

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

**To the Members of  
YES Securities (India) Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of YES Securities (India) Limited (the 'Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its loss and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (the 'SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (the 'AS') specified under section 133 of the Act. This responsibility also includes maintenance 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 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 made by management.

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of management's 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent 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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **Report on Other Legal and Regulatory Requirements (continued)**

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 32 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration paid by the Company to its directors for the year ended 31 March 2020, is subject to shareholder approval at the ensuing annual general meeting as required under Section 197 of the Act read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

Mumbai  
27 April 2020

**Pranav Gune**  
*Partner*  
Membership No. 121058  
UDIN: 20121058AAAAAD5265

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **“Annexure A” to the Independent Auditor's Report**

(Referred to in our report of even date)

- i.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year.
  - (c) The Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- ii. The Company is a service company primarily rendering broking and merchant banking services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanation given to us, the Company has not granted any loans, made any investments, provided any guarantees and security in terms of section 185 and section 186 of the Act during the year under audit. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. Basis the legal opinion obtained by the Company in the earlier years, management had concluded that the non-interest-bearing and non-refundable amount received by YES Securities (India) Limited towards brokerage under SVSP will not fall within the ambit of the term 'deposit'. Besides this, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section (1) of Section 148 of the Act, for any of the services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable.
- vii.
  - (a) According to the information and explanations given to us and on the basis of our examination of the Books of Accounts, amounts deducted / accrued in the Books of Accounts in respect of undisputed statutory dues including Income Tax, Goods and Service Tax, Provident Fund, Employees State Insurance, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Excise duty and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of Income Tax or Goods and Service Tax or Provident Fund or Employees State Insurance or Cess, and other material statutory dues which have not been deposited by the Company on account of disputes.

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **“Annexure A” to the Independent Auditor's Report (*Continued*)**

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank in respect of the bank overdraft. The Company has not taken any loan or borrowing from any financial institution or Government. The Company did not have any outstanding debentures during the year.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer or term loan. Thus, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration paid to the directors of the Company is subject to shareholder approval at the ensuing annual general meeting as required under Section 197 of the Act read with Schedule V of the act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Act where applicable, and details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Thus, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India act, 1934. Thus, paragraph 3(xvi) of the Order is not applicable.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

Mumbai  
27 April 2020

**Pranav Gune**  
*Partner*

Membership No. 121058  
UDIN: 20121058AAAAAD5265

## **Independent Auditor's Report (Continued)**

### **YES Securities (India) Limited**

#### **“Annexure B” to the Independent Auditor's report on the financial statements of YES Securities (India) Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of YES Securities (India) Limited (the 'Company') as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the 'Act').

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Independent Auditor's Report (Continued)**  
**YES Securities (India) Limited**

**“Annexure B” to the Independent Auditor's report on the financial statements  
of YES Securities (India) Limited for the year ended 31 March 2020**  
*(Continued)*

**Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

Mumbai  
27 April 2020

**Pranav Gune**  
*Partner*

Membership No. 121058  
UDIN: 20121058AAAAAD5265



# YES Securities (India) Limited

## Balance Sheet

As at 31 March 2020

(Currency: Indian Rupees in '000)

	<i>Notes</i>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	8,00,000	8,00,000
Reserves and surplus	4	3,68,113	7,30,704
<b>Non-current liabilities</b>			
Other long term liabilities	5	1,39,718	1,26,242
Long-term provisions	6	19,694	14,005
<b>Current liabilities</b>			
Short term borrowings	7	1,07,416	10,24,173
Trade payables	8		
- total dues of micro enterprise and small enterprises		-	-
- total dues other than micro enterprise and small enterprises		5,90,514	5,92,814
Other current liabilities	9	2,41,365	2,51,314
Short term provisions	10	18,913	17,858
<b>TOTAL</b>		<b>22,85,733</b>	<b>35,57,110</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	11		
Tangible assets		68,797	70,199
Intangible assets		57,448	26,118
Tangibles assets under development		-	4,436
Intangibles assets under development		3,813	8,600
Long-term loans and advances			
Deferred tax assets (net)	12	-	45,571
Loans and advances		-	11,67,215
Other non-current assets	13	1,84,387	1,36,498
<b>Current assets</b>			
Trade receivables	14	3,44,399	4,79,435
Cash and bank balances	15	8,41,142	12,63,213
Loans and advances		1,75,354	-
Other current assets	16	6,10,393	3,55,825
<b>TOTAL</b>		<b>22,85,733</b>	<b>35,57,110</b>

Significant accounting policies

2

Notes referred to above form an integral part of financial statements 3 to 33

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**YES Securities (India) Limited**

**Pranav Gune**

Partner

Membership No: 121058

**Raj Ahuja**

Non Executive Director

(DIN: 01693647)

**E. Prasanth Prabhakaran**

Joint MD & CEO

(DIN: 06887880)

