

# KEYNOTE



Ref # Key20/Stock Exchange Let/Sm (17)

29<sup>th</sup> June, 2020

The Manager  
**BSE Limited,**  
Listing Department,  
Phiroze Jeejeebhoy 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 / Name of Scrip: 512597/KEYFINSER**

**Name of Scrip: KEYFINSERV**

Dear Sir,

## **Reg : Outcome of Board Meeting dated 29<sup>th</sup> June, 2020**

We are pleased to inform you that the Meeting of the Board of Directors was held on 29<sup>th</sup> June, 2020. The Board of Directors at its meeting has considered and approved the following:

- Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 on Standalone/Consolidated basis as per Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed herewith copy of the Audited Standalone and Consolidated Financial Results of the Company.
- Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2020 subject to approval by the shareholders in the ensuing Annual General Meeting.

Further, the Board of Directors subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company:

- **Recommended dividend of ₹ 1/- per Equity Share of face value of ₹ 10/- each, (i.e. 10%);**
- Re-appointed Shri. Shishir Dalal (DIN : 00007008) as an Independent Director of the Company, not liable to retire by rotation for further period of five years w.e.f. 29<sup>th</sup> September, 2020;

...2

## **Keynote Financial Services Limited**

(Formerly known as Keynote Corporate 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

# KEYNOTE



: 2 :

- Approved the related party transactions for the current financial year which may exceed 10% of the annual consolidated turnover of the Company as per the Company's Audited Financial Results for the year ended 31<sup>st</sup> March, 2020.

Further, in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Company is exempted from the publication of advertisement of the Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 in the newspapers as required under Regulation 47 of the Listing Regulations. However, Financial Results of the Company will be available on the Company's website.

The Meeting of Board of Directors of the Company concluded at 3.25 pm.

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

Yours sincerely,

For **Keynote Financial Services Limited**

**Uday S. Patil**

**Director**

**(DIN: 00003978)**

**Contact No. 022 6826 6071**

Encl: as above

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Ref # Key20/Stock Exchange Let/Sm (19)  
The Manager  
**BSE Limited,**  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**Mumbai – 400 001**

29<sup>th</sup> June, 2020

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 / Name of Scrip: 512597/KEYFINSER**

**Name of Scrip: KEYFINSERV**

Dear Sir,

**Reg : Declaration on Audit Report regarding unmodified opinion**

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations, 2015”) we hereby confirm that the Statutory Auditor of the Company i.e. M/s. S M S R & Co. LLP, Chartered Accountants, have issued Audit Report on Standalone and Consolidated Financial Results of the Company for the fourth quarter and year ended 31<sup>st</sup> March, 2020 with unmodified opinion.

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

**Uday S. Patil**  
Director  
(DIN: 00003978)

**Keynote Financial Services Limited**

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25  
YEARS  
OF CREATING  
VALUE  
THROUGH  
RELATIONSHIPS  
AND  
TRUST

KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.					
Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 2020					
Particulars	(INR in lakhs)				
	Quarter ended			Year ended	
	31 March 2020 Audited (refer note 7)	31 December 2019 Unaudited	31 March 2019 Audited (refer note 7)	31 March 2020 Audited	31 March 2019 Audited
<b>Revenue from operations</b>					
Interest income	15.89	13.20	14.77	65.09	72.64
Dividend income	10.47	10.98	9.74	45.03	54.43
Net gain on fair value changes	-	40.10	38.25	-	68.40
Sale of services	165.72	70.33	104.79	405.02	580.35
Other operating income	4.59	1.58	0.89	7.49	7.61
<b>1 Total revenue from operations</b>	<b>196.67</b>	<b>136.19</b>	<b>168.44</b>	<b>522.63</b>	<b>783.43</b>
<b>2 Other income</b>	<b>6.90</b>	<b>6.93</b>	<b>7.61</b>	<b>32.27</b>	<b>71.26</b>
<b>3 Total income (1+2)</b>	<b>203.57</b>	<b>143.12</b>	<b>176.05</b>	<b>554.90</b>	<b>854.69</b>
<b>Expenses</b>					
Finance costs	0.06	0.18	0.23	0.49	0.30
Fees and commission expense	4.03	1.76	1.13	8.24	4.04
Net loss on fair value changes	164.59	-	-	96.25	-
Impairment on financial instruments	0.29	6.04	0.44	13.03	1.43
Employee benefits expense	71.53	59.72	55.15	242.55	249.27
Depreciation and amortisation expense	8.00	7.86	9.74	34.81	38.87
Other expenses	50.93	50.83	59.13	205.77	330.08
<b>4 Total expenses</b>	<b>299.43</b>	<b>126.39</b>	<b>125.82</b>	<b>601.14</b>	<b>623.99</b>
<b>5 Profit / (loss) before exceptional items and tax (3-4)</b>	<b>(95.86)</b>	<b>16.73</b>	<b>50.23</b>	<b>(46.24)</b>	<b>230.70</b>
<b>6 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7 Profit / (loss) before tax (5+6)</b>	<b>(95.86)</b>	<b>16.73</b>	<b>50.23</b>	<b>(46.24)</b>	<b>230.70</b>
<b>8 Tax expenses</b>					
- Current tax	(1.83)	5.69	46.22	15.04	55.17
- MAT credit entitlement	(1.01)	-	(9.52)	(1.01)	(9.52)
- Deferred tax charge / (credit)	(57.24)	12.17	(37.12)	(42.84)	(34.93)
- Taxation for earlier years	(8.05)	-	-	(8.05)	(23.04)
<b>Total tax expenses</b>	<b>(68.13)</b>	<b>17.86</b>	<b>(0.42)</b>	<b>(36.86)</b>	<b>(12.32)</b>
<b>9 Profit/ (loss) for the period (7-8)</b>	<b>(27.73)</b>	<b>(1.13)</b>	<b>50.65</b>	<b>(9.38)</b>	<b>243.02</b>
<b>10 Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
(a) Re-measurements of net defined benefit plans	3.38	-	4.68	3.38	4.68
(b) Income tax related to items that will not be reclassified to profit or loss	(0.88)	-	(1.30)	(0.88)	(1.30)
(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>2.50</b>	<b>-</b>	<b>3.38</b>	<b>2.50</b>	<b>3.38</b>
<b>11 Total Comprehensive Income for the period / year (net of tax) (9+10)</b>	<b>(25.23)</b>	<b>(1.13)</b>	<b>54.03</b>	<b>(6.88)</b>	<b>246.40</b>
<b>12 Paid up Equity Share Capital (face value INR 10 per share)</b>				<b>701.83</b>	<b>701.83</b>
<b>13 Other equity</b>				<b>4,788.08</b>	<b>4,879.91</b>
<b>14 Earnings per equity share</b>					
(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
Basic (INR)	(0.40)	(0.02)	0.72	(0.13)	3.46
Diluted (INR)	(0.40)	(0.02)	0.72	(0.13)	3.46

