

KEYNOTE

Ref # Key18/Stock-Exch.Let/Sm(15)

8th February, 2018

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

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/ KEYCORPSER

Scrip: KEYCORPSER

Dear Sir,

Reg : Unaudited Financial Results for the quarter ended 30th June, 2017 and quarter and half year ended 30th September, 2017.

We refer to our letters No.Key17/Stock-Exch.Let/LV/(101) dated 11th September, 2017 and Key17/Stock-Exch.Let/Sm/(119) dated 1st December, 2017 enclosing therewith Un-audited Financial Results for the Quarter ended 30th June, 2017 and Quarter and Half year ended 30th September, 2017, respectively submitted in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In connection thereto, we state as follows:

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015, our Company had migrated to new Accounting Standards [i.e. Indian Accounting Standards (Ind AS)] effective from 1st April, 2017 with transition date being 1st April, 2016 and prepared Un-audited Financial Results for the quarter ended 30th June, 2017 and 30th September, 2017 as per Ind AS.

However, our attention was drawn to the Notification No. G.S.R. 365(E) issued by MCA dated 30th March, 2016 which amended Companies (Indian Accounting Standards) Rules, 2015. The Notification inter-alia clarified on class of Companies operating as Non Banking Financial Companies (NBFC) and included certain other specified companies. In terms of the Circular, Companies which are "Merchant Banking" were also covered and given further time frame for adopting Ind AS, starting with Financial Year 2018-19 and then 2019-20 depending on the net worth criteria laid down in the notification.

In terms of aforesaid circular and being a SEBI Registered Category– I Merchant Banker, we would need to be compliant only effective Financial Year - 2019-20 and not in the current Financial Year i.e. 2017-18. Further, there is no provision for voluntary adoption of Ind AS before this period.



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Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
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: 2 :

Under the circumstance and as advised by our Statutory Auditors, we have revisited the requirement of adoption of Ind AS. It has been observed that in terms of notification dated 30th March, 2016, we would need to be compliant with Ind AS only effective Financial Year – 2019-2020 and not in the current Financial Year i.e. 2017-2018.

Accordingly, we have redrawn our financial results for the Quarter ended 30th June, 2017 and Quarter and Half year ended 30th September, 2017 as per earlier Accounting Standards (Previous GAAP) which were applicable instead of Ind AS.

We are pleased to inform you that, the Board of Directors of the Company at its Meeting held on 8th February, 2018, considered and again approved the Unaudited Standalone Financial Results of the Company for Quarter ended 30th June, 2017 and Quarter and Half year ended 30th September, 2017 as per GAAP. The said financial results were subjected to Limited Review by Statutory Auditor of the Company.

Please find enclosed herewith copy of the redrawn Unaudited Financial Results of the Company for the Quarter ended 30th June, 2017 and Quarter and Half year ended 30th September, 2017 along with Limited Review Report of Statutory Auditors of the Company.

As a result of reverting back to Indian GAAP, the profit before tax for the quarter ended 30th June, 2017 and for the quarter and half year ended 30th September, 2017 are Rs.166.59 lacs against Rs.185.42 lacs and Rs. 60.33 lacs against Rs.74.65 lacs, reported and published as per Ind AS respectively. Further, we confirm that there are no other major changes in the above mentioned Unaudited Financial Results earlier submitted to the exchanges.

Said Results are being re-published in the Newspapers pursuant to Regulation 47 (1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2017.

A separate communication as regards outcome of Board Meeting dated 8th February, 2018 approving the Un-audited Financial Results of the Company along with Limited Review report for quarter ended and nine month ending on 31st December, 2017 has also been filed.

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

Yours sincerely,

For **KEYNOTE CORPORATE SERVICES LIMITED**



Uday S. Patil
Director
(DIN: 00003978)

Encl: as above



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KEYNOTE CORPORATE SERVICES LTD.