**Abhijeet Guin**

CFO

**Vaibhav Purohit**

Company Secretary

(ACS: 24055)

Mumbai

27 April 2020

Mumbai

27 April 2020

# YES Securities (India) Limited

## Statement of profit and loss

for the year 01 April 2019 to 31 March 2020

(Currency: Indian Rupees in '000)

	Notes	For the Year ended 31 March 2020	For the year ended 31 Mar 2019
Revenue from operations	17	10,08,310	8,98,212
Other income	18	4,171	588
<b>Total revenue</b>		<b>10,12,481</b>	<b>8,98,800</b>
<b>Expenses</b>			
Employee benefits expense	19	7,92,703	5,72,412
Finance Cost		1,46,124	41,020
Depreciation and amortisation	11	53,730	31,375
Other expenses	20	3,59,757	1,75,298
<b>Total expenses</b>		<b>13,52,314</b>	<b>8,20,105</b>
<b>Profit / (Loss) before tax</b>		<b>(3,39,833)</b>	<b>78,695</b>
Tax expense:			
- Current tax		-	56,858
- Short/ (excess) provision for earlier years		(22,814)	(29,403)
Deferred tax expense / (credit)		45,572	(746)
<b>Profit / (Loss) for the period</b>		<b>(3,62,591)</b>	<b>51,986</b>
Earnings per equity share of face value Rs. 10			
Basic & diluted (not annualised)		<b>(4.53)</b>	<b>0.82</b>

Significant accounting policies

2

Notes referred to above form an integral part of financial statements 3 to 33

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**YES Securities (India) Limited**

**Pranav Gune**

Partner

Membership No: 121058

**Raj Ahuja**

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Company Secretary

(ACS: 24055)

Mumbai

27 April 2020

Mumbai

27 April 2020

# YES Securities (India) Limited

## Cash flow statement

for the year 01 April 2019 to 31 March 2020

(Currency: Indian Rupees in '000)

	For the Year ended 31 Mar 2020	For the Year ended 31 Mar 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax as per statement of profit & loss	(3,39,833)	78,695
<b>Adjustments:</b>		
Depreciation and amortisation	53,730	31,375
Loss on sale / write-off of property, plant and equipments (net)	314	
Finance charges	1,46,124	41,020
Provision for doubtful debts	86,500	15,187
Unrealised loss on foreign exchange transactions	7	(2,096)
Adjustment		
<b>Operating cash flows before working capital changes</b>	<b>(53,158)</b>	<b>1,64,181</b>
<b>Cash generated from operations</b>		
Increase / (decrease) in non current liabilities and provisions	19,165	65,394
(Decrease) / Increase in current liabilities and provisions	11,620	3,44,608
(Increase) / decrease in loans and advances	9,91,862	(11,67,215)
Decrease in other non current assets	(53,489)	70,604
Decrease / (Increase) in trade receivable	48,535	(1,54,224)
Decrease / (Increase) in other current assets	1,13,549	(9,52,682)
Cash generated from operations	<b>10,78,083</b>	<b>(16,29,334)</b>
Direct taxes paid	5,600.00	(27,455)
<b>Net cash flow used in operating activities (A)</b>	<b>10,83,683</b>	<b>(16,56,789)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipments (including intangible asset under development)	(74,820)	(1,10,877)
Sale of property, plant and equipments	72	458
<b>Net cash flow used in investing activities (B)</b>	<b>(74,748)</b>	<b>(1,10,419)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	3,00,000
Increase in securities premium	-	6,90,000
Short term borrowings (Bank overdraft)	(9,16,757)	8,73,795
Finance charges	(1,46,124)	(41,020)
<b>Net cash flow generated / (used) from financing activities (C)</b>	<b>(10,62,881)</b>	<b>18,22,775</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(53,946)</b>	<b>55,568</b>
<b>Add: Cash and cash equivalents at beginning of the year</b>	<b>2,62,913</b>	<b>2,07,345</b>
<b>Cash and cash equivalents at end of the Year</b>	<b>2,08,967</b>	<b>2,62,913</b>

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**YES Securities (India) Limited**

**Pranav Gune**

Partner

Membership No: 121058

**Raj Ahuja**

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CFO

**Vaibhav Purohit**

Company Secretary

(ACS: 24055)

Mumbai

27 April 2020

Mumbai

27 April 2020

# YES Securities (India) Limited

## Notes to financial statements

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

### 1 Background

YES Securities (India) Limited ('the Company') was incorporated on 14 March 2013, as a wholly owned subsidiary of YES Bank Limited ('YBL' / 'Holding Company'). The Company is a securities broker registered with the Securities and Exchange Board of India since 8 July 2013. The Company also got SEBI registration as Category I Merchant Banker w.e.f. 3 September 2015 and as a Research Analyst w.e.f. 30 November 2015. The Company also got SEBI registration as Investment Adviser w.e.f. 20 March 2017. The Company offers, inter alia, trading / investment in equity, merchant banking and other financial products along with various value added services. The Company is member of the National Stock Exchange ('NSE') since 2 May 2013 and the Bombay Stock Exchange ('BSE') since 11 June 2013 and MCX since 5 February 2019, NCDEX since 6 February 2020,