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KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.			
Statement of Assets and Liabilities as at 31 March 2020			
(INR in lakhs)			
Particulars	Standalone		
	31 March 2020	31 March 2019	
	Audited	Audited	
<b>ASSETS</b>			
<b>A. Financial assets</b>			
Cash and cash equivalents	1,174.69	395.18	
Bank balances other than cash and cash equivalents	19.25	19.40	
Receivables	-	-	
- Trade receivables	70.46	57.98	
- Other receivables	8.05	2.56	
Loans	152.83	153.32	
Investments	3,308.99	4,259.96	
Other financial assets	44.72	41.95	
<b>Sub-Total - Financial assets (A)</b>	<b>4,778.99</b>	<b>4,930.35</b>	
<b>B. Non-Financial Assets</b>			
Current tax assets (net)	24.90	-	
Deferred tax assets (net)	-	-	
Investment property	3.71	3.85	
Property, plant & equipment	819.59	852.42	
Right of use assets	1.65	2.59	
Other non-financial assets	35.68	23.35	
<b>Sub-Total - Non-Financial assets (B)</b>	<b>885.53</b>	<b>882.21</b>	
<b>Total - Assets (A+B)</b>	<b>5,664.52</b>	<b>5,812.56</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>A. Financial liabilities</b>			
Payables			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	-	-	
- total outstanding dues of creditors other than micro enterprises and small enterprises	0.72	-	
Other payables			
- total outstanding dues of micro enterprises and small	0.11	-	
- total outstanding dues of creditors other than micro	11.38	8.16	
Deposits	2.07	1.85	
Lease liabilities	1.87	2.65	
Other financial liabilities	37.07	19.77	
<b>Sub-total - Financial liabilities (A)</b>	<b>53.22</b>	<b>32.43</b>	
<b>B. Non- Financial liabilities</b>			
Current tax liabilities (net)	-	17.29	
Provisions	53.03	58.83	
Deferred tax liabilities (net)	40.26	85.51	
Other non-financial liabilities	28.10	36.76	
<b>Sub-total - Non-Financial liabilities (B)</b>	<b>121.39</b>	<b>198.39</b>	
<b>C. Equity</b>			
Equity Share capital	701.83	701.83	
Other Equity	4,788.08	4,879.91	
<b>Sub-total - Equity (C)</b>	<b>5,489.91</b>	<b>5,581.74</b>	
<b>Total - Liabilities and Equity (A+B+C)</b>	<b>5,664.52</b>	<b>5,812.56</b>	