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

(Redrawn as per Indian GAAP)

(₹ in lakhs)							
Sr No	Particulars	Quarter Ended on			Half Year ended on		Year Ended on
		30-Sep-17 (Unaudited) (1)	30-Jun-17 (Unaudited) (2)	30-Sep-16 (Unaudited) (3)	30-Sep-17 (Unaudited) (4)	30-Sep-16 (Unaudited) (5)	31-Mar-17 (Audited) (6)
I	Revenue						
	a) Revenue from operations	111.93	233.04	36.12	344.97	124.86	500.20
	b) Other income	94.66	60.43	72.83	155.09	124.31	263.78
	Total Revenue	206.59	293.47	108.95	500.06	249.17	763.98
II	Expenses						
	a) Employee benefits expenses	68.07	64.91	64.80	132.98	127.75	231.59
	b) Finance cost	0.14	0.20	0.31	0.34	0.70	1.20
	c) Depreciation and amortisation expenses	9.72	9.61	10.64	19.33	21.23	41.24
	d) Other expenses	68.33	52.16	53.13	120.49	88.13	253.10
	Total expenses	146.26	126.88	128.88	273.14	237.81	527.13
III	Profit / (Loss) before exceptional items and tax (I-II)	60.33	166.59	(19.93)	226.92	11.36	236.85
IV	Exceptional items	-	-	-	-	-	-
V	Profit/(Loss) before tax (III-IV)	60.33	166.59	(19.93)	226.92	11.36	236.85
VI	Tax Expenses						
	Current tax	11.38	46.25	-	57.63	9.86	48.32
	Short / (Excess) provision for tax in respect of earlier years	-	-	-	-	-	3.08
	Deferred tax	(5.08)	0.07	0.52	(5.01)	0.76	(3.51)
	Total Tax expenses	6.30	46.32	0.52	52.62	10.62	47.89
VII	Profit / (Loss) for the period (V-VI)	54.03	120.27	(20.45)	174.30	0.74	188.96
VIII	Paid up equity share capital (Face Value : ₹10/- per share)	701.83	701.83	701.83	701.83	701.83	701.83
IX	Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year						4,462.33
X	Earnings Per Share (7,018,339 Equity shares of ₹10/- each) (Not annualised)						
	(a) Basic: (₹)	0.77	1.71	(0.29)	2.48	0.01	2.69
	(b) Diluted: (₹)	0.77	1.71	(0.29)	2.48	0.01	2.69

Notes:

- The above redrawn results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on Thursday, February 8, 2018. The results for the quarter ended September 30, 2017 have been reviewed by the Statutory Auditors of the Company.
- Figures for the previous year/quarters have been regrouped, reclassified and/or recasted wherever necessary.
- The Board of Directors of the Company had approved and had submitted its financials results on December 1, 2017 for the quarter ended September 30, 2017 in accordance with Indian Accounting Standards (Ind AS) having adopted for F.Y. 2017-18. However, in the terms of the Notification No. G.S.R. 365(E) issued by MCA dated March 30, 2016 which amended Companies (Indian Accounting Standards) Rules, 2015 inter-alia clarified on Ind AS applicability on certain class of Companies operating as Non Banking Financial Companies (NBFC) which besides NBFCs defined in clause (f) of section 45-I of RBI Act, 1934 included "Merchant Banking Companies". In terms of the Circular, Companies which are "Merchant Banking" are given further time frame for adopting Ind AS, starting with F.Y. 2018-19 and then F.Y. 2019-20 depending on the net worth criteria laid down in the notification. The said requirement is applicable to the company w.e.f. F.Y. 2019-20. In these circumstances the Company has now prepared and revised financial results for the quarter ended September 30, 2017 as per the prevailing Indian GAAP. As a result of reverting to Indian GAAP, the profit before tax for the quarter is ₹ 60.33 lakhs against ₹ 74.65 lakhs reported earlier under Ind AS.



