profit for the period / year (7-8)	189.48	159.79	17.08	462.23
10	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurements of the defined employee benefit plans	0.89	1.02	0.84	3.55
	(b) Income tax related to items that will not be reclassified to profit or loss	(0.25)	(0.29)	(0.22)	(0.99)
	(ii) Items that will be reclassified to profit or loss	-	-	-	-
	Other Comprehensive Income (net of tax)	0.64	0.73	0.62	2.56
11	Total Comprehensive Income for the period / year (net of tax) (9+10)	190.12	160.52	17.70	464.79
12	Paid up Equity Share Capital (face value INR 10 per share)	701.83	701.83	701.83	701.83
13	Other equity				5,182.69
14	Earnings per equity share				
	Basic (INR)	(not annualised) 2.70	(not annualised) 2.28	(not annualised) 0.24	(annualised) 6.59
	Diluted (INR)	2.70	2.28	0.24	6.59



Keynote Financial Services Limited

(formerly known as Keynote Corporate 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

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Notes to the Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2021

- 1 The above unaudited standalone financial results for the quarter ended 30 June 2021 have been reviewed and recommended by the Audit Committee and on its recommendation, have been approved by the Board of Directors at their meeting held on 13 August 2021, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The said results have been subjected to limited review by the Statutory Auditors of the Company who have issued an unmodified report thereon.
- 2 The said financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The Company prepares and publishes the unaudited consolidated financial results along with the unaudited standalone financial results. Thus, in accordance with Ind AS 108 - "Operating Segments", the Company has disclosed the segment information in the unaudited consolidated financial results. Accordingly, no separate disclosures have been presented under the unaudited standalone results for the quarter ended 30 June 2021.
- 4 The figures for the last quarter of the year ended 31 March 2021 in the above financial results are the balancing figures between the audited figures for the full financial year and the year to date unaudited figures published upto the nine months ended 31 December 2020 which were subjected to limited review.
- 5 The unaudited standalone financial results for the quarter ended 30 June 2021, as submitted to the stock exchanges are also available on the Company's website viz. www.keynoteindia.net and the websites of BSE Limited and National Stock Exchange of India Limited viz. www.bseindia.com and www.nscindia.com respectively.
- 6 The previous periods' / year's figures have been regrouped / rearranged wherever necessary, to conform to the current period / year classification.

For and on behalf of Board of Directors
Keynote Financial Services Limited



Uday S. Patil
Director & CFO
DIN : 00003978

Place: Mumbai
Date: 13 August 2021



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Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of Keynote Financial Services Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
**The Board of Directors of
Keynote Financial Services Limited**

We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Keynote Financial 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 2021 ("the Statement"), attached herewith, 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 (the "Listing Regulations"), including relevant circulars issued by SEBI from time to time.

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 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 ('ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of 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 specified under section 143(10) of the Companies Act, 2013 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 have also performed procedures in accordance with the Circular No. CIR/CFD/CMD/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



The Statement 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	Trust

Based on our review conducted 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 Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, SEBI circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

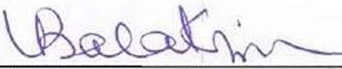
We did not perform a review of the interim financial statements of 3 subsidiaries included in the Statement, whose interim financial statements reflect total revenues (before consolidation adjustments) of INR 337.87 lakhs, total net profit after tax (net) (before consolidation adjustments) of INR 361.85 lakhs and total comprehensive income (net) (before consolidation adjustments) of INR 361.85 lakhs for the quarter ended 30 June 2021, as considered in the Statement. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the Holding Company's Management and our report 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 Statement includes the interim financial statements of a trust which has not been reviewed by its auditor, whose interim financial statements reflect revenues of NIL, net profit after tax of NIL and total comprehensive income of NIL for the quarter ended 30 June 2021, 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 Balakrishna Bhat

Partner

Membership No.: 019216



Place: Mumbai

Date: 13 August 2021

UDIN: 21019216AAAAEB4283

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KEYNOTE FINANCIAL SERVICES LIMITED

CIN: L67120MH1993PLC072407

Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.

Statement of Unaudited Consolidated Financial Results for the Quarter Ended 30 June 2021

(INR in lakhs)

Sr No	Particulars	Quarter ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		Unaudited	Audited (refer note 3)	Unaudited	Audited
	Revenue from operations				
	Interest income	32.72	123.53	-	126.84
	Fees and commission income	54.59	50.69	38.15	244.42
	Net gain on fair value changes	580.27	223.17	377.40	976.24
	Sale of services	86.87	173.71	52.38	660.20
	Other operating income	-	-	1.50	6.93
1	Total revenue from operations	754.45	571.10	469.43	2,014.63
2	Other income	66.12	66.92	67.19	260.26
3	Total income (1+2)	820.57	638.02	536.62	2,274.89
	Expenses				
	Finance costs	25.09	102.23	4.06	109.01
	Fees and commission expense	1.40	1.85	0.43	6.63
	Impairment on financial instruments	(2.59)	(5.59)	2.49	18.01
	Changes in inventories of stock-in-trade	(4.32)	(1.97)	(6.94)	(11.23)
	Employee benefits expense	120.39	116.69	91.35	397.35
	Depreciation and amortisation expense	16.91	18.52	17.27	72.78
	Other expenses	106.46	106.12	60.12	354.21
4	Total expenses	263.34	337.85	168.78	946.76
5	Profit before exceptional items and tax (3-4)	557.23	300.17	367.84	1,328.13
6	Exceptional items	-	-	-	-
7	Profit before tax (5+6)	557.23	300.17	367.84	1,328.13
8	Tax expenses				
	- Current tax	39.71	(20.16)	5.00	123.56
	- MAT credit entitlement	(3.75)	(2.72)	-	(14.68)
	- Deferred tax charge / (credit)	(39.67)	(55.65)	39.71	89.03
	- Taxation for earlier years	-	(0.76)	-	2.81
	Total tax expenses	(3.71)	(79.29)	44.71	200.72
9	Profit for the period (7-8)	560.94	379.46	323.13	1,127.41
10	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurements of net defined benefit plans	0.89	6.01	0.84	8.54
	(b) Income tax related to items that will not be reclassified to profit or loss	(0.25)	(1.68)	(0.22)	(2.38)
	(ii) Items that will be reclassified to profit or loss	-	-	-	-
	Other Comprehensive Income (net of tax)	0.64	4.33	0.62	6.16
11	Total Comprehensive Income for the period / year (net of tax) (9+10)	561.58	383.79	323.75	1,133.57
12	Paid up equity share capital (face value INR 10 per share)	556.66	556.66	556.66	556.66
13	Other equity				7,938.32
14	Earnings per equity share				
	Basic (INR)	(not annualised) 10.08	(not annualised) 6.81	(not annualised) 5.80	(annualised) 20.25
	Diluted (INR)	10.08	6.81	5.80	20.25