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KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.		
Standalone Statement of Cash Flow for the year ended 31 March 2020		
Particulars	(INR in lakhs)	
	31 March 2020 Audited	31 March 2019 Audited
<b>(A) Cash flows from operating activities:</b>		
Net profit / (loss) before tax	(46.24)	230.70
<b>Adjustments:</b>		
Depreciation and amortisation	34.81	38.87
Provision for gratuity	7.65	8.92
Provision for compensated absences	6.70	4.66
Impairment on financial instruments	13.03	1.43
Net (gain) / loss on fair value changes	96.25	(68.40)
Interest expenses	0.49	0.30
Dividend income	(45.03)	(54.43)
Interest Income	(65.09)	(72.64)
Rental income	(8.62)	(8.62)
<b>Operating profit / (loss) before working capital changes</b>	<b>(6.05)</b>	<b>80.79</b>
<b>Adjustments for working capital changes in:</b>		
- (Increase) / decrease in trade and other receivables	(31.00)	(33.45)
- (Increase) / decrease in loans	0.48	0.30
- (Increase) / decrease in other financial assets	(2.78)	(25.37)
- (Increase) / decrease in other non-financial assets	(12.33)	(4.09)
- (Decrease) / Increase in trade and other payable	4.05	1.29
- (Decrease) / Increase in other financial liabilities	17.30	(6.05)
- (Decrease) / Increase in other non-financial liabilities	(8.66)	(37.22)
- (Decrease) / Increase in deposits	0.22	0.20
- (Decrease) / Increase in lease liabilities	(0.78)	2.65
- (Decrease) / Increase in provisions	(17.65)	(9.76)
<b>Cash generated from / (used) in operations</b>	<b>(57.20)</b>	<b>(30.71)</b>
Taxes paid (net of refunds)	(50.57)	(38.94)
<b>Net cash generated from / (used) in operating activities</b>	<b>(107.77)</b>	<b>(69.65)</b>
<b>(B) Cash flows from investing activities:</b>		
Purchase of plant, property and equipment and intangible assets	(0.89)	(3.52)
Sale of investments (net)	854.72	462.00
Deposits placed in banks and unpaid dividend accounts (net)	0.15	(0.13)
Rent received	8.62	8.62
Interest received	65.09	72.64
Dividend received	45.03	54.43
<b>Net cash generated from / (used in) investing activities</b>	<b>972.72</b>	<b>594.04</b>
<b>(C) Cash flow from financing activities:</b>		
Dividend paid	(70.18)	(175.46)
Dividend distribution tax paid	(14.77)	(35.72)
Interest paid	(0.49)	(0.30)
<b>Net cash generated from / (used in) financing activities</b>	<b>(85.44)</b>	<b>(211.48)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>779.51</b>	<b>312.91</b>
Cash and cash equivalents as at the beginning of the year	395.18	82.27
<b>Cash and cash equivalents as at the end of the year</b>	<b>1,174.69</b>	<b>395.18</b>

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(Formerly known as Keynote Corporate Services Limited)  
CIN: L67120MH1993PLC072407

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

**Notes to the Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 2020**

1 The above standalone results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29 June 2020, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Statutory Auditors have issued audit report with unmodified opinion on the Standalone financials for the year ended 31 March 2020.

2 The Company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2019 and effective date of the transition is 1 April 2018. Such transition has been carried out from the erstwhile Accounting Standards under the Act, read with relevant rules issued thereunder (collectively referred as "the previous GAAP"). Accordingly, the impact of has been recorded in the opening reserves as at 1 April 2018.

The corresponding period figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods duly re-stated to Ind AS. The management has exercised necessary due diligence to ensure that the financial results provide a true and fair of the Company's affairs. These Ind AS adjustments have been reviewed by the statutory auditors.

These financial results have been drawn on the basis of Ind AS that are applicable to the Company as at 31 March 2020 based on MCA Notification G.S.R. 111(E) and G.S.R. 365(E) dated 16 February 2015 and 31 March 2016 respectively. There is a possibility that these financial results for the current and previous year/period may require adjustments due to change in the financial reporting requirements arising from new standards, modification to the existing standards, guidelines issued by Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS- 101.

3 The Company prepares and publishes the audited consolidated financial results along with the audited standalone financial results. Thus, in accordance with Ind AS 108 - "Operating Segments", the Company has disclosed the segment information in the consolidated audited financial results. Accordingly, no separate disclosures have been presented under the audited standalone results.

4 Effective using April 1 2019, the Company has adopted Ind AS 116 - "Leases" and applied it to applicable to all its lease contracts, as lessee and lessor, existing as on the date of initial application. The Company has adopted the "Full retrospective approach" for transitioning to Ind AS 116. The application of the said Indian Accounting Standard did not have any significant impact on the financial results and earning per share for the quarter ended 31 December 2019 and quarter and year ended 31 March 2019 and 31 March 2020.