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of Companies Act 2013, read with Rule 7 of Companies (accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees. The accounting policies set out below have been applied consistently to the periods prescribed in the financial statements except otherwise disclosed separately

#### 2.2 Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Revenue recognition

##### Broking income

Brokerage income is recognised as per contracted rate on execution of transaction on behalf of the customers on the trade date ,GST and stock exchange expenses.

##### Subscription fees

Fee for subscription based services are recognised as earned on a pro rata basis over the term of the plan.

##### Investment banking income

Fee income from Investment banking / Merchant banking services are recognised based on completion of milestone as per the engagement letter. Further Fee Interest income, account opening income and other income is recognized on accrual basis.

#### 2.4 Property, plant and equipment

Property, plant and equipment are stated as cost less accumulated depreciation / amortisation and provision for impairment. Cost comprises the purchase

Intangible assets are amortised over their individual estimated useful life on straight line basis, commencing from the date the asset is available for the intended use

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted

#### 2.5 Depreciation

Based on the nature of Property, plant and equipment used by the Company and past

Nature of Property, plant and equipment	Management Estimate of useful life in years
Office equipment	5
Computer - servers and networks	3
Computer software	4
Vehicles	5
Furniture and fixtures	10
Leasehold improvements to premises	Over the lease period or 9

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

For the assets purchased/sold during the year, depreciation is being provided on pro rata basis by the Company.

#### 2.6 Foreign currency transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the balance sheet date are restated at the closing exchange rates. Gain/Loss arising on actual payments / realizations and year-end restatements are recognized in the Statement of profit and loss.

**Notes to financial statements (Continued)**

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

**2 Summary of significant accounting policies (Continued)**

**2.7 Retirement employee benefits**

*Provident fund*

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the Statement of profit and loss.

*Gratuity*

The Company provides for gratuity, a defined retirement plan, covering eligible employees. The plan provides for lumpsum payments, to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days eligible salary payable for each completed year of service if the service is more than 5 years. The Company account for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. The discounted rates used for determining the present value are based on the market yield of Government Securities as at the balance sheet date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the Statement of profit and loss in the period in which they arise.

*Compensated absences*

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

**2.8 Taxation**

Income tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

*Current tax*

Current tax expense is recognized on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income-tax Act, 1961.

*Minimum alternate tax (MAT)*

The Company recognises MAT credit available as an asset only to the extent that the Company, based on reasonable evidence, will be able to recoup / set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed.

The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have reasonable evidence that it will be able to recoup set off of MAT credit against the income tax liability during the specified period.

*Deferred taxation*

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realized.

**2.9 Earnings per share (EPS)**

The Company reports basic and diluted earnings per share in accordance with AS - 20, Earnings Per Share. Basic earning per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders, for the year, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

**2.11 Lease**

Lease where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating lease. Operating lease payment are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

**2.12 Provisions and contingencies**

The Company makes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions would be reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

Contingent assets would not be recognized in the financials. However, contingent assets are assessed continually and if it virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31st March 2020

(Currency: Indian Rupees in '000)

	As at 31 March 2020	As at 31 March 2019
<b>3 Share capital</b>		
<b>3.1 Details of authorized, issued and subscribed share capital</b>		
Authorized capital		
200,000,000 equity shares (PY 200,000,000) of Rs. 10 each	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>
Issued, subscribed and fully paid up capital		
80,000,000 ( PY 80,000,000) equity shares of Rs. 10 each, fully paid up	8,00,000	8,00,000
	<u>8,00,000</u>	<u>8,00,000</u>
<b>3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the year</b>		
<b>Particulars</b>	<b>Equity shares</b>	<b>Amount</b>
	<b>No. of shares</b>	
Shares outstanding at the beginning of the year	8,00,00,000	8,00,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	8,00,00,000	8,00,000
<b>Terms/rights attached to equity shares</b>		
The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates		
<b>Name of Shareholder</b>	<b>As at 31 March 2020</b>	<b>% of holding</b>
	<b>No. of equity shares held</b>	
YES Bank Limited*	8,00,00,000	100
(80,000,000 equity shares of Rs. 10 each, fully paid up)		
<b>3.3 Information on equity shareholders holding more than 5% shares</b>		
<b>Name of Shareholder</b>	<b>As at 31 March 2020</b>	<b>% of holding</b>
	<b>No. of equity shares held</b>	
YES Bank Limited*	8,00,00,000	100
* This include six nominee shareholder of Yes Bank Limited holding one share each		
As per the records of the company including its register of shareholder or members and other declarations, above shareholding represents both, legal and beneficial ownership rights.		
<b>3.4 Aggregate no. of bonus shares issued, shares issued for a consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</b>		
There are no such transaction carried our during the year		
<b>4 Reserves and surplus</b>		
<b>Securities premium account</b>		
Opening balance	6,90,000	-
Add: Equity shares issued during the year	-	6,90,000
	<u>6,90,000</u>	<u>6,90,000</u>
Balance in Securities premium account	6,90,000	6,90,000
<b>Surplus / (Deficit) in statement of Profit and Loss</b>		
Opening balance	40,704	(11,282)
Add: Profit / (loss) for the year	(3,62,591)	51,986
	<u>(3,21,887)</u>	<u>40,704</u>
Balance in profit and loss account	(3,21,887)	40,704
<b>Closing balance</b>	<u><u>3,68,113</u></u>	<u><u>7,30,704</u></u>