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Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter Ended 30 June 2021

1 The above unaudited consolidated financial results for the quarter ended 30 June 2021 have been reviewed and recommended by the Audit Committee and on its recommendation, have been approved by the Board of Directors at their meeting held on 13 August 2021, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The said results have been subjected to limited review by the Statutory Auditors of the Company who have issued an unmodified report thereon.

2 Consolidated segment results for the quarter ended 30 June 2021

Particulars	(INR in lakhs)			
	Quarter ended		Year ended	
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	Unaudited	Audited	Unaudited	Audited
Segment Revenue				
(a) Advisory services	86.87	173.71	53.88	667.13
(b) Broking & related activities	54.59	50.69	38.15	244.42
(c) Trading in securities	580.27	223.17	377.40	976.24
(d) Investment activities	32.72	123.53	-	126.84
(e) Unallocable	66.12	105.03	67.19	319.99
Total	820.57	676.13	536.62	2,334.62
Less: Elimination	-	(38.11)	-	(59.73)
Total income from operations (net)	820.57	638.02	536.62	2,274.89
Segment results before exceptional items				
(a) Advisory services	(69.03)	55.65	(77.04)	153.29
(b) Broking & related activities	18.15	29.16	5.58	94.66
(c) Trading in securities	544.92	188.79	376.17	919.23
(d) Investment activities	43.26	10.15	-	159.41
(e) Unallocable	45.02	118.65	67.19	125.07
Total	582.32	402.40	371.90	1,451.66
Less: Elimination	-	-	-	(14.52)
Less: Finance cost	(25.09)	(102.23)	(4.06)	(109.01)
Profit before exceptional items and tax	557.23	300.17	367.84	1,328.13
Exceptional items - Unallocated	-	-	-	-
Profit before tax	557.23	300.17	367.84	1,328.13
Segment Assets				
(a) Advisory Services	2,206.04	2,266.31	2,184.83	2,266.31
(b) Broking & Related Activities	3,911.94	3,172.91	3,291.58	3,172.91
(c) Trading in Securities	24.91	20.59	31.03	20.59
(d) Investment Activities	2,175.72	2,000.31	1,793.69	2,000.31
(e) Unallocated	4,289.72	4,603.39	3,436.43	4,603.39
Total segment assets	12,608.33	12,063.51	10,737.56	12,063.51
Segment liabilities				
(a) Advisory Services	125.06	118.77	96.69	118.77
(b) Broking & Related Activities	989.98	1,138.75	600.94	1,138.75
(c) Trading in Securities	-	-	0.09	-
(d) Investment Activities	1,884.79	1,956.60	2,111.89	1,956.60
(e) Unallocated	510.37	294.41	278.30	294.41
Total segment liabilities	3,510.20	3,508.53	3,087.91	3,508.53
Capital employed (Segment assets - Segment liabilities)				
(a) Advisory Services	2,080.98	2,147.54	2,088.14	2,147.54
(b) Broking & Related Activities	2,921.96	2,034.16	2,690.64	2,034.16
(c) Trading in Securities	24.91	20.59	30.94	20.59
(d) Investment Activities	290.93	43.71	(318.20)	43.71
(e) Unallocated	3,779.35	4,308.98	3,158.13	4,308.98
Total capital employed	9,098.13	8,554.98	7,649.65	8,554.98

The group has reported segment information as per Indian Accounting Standards 108 on "Operating Segments". As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the group has identified four reportable segments, namely (i) Advisory services (ii) Broking & Related Activities (iii) Trading in Securities (iv) Investment Activities. The balance is shown as unallocable items.



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- 3 The figures for the last quarter of the year ended 31 March 2021 in the above financial results are the balancing figures between the audited figures for the full financial year and the year to date unaudited figures published upto the nine months ended 31 December 2020 which were subjected to limited review.
- 4 The unaudited consolidated financial results for the quarter ended 30 June 2021, as submitted to the stock exchanges are also available on the Company's website viz. www.keynoteindia.net and the websites of BSE Limited and National Stock Exchange of India Limited viz., www.bseindia.com and www.nseindia.com respectively.
- 5 The previous periods' / year's figures have been regrouped / rearranged wherever necessary, to conform to the current period / year classification.

For and on behalf of Board of
Keynote Financial Services Limited



Uday S. Patil
Director & CFO
DIN : 00603978

Place: Mumbai

Date: 13 August 2021



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