**5 Reconciliation of net profit as reported under erstwhile Indian GAAP and Ind AS has been disclosed as follows:**

(i) As required by Ind AS 101- "First time adoption of Indian Accounting Standards", the profit / (loss) reconciliation between the figures previously reported under the Indian GAAP and restated as per Ind AS are as under:

Particulars	(INR in lakhs)	
	Standalone	
	Quarter ended 31 March 2019	Year ended 31 March 2019
Net profit after tax as per previous IGAAP	13.40	213.88
Adjustments		
Fair value measurement of financial assets and liabilities (net of tax)	37.25	29.14
<b>Profit after tax as per Ind AS</b>	<b>50.65</b>	<b>243.02</b>
<b>Other comprehensive income</b>		
Other comprehensive income (net of taxes) on account of remeasurement of defined benefit obligation	3.38	3.38
<b>Total Comprehensive income as per Ind AS</b>	<b>54.03</b>	<b>246.40</b>

(ii) As required by Ind AS 101- "First time adoption of Indian Accounting Standards", the equity reconciliation between the figures previously reported under the Indian GAAP and restated as per Ind AS are as under:

Particulars	(INR in lakhs)	
	Standalone	
	As at 31 March 2019	
Equity as per previous GAAP	5,405.10	
Adjustments		
Fair value measurement of financial assets and liabilities (net of tax)	176.64	
<b>Total Equity as per Ind AS</b>	<b>5,581.74</b>	

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6 The Board of Directors of the Company have recommended dividend of INR 1/- per share of face value INR 10 each (i.e. 10%) payable to its shareholders of the Company subject to approval in the Annual General Meeting

7 The figures of the last quarter of the current and previous financial year are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the respective financial years which were subject to review by the statutory auditors.

8 The Covid -19 Pandemic has resulted in significant decrease in economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Company's business operations in the last week of March 2020. Estimates and associated assumptions applied in preparing these financial results are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

9 The name of the Company has been 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 National Stock Exchange of India Limited and BSE Limited respectively.

10 The Standalone audited financial results for the current and quarter and year ended 31 March 2020, as submitted to the stock exchanges are also available on the Company's website viz. [www.keynoteindia.net](http://www.keynoteindia.net)

11 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

Place: Mumbai  
Date: 29 June 2020

Uday S.Patil  
Director & CFO  
DIN : 00003978

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

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

**Report on the Audit of Standalone Annual Financial Results**

We have audited the accompanying statement of standalone annual financial results of **Keynote Financial Services Limited (formerly known as 'Keynote Corporate Services Limited')** (the "Company"), for the year ended 31 March 2020 (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").

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

**Basis for Opinion**

We conducted our audit of the Statement in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

**Emphasis of Matter**

We draw attention to Note 8 to the Statement which describes the uncertainty caused by Covid-19 pandemic with respect to the Company's estimates on preparation of the financial statements and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of the above matter.

**Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

The Statement have been prepared on the basis of the standalone annual Ind AS financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of the standalone annual financial results that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance in of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the statement made by the Management and the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The comparative Ind AS financial information appearing in the accompanying results for the corresponding quarter and year ended 31 March 2019 included in these Ind AS financial results, are based on the previously issued standalone annual financial results, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March 2019 dated 15 May 2019 expressed an unmodified opinion on those standalone financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion on the Statement is not modified in respect of the above matter.

The statement includes the financial results for the quarter ended 31 March 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us, as required under the Listing Regulations.