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4 QUARTERLY UNAUDITED SEGMENT RESULTS							(₹ in lakhs)
Particulars	Quarter Ended on			Half Year ended on		Year Ended on	
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)	
1. Segment Revenue							
(a) Merchant Banking	111.93	233.04	36.12	344.97	124.86	500.20	
(b) Investment	68.36	59.14	69.77	127.50	117.06	237.05	
(c) Unallocated	26.30	1.29	3.06	27.59	7.25	26.73	
Total income from operations, other operating income & other income	206.59	293.47	108.95	500.06	249.17	763.98	
2. Segment Results - Profit / (Loss) before tax and interest from each segment							
(a) Merchant Banking	(20.46)	119.58	(85.72)	99.12	(100.70)	(1.96)	
(b) Investment	61.92	49.30	41.07	111.22	74.24	222.10	
(c) Unallocated	(23.80)	(41.52)	(1.61)	(65.32)	(1.07)	(70.16)	
Total	17.66	127.36	(46.26)	145.02	(27.53)	149.98	
Less: Interest Expenses	(0.14)	(0.20)	(0.31)	(0.34)	(0.70)	(1.20)	
Add: Interest Income	42.81	39.43	26.64	82.24	39.59	88.07	
Profit / (Loss) from ordinary activities before tax	60.33	166.59	(19.93)	226.92	11.36	236.85	
3. Segment Assets							
(a) Merchant Banking	1,061.17	1,168.42	1,269.78	1,061.17	1,269.78	1,171.81	
(b) Investment	1,958.89	1,984.63	1,839.40	1,958.89	1,839.40	1,837.57	
(c) Unallocated	2,447.62	2,422.30	3,033.59	2,447.62	3,033.59	2,442.07	
Total	5,467.68	5,575.35	6,142.77	5,467.68	6,142.77	5,451.45	
4. Segment Liabilities							
(a) Merchant Banking	93.17	191.69	352.39	93.17	352.39	186.63	
(b) Investment	-	-	1.91	-	1.91	-	
(c) Unallocated	120.53	99.30	812.55	120.53	812.55	100.66	
Total	213.70	290.99	1,166.85	213.70	1,166.85	287.29	

Note: The above Segment information is presented on the basis of the Unaudited Financial statements. The company's operation predominantly relate to Merchant Banking & related activities and Investment activities. In accordance with Accounting Standard - 17 "Segment Reporting", Merchant Banking and related activities and Investment activities are classified as reportable segments. The balance is shown as unallocated items.



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Statement of Assets & Liabilities as on September 30, 2017				(₹ in lakhs)	
Sr No	Particulars	As at 30-Sep-2017 (Unaudited)	As at 31-Mar-17 (Audited)		
A	<u>EQUITY AND LIABILITIES</u>				
1	Shareholders' Funds:				
	(a) Share Capital	701.83	701.83		
	(b) Reserves & Surplus	4,552.15	4,462.33		
		5,253.98	5,164.16		
2	Non Current Liabilities:				
	(a) Deferred tax Liability (net)	63.21	68.22		
	(b) Other Long term liabilities	2.60	2.60		
	(c) Long-term provisions	24.98	0.75		
		90.79	71.57		
3	Current liabilities:				
	(a) Short-term borrowings	-	0.51		
	(b) Trade payables	11.66	15.50		
	(c) Other current liabilities	98.30	188.35		
	(d) Short-term provisions	12.95	11.36		
		122.91	215.72		
	TOTAL	5,467.68	5,451.45		
B	<u>ASSETS</u>				
1	Non Current assets:				
	(a) Property, plant and equipment	908.84	925.79		
	(b) Non-current investments	2,431.14	2,431.20		
	(c) Long-term loans and advances	3.83	6.55		
		3,343.81	3,363.54		
2	Current assets:				
	(a) Current investments	642.86	692.65		
	(b) Trade receivables	92.01	91.90		
	(c) Cash and bank balances	54.01	148.36		
	(d) Short-term loans and advances	1,267.16	1,135.26		
	(e) Other current assets	67.83	19.74		
		2,123.87	2,087.91		
	TOTAL	5,467.68	5,451.45		

For and on behalf of Board of Directors

Uday S. Patil
Director
DIN: 00003978

Place: Mumbai
Dated: February 8, 2018

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Limited Review Report

**Review Report to
The Board of Directors of
Keynote Corporate Services Limited**

We have reviewed the accompanying Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2017 of **Keynote Corporate Services Limited** ('the Company') being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on February 8, 2018. Our responsibility is to issue a report on these financial statements based on our review.

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

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 5, 2016, 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



Mumbai
Date: February 8, 2018