**For S M S R & Co LLP**

*Chartered Accountants*

Firm registration number: 110592W / W100094

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**U Balakrishna Bhat**

*Partner*

Membership No: 019216

Place: Mumbai

Date: 29 June 2020

UDIN :- 20019216AAAAAY9852

# KEYNOTE

25  
YEARS  
OF CREATING  
VALUE  
THROUGH  
RELATIONSHIPS  
AND  
TRUST

KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.					
Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31 March 2020					
Particulars	Quarter ended			Year ended	
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
	Audited (refer note 7)	Unaudited	Audited (refer note 7)	Audited	Audited
(INR in lakhs)					
Revenue from operations					
Interest income	167.95	51.00	255.98	333.06	426.58
Dividend income	13.85	13.06	15.43	40.56	36.61
Fees and commission income	120.97	110.73	154.85	333.61	257.12
Net gain on fair value changes	-	124.54	-	-	-
Sale of services	81.27	148.78	28.68	405.02	580.35
Other operating income	4.59	1.59	0.89	7.49	7.61
<b>1 Total revenue from operations</b>	<b>388.63</b>	<b>449.70</b>	<b>455.83</b>	<b>1,119.74</b>	<b>1,308.27</b>
<b>2 Other income</b>	<b>3.58</b>	<b>1.32</b>	<b>41.40</b>	<b>17.47</b>	<b>96.48</b>
<b>3 Total income (1+2)</b>	<b>392.21</b>	<b>451.02</b>	<b>497.23</b>	<b>1,137.21</b>	<b>1,404.75</b>
Expenses					
Finance costs	91.59	14.63	75.92	121.89	112.91
Fees and commission expense	6.52	3.26	2.36	14.48	9.24
Net loss on fair value changes	426.44	-	294.61	488.88	286.27
Impairment on financial instruments	1.83	6.04	2.57	14.57	3.54
Purchase of stock in trade	-	-	4.06	-	4.06
Changes in inventories of stock-in-trade	11.56	(0.57)	46.67	15.73	57.65
Employee benefits expense	133.18	117.08	113.51	460.23	453.73
Depreciation and amortisation expense	18.94	17.97	18.99	76.09	76.85
Other expenses	19.54	155.80	(257.56)	381.39	489.40
<b>4 Total expenses</b>	<b>709.60</b>	<b>314.21</b>	<b>301.13</b>	<b>1,573.26</b>	<b>1,493.65</b>
<b>5 Profit / (loss) before exceptional items and tax (3-4)</b>	<b>(317.39)</b>	<b>136.81</b>	<b>196.10</b>	<b>(436.05)</b>	<b>(88.90)</b>
<b>6 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7 Profit / (loss) before tax (5+6)</b>	<b>(317.39)</b>	<b>136.81</b>	<b>196.10</b>	<b>(436.05)</b>	<b>(88.90)</b>
<b>8 Tax expenses</b>					
- Current tax	24.68	5.69	72.88	41.55	81.83
- MAT credit entitlement	(8.88)	-	(13.13)	(8.88)	(13.13)
- Deferred tax charge / (credit)	(52.72)	10.98	(29.34)	(38.32)	(27.15)
- Taxation for earlier years	(8.05)	-	(1.05)	(8.05)	(24.12)
<b>Total tax expenses</b>	<b>(44.97)</b>	<b>16.67</b>	<b>29.36</b>	<b>(13.70)</b>	<b>17.43</b>
<b>9 Profit/ (loss) for the period (7-8)</b>	<b>(272.42)</b>	<b>120.14</b>	<b>166.74</b>	<b>(422.35)</b>	<b>(106.33)</b>
<b>10 Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
(a) Re-measurements of net defined benefit plans	3.38	-	4.68	3.38	4.68
(b) Income tax related to items that will not be reclassified to profit or loss	(0.88)	-	(1.30)	(0.88)	(1.30)
(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>2.50</b>	<b>-</b>	<b>3.38</b>	<b>2.50</b>	<b>3.38</b>
<b>11 Total Comprehensive Income for the period / year (net of tax) (9+10)</b>	<b>(269.92)</b>	<b>120.14</b>	<b>170.12</b>	<b>(419.85)</b>	<b>(102.95)</b>
<b>12 Paid up Equity Share Capital (face value INR 10 per share)</b>				<b>556.66</b>	<b>556.66</b>
<b>13 Other equity</b>				<b>6,899.44</b>	<b>7,389.72</b>
<b>14 Earnings per equity share</b>					
Basic (INR)	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
Diluted (INR)	(4.89)	2.16	3.00	(7.59)	(1.91)
	(4.89)	2.16	3.00	(7.59)	(1.91)

## Keynote Financial Services Limited

(formerly known as Keynote Corporate Services Limited)

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CIN-L67120MH1993PLC072407

# KEYNOTE

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OF CREATING  
VALUE  
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KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.		
Statement of Assets and Liabilities as at 31 March 2020		
(INR in lakhs)		
Particulars	Consolidated	
	31 March 2020	31 March 2019
	Audited	Audited
<b>ASSETS</b>		
<b>A. Financial assets</b>		
Cash and cash equivalents	2,364.03	677.33
Bank balances other than cash and cash equivalents	1,953.75	1,587.42
Receivables		
- Trade receivables	397.35	378.87
- Other receivables	10.22	2.87
Loans	2,231.68	1,850.07
Investments	2,927.73	3,491.42
Other financial assets	301.98	794.74
<b>Sub-Total - Financial assets (A)</b>	<b>10,186.74</b>	<b>8,782.72</b>
<b>B. Non-Financial Assets</b>		
Current tax assets (net)	61.41	224.89
Investment property	3.71	3.85
Property, plant & equipment	1,724.07	1,797.58
Right of use assets	4.48	5.42
Goodwill on consolidation	10.42	10.42
Inventories	9.36	25.08
Other non-financial assets	45.14	32.04
<b>Sub-Total - Non-Financial assets (B)</b>	<b>1,858.59</b>	<b>2,099.28</b>
<b>Total - Assets (A+B)</b>	<b>12,045.33</b>	<b>10,882.00</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>A. Financial liabilities</b>		
Payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,035.51	474.04
Other payables		
- total outstanding dues of micro enterprises and small	0.11	-
- total outstanding dues of creditors other than micro	25.84	19.09
Deposits	2.07	1.85
Borrowings (other than debt securities)	2,167.27	2,017.92
Lease liabilities	3.74	5.30
Other financial liabilities	53.91	44.66
<b>Sub-total - Financial liabilities (A)</b>	<b>4,288.45</b>	<b>2,562.86</b>
<b>B. Non- Financial liabilities</b>		
Provisions	90.31	94.43
Deferred tax liabilities (net)	125.21	164.56
Other non-financial liabilities	85.26	113.77
<b>Sub-total - Non-Financial liabilities (B)</b>	<b>300.78</b>	<b>372.76</b>
<b>C. Equity</b>		
Equity Share capital	556.66	556.66
Other Equity	6,899.44	7,389.72
<b>Sub-total - Equity (C)</b>	<b>7,456.10</b>	<b>7,946.38</b>
<b>Total - Liabilities and Equity (A+B+C)</b>	<b>12,045.33</b>	<b>10,882.00</b>

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KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.		
Consolidated Statement of Cash Flow for the year ended 31 March 2020		
Particulars	(INR in lakhs)	
	31 March 2020 Audited	31 March 2019 Audited
<b>(A) Cash flows from operating activities:</b>		
Net loss before tax	(436.05)	(88.90)
<b>Adjustments:</b>		
Depreciation and amortisation	76.09	76.85
Provision for gratuity	13.01	11.12
Provision for compensated absences	9.56	8.79
Provision for doubtful debts	14.57	3.54
Interest expenses	121.89	112.91
Net (gain) / loss on financial instruments measured at fair value through profit or loss	488.88	286.27
Dividend income	(40.56)	(36.61)
Interest Income	(333.06)	(417.64)
<b>Operating profit / (loss) before working capital changes</b>	<b>(85.67)</b>	<b>(43.67)</b>
<b>Adjustments for working capital changes in:</b>		
- (Increase) / decrease in trade and other receivables	(40.40)	245.06
- (Increase) / decrease in loans	(381.61)	(303.78)
- (Increase) / decrease in other financial assets	492.76	7.14
- (Increase) / decrease in Inventory	15.73	173.60
- (Increase) / decrease in other non-financial assets	(13.10)	2.85
- (Decrease) / Increase in trade and other payable	1,568.33	(195.41)
- (Decrease) / Increase in other financial liabilities	9.25	(5.44)
- (Decrease) / Increase in other non-financial liabilities	(28.52)	(81.29)
- (Decrease) / Increase in deposits	0.22	0.20
- (Decrease) / Increase in lease liabilities	(1.56)	5.30
- (Decrease) / Increase in provisions	(24.19)	(21.95)
<b>Cash generated from / (used) in operations</b>	<b>1,511.24</b>	<b>(217.39)</b>
Taxes paid (net of refunds)	137.85	(206.81)
<b>Net cash generated from / (used) in operating activities</b>	<b>1,649.09</b>	<b>(424.20)</b>
<b>(B) Cash flows from investing activities:</b>		
Purchase of fixed assets	(1.50)	(97.88)
Sale of investments (net)	74.81	254.09
Deposits placed in banks and unpaid dividend accounts (net)	(366.34)	(149.89)
Interest received	333.06	417.64
Dividend received	40.56	36.61
<b>Net cash generated from / (used in) investing activities</b>	<b>80.59</b>	<b>460.57</b>
<b>(C) Cash flow from financing activities:</b>		
Repayment of borrowings (other than debt securities) (net)	149.35	420.40
Dividend paid	(55.67)	(139.17)
Dividend distribution tax paid	(14.77)	(35.72)
Interest paid	(121.89)	(112.91)
<b>Net cash generated from / (used in) financing activities</b>	<b>(42.98)</b>	<b>132.60</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,686.70</b>	<b>168.97</b>
Cash and cash equivalents as at the beginning of the year	677.33	508.36
<b>Cash and cash equivalents as at the end of the year</b>	<b>2,364.03</b>	<b>677.33</b>

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KEYNOTE FINANCIAL SERVICES LIMITED (Formerly known as Keynote Corporate Services Limited) CIN: L67120MH1993PLC072407 Regd. Office : The Ruby, 9th floor, Senapati Bapat Marg, Dadar (W) Mumbai 400 028.					
Notes to the Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31 March 2020					
<p>1 The above consolidated results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29 June 2020, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Statutory Auditors have issued audit report with unmodified opinion on the Consolidated financials for the year ended 31 March 2020.</p> <p>2 The Company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2019 and effective date of the transition is 1 April 2018. Such transition has been carried out from the erstwhile Accounting Standards under the Act, read with relevant rules issued thereunder (collectively referred as "the previous GAAP"). Accordingly, the impact of has been recorded in the opening reserves as at 1 April 2018.</p> <p>The corresponding period figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods duly re-stated to Ind AS. The management has exercised necessary due diligence to ensure that the financial results provide a true and fair of the Company's affairs. These Ind AS adjustments have been reviewed by the statutory auditors.</p> <p>These financial results have been drawn on the basis of Ind AS that are applicable to the Company as at 31 March 2020 based on MCA Notification G.S.R. 111(E) and G.S.R. 365(E) dated 16 February 2015 and 31 March 2016 respectively. There is a possibility that these financial results for the current and previous year/period may require adjustments due to change in the financial reporting requirements arising from new standards, modification to the existing standards, guidelines issued by Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS- 101.</p>					
<p>3 Consolidated segment results for the quarter and year ended 31 March 2020</p> <p style="text-align: right;">(INR in lakhs)</p>					
Particulars	Quarter Ended			Year Ended	
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
	Audited	Unaudited	Audited	Audited	Audited
<b>Segment Revenue</b>					
(a) Income from Advisory Services	229.46	150.36	152.85	556.11	711.24
(b) Broking & Related Activities	62.08	42.83	31.58	190.04	133.85
(c) Trading in Securities	(37.25)	78.57	95.69	109.86	88.83
(d) Investment Activities	131.87	159.92	197.90	184.38	275.87
(e) Unallocable	6.05	19.34	19.21	111.34	231.25
<b>Total</b>	<b>392.21</b>	<b>451.02</b>	<b>497.23</b>	<b>1,151.73</b>	<b>1,441.04</b>
Less: Elimination	-	-	-	(14.52)	(36.29)
<b>Total income from operations (net)</b>	<b>392.21</b>	<b>451.02</b>	<b>497.23</b>	<b>1,137.21</b>	<b>1,404.75</b>
<b>Segment results before exceptional items</b>					
(a) Income from Advisory Services	(6.11)	7.83	28.43	(101.32)	35.65
(b) Broking & Related Activities	44.30	18.29	22.14	79.90	33.44
(c) Trading in Securities	(360.47)	116.33	89.36	(466.96)	(394.04)
(d) Investment Activities	121.82	16.26	195.23	157.29	250.46
(e) Unallocable	(25.34)	(7.27)	(63.14)	31.45	134.79
<b>Total</b>	<b>(225.80)</b>	<b>151.44</b>	<b>272.02</b>	<b>(299.64)</b>	<b>60.30</b>
Less: Elimination	-	-	-	(14.52)	(36.29)
Less: Finance cost	(91.59)	(14.63)	(75.92)	(121.89)	(112.91)
<b>Profit/ (Loss) before exceptional items and tax</b>	<b>(317.39)</b>	<b>136.81</b>	<b>196.10</b>	<b>(436.05)</b>	<b>(88.90)</b>
Exceptional items - Unallocated	-	-	-	-	-
<b>Profit/ (Loss) before tax</b>	<b>(317.39)</b>	<b>136.81</b>	<b>196.10</b>	<b>(436.05)</b>	<b>(88.90)</b>
<b>Segment Assets</b>					
(a) Income from Advisory Services	2,109.06	1,205.17	1,333.70	2,109.06	1,333.70
(b) Broking & Related Activities	4,914.08	3,625.78	3,785.43	4,914.08	3,785.43
(c) Trading in Securities	37.20	1,839.31	36.33	37.20	36.33
(d) Investment Activities	1,953.72	1,689.55	1,959.44	1,953.72	1,959.44
(e) Unallocated	3,031.27	2,893.00	3,767.10	3,031.27	3,767.10
<b>Total segment assets</b>	<b>12,045.33</b>	<b>11,252.81</b>	<b>10,882.00</b>	<b>12,045.33</b>	<b>10,882.00</b>
<b>Segment liabilities</b>					
(a) Income from Advisory Services	83.22	86.05	95.37	83.22	95.37
(b) Broking & Related Activities	2,409.35	1,444.17	1,263.15	2,409.35	1,263.15
(c) Trading in Securities	-	-	-	-	-
(d) Investment Activities	1,820.34	1,825.53	1,287.99	1,820.34	1,287.99
(e) Unallocated	276.32	350.90	289.11	276.32	289.11
<b>Total segment liabilities</b>	<b>4,589.23</b>	<b>3,706.65</b>	<b>2,935.62</b>	<b>4,589.23</b>	<b>2,935.62</b>
<b>Capital employed (Segment assets - Segment liabilities)</b>					
(a) Income from Advisory Services	2,025.84	1,119.12	1,238.33	2,025.84	1,238.33
(b) Broking & Related Activities	2,504.73	2,181.61	2,522.28	2,504.73	2,522.28
(c) Trading in Securities	37.20	1,839.31	36.33	37.20	36.33
(d) Investment Activities	133.38	(135.98)	671.45	133.38	671.45
(e) Unallocated	2,754.95	2,542.10	3,477.99	2,754.95	3,477.99
<b>Total capital employed</b>	<b>7,456.10</b>	<b>7,546.16</b>	<b>7,946.38</b>	<b>7,456.10</b>	<b>7,946.38</b>

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The Company's operation predominantly pertains to Merchant Banking & related activities and investment activities. In accordance with Ind AS 108 on 'Segment Reporting', Merchant banking and other related activities and investment activities are classified as reportable segments. The balance is shown as unallocable items.

4 Effective using April 1 2019, the Company has adopted Ind AS 116 - "Leases" and applied it to applicable to all its lease contracts, as lessee and lessor, existing as on the date of initial application. The Company has adopted the "Full retrospective approach" for transitioning to Ind AS 116. The application of the said Indian Accounting Standard did not have any significant impact on the financial results and earning per share for the quarter ended 31 December 2019 and quarter and year ended 31 March 2019 and 31 March 2020.

5 Reconciliation of net profit as reported under erstwhile Indian GAAP and Ind AS has been disclosed as follows:

(i) As required by Ind AS 101- "First time adoption of Indian Accounting Standards", the profit / (loss) reconciliation between the figures previously reported under the Indian GAAP and restated as per Ind AS are as under:

Particulars	(INR in lakhs)	
	Consolidated	
	Quarter ended 31 March 2019	Year ended 31 March 2019
Net profit after tax as per previous IGAAP	154.74	275.25
Adjustments		
Fair value measurement of financial assets and liabilities (net of tax)	12.00	(381.58)
Profit / (loss) after tax as per Ind AS	166.74	(106.33)
Other comprehensive income		
Other comprehensive income (net of taxes) on account of remeasurement of defined benefit obligation	3.38	3.38
Total Comprehensive income as per Ind AS	170.12	(102.95)

(ii) As required by Ind AS 101- "First time adoption of Indian Accounting Standards", the equity reconciliation between the figures previously reported under the Indian GAAP and restated as per Ind AS are as under:

Particulars	(INR in lakhs)
	Consolidated
	As at 31 March 2019
Equity as per previous GAAP	7,813.15
Adjustments	
Fair value measurement of financial assets and liabilities (net of tax)	133.23
Total Equity as per Ind AS	7,946.38

6 The Board of Directors of the Holding Company have recommended dividend of INR 1/- per share of face value INR 10 each (i.e. 10%) payable to its shareholders of the Company subject to approval in the Annual General Meeting

7 The figures of the last quarter of the current and previous financial year are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the respective financial years which were subject to review by the statutory auditors.

8 The Covid -19 Pandemic has resulted in significant decrease in economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Company's business operations in the last week of March 2020. Estimates and associated assumptions applied in preparing these financial results are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Management of the Holding Company and the entities in the Group believe that the factors considered are reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Group.

9 The name of the Holding Company has been 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 National Stock Exchange of India Limited and BSE Limited respectively.

10 The consolidated audited financial results for the current and quarter and year ended 31 March 2020, as submitted to the stock exchanges are also available on the Holding's Company's website viz. [www.keynoteindia.net](http://www.keynoteindia.net)

11 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

Place: Mumbai  
Date: 29 June 2020

Uday S.Patil  
Director & CFO  
DIN : 00003978

**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](mailto:info@keynoteindia.net) · Website: [www.keynoteindia.net](http://www.keynoteindia.net)

CIN-L67120MH1993PLC072407

**Independent Auditor’s Report on Audit of Consolidated Annual Financial Results of Keynote Financial Services Limited (formerly known as ‘Keynote Corporate Services Limited’) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

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

**Report on the Audit of Consolidated Annual Financial Results**

We have audited the accompanying statement of consolidated annual financial results of **Keynote Financial Services Limited (formerly known as ‘Keynote Corporate Services Limited’)** (the “Holding Company”), its subsidiaries and the trust (the Holding Company, its subsidiaries and the trust together referred to as the “Group”) for the year ended 31 March 2020 (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”).

**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 separate Ind AS financial statements and other financial information of the subsidiaries and the trust, the Statement :

- (i) includes the annual financial 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

- (ii) are presented in accordance with the requirements of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (‘Ind AS’) prescribed under Section 133 of the Companies Act, 2013 (“the Act”), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

**Basis for Opinion**

We conducted our audit of the Statement in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw attention to Note 8 to the Statement which describes the uncertainty caused by Covid-19 pandemic with respect to the Group's estimates on preparation of the financial statements and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of the above matter.

**Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

This Statement has been prepared on the basis of the consolidated annual Ind AS financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of the consolidated annual financial results that gives a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the statement made by the Management and the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results and other financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### **Other Matters**

The comparative Ind AS financial information of the Group appearing in the accompanying results for the corresponding quarter and year ended 31 March 2019 included in these Ind AS financial results, are based on the previously issued consolidated annual financial results, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March 2019 dated 15 May 2019 expressed an unmodified opinion on those consolidated annual financial results, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been audited by us.

The statement includes the audited Ind AS financial statements and other financial information, in respect of three subsidiaries and a trust, whose financial statements reflect Group's share of total assets of INR 9,699.29 lakhs as at 31 March 2020, Group's share of total revenues of INR 188.64 lakhs and INR 772.14 lakhs, total net loss after tax of INR 244.69 lakhs and INR 398.45 lakhs, total comprehensive loss of INR 244.69 lakhs and INR 398.45 lakhs for the quarter and year ended 31 March 2020 respectively, and net cash inflows of INR 907.19 lakhs for the year ended 31 March 2020, as considered in the statement which have been audited by their respective independent auditors. The independent auditors' reports on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in section above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and other financial information certified by the Board of Directors.

The Statement includes the results for the quarter ended 31 March 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S M S R & Co LLP**

*Chartered Accountants*

Firm registration number: 110592W / W100094

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**U Balakrishna Bhat**

*Partner*

Membership No: 019216

Place: Mumbai

Date: 29 June 2020

UDIN :- 20019216AAAAAZ8657