**Notes to financial statements (Continued)**

As at 31st March 2020

(Currency: Indian Rupees in '000)

	As at 31 March 2020	As at 31 March 2019
<b>5 Other long term liabilities</b>		
Lease equalisation reserve	-	1,132
Advance subscription	1,39,718	1,25,110
	<u><b>1,39,718</b></u>	<u><b>1,26,242</b></u>
<b>6 Long term provisions</b>		
Provision for compensated absence (Refer Note No. 23)	4,854	2,668
Provision for gratuity (Net of invested fund) (Refer Note No. 23)	14,840	11,337
	<u><b>19,694</b></u>	<u><b>14,005</b></u>
<b>7 Short term borrowings</b>		
Overdraft with banks (Secured against book debts)	1,07,416	10,24,173
	<u><b>1,07,416</b></u>	<u><b>10,24,173</b></u>
<b>8 Trade payables</b>		
Customer payables	3,36,656	5,41,873
Payable to holding company	26,235	2,703
Payable to exchange / clearing house	1,33,630	27,179
Other payables		
- total dues of micro enterprise and small enterprises (Refer Note No. 24)	-	-
- total dues other than micro enterprise and small enterprises	93,993	21,059
	<u><b>5,90,514</b></u>	<u><b>5,92,814</b></u>
<b>9 Other current liabilities</b>		
<b>Other payables</b>		
Accrued salaries and benefits	20,113	1,07,215
Statutory dues payable	39,128	34,192
Lease equalization reserve	1,132	1,699
Advance subscription	1,78,653	1,08,208
Deposits - Authorised Person	2,339	-
	<u><b>2,41,365</b></u>	<u><b>2,51,314</b></u>
<b>10 Short term provisions</b>		
Provision for compensated absence (Refer Note No. 23)	12,850	14,465
Provision for gratuity (Refer Note No. 23)	6,063	3,393
	<u><b>18,913</b></u>	<u><b>17,858</b></u>

(Currency: Indian Rupees in '000)

**11 FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				Net Block	
	As at 1 April 2019	Addition	Deduction/ Adjustment for the year	As at 31 March 2020	As at 1 April 2019	For the Period	Deduction	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
<b>TANGIBLE</b>										
Computer Hardware	95,865	23,702	-	1,19,567	34,201	33,474	-	67,675	51,892	61,664
Leasehold Improvement	18,338	12,459	-	30,797	11,430	5,176	-	16,606	14,191	6,908
Office Equipment	981	2,351	-	3,333	471	503	-	974	2,359	510
Vehicle	2,685	-	800	1,885	1,567	376	413	1,530	355	1,117
<b>Sub-Total</b>	<b>1,17,869</b>	<b>38,512</b>	<b>800</b>	<b>1,55,581</b>	<b>47,670</b>	<b>39,529</b>	<b>413</b>	<b>86,785</b>	<b>68,797</b>	<b>70,199</b>
<b>INTANGIBLE</b>										
Software	50,762	45,531	-	96,293	24,644	14,201	-	38,845	57,448	26,118
<b>Sub-Total</b>	<b>50,762</b>	<b>45,531</b>	<b>-</b>	<b>96,293</b>	<b>24,644</b>	<b>14,201</b>	<b>-</b>	<b>38,845</b>	<b>57,448</b>	<b>26,118</b>
<b>Total</b>	<b>1,68,631</b>	<b>84,044</b>	<b>800</b>	<b>2,51,874</b>	<b>72,314</b>	<b>53,730</b>	<b>413</b>	<b>1,25,630</b>	<b>1,26,245</b>	<b>96,317</b>
Assets under development										
Intangible									3,813	8,600
Tangible										4,436

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01 April 2018	Addition	Deduction/ Adjustment for the year	As at 31 March 2019	As at 01 April 2018	For the Period	Deduction	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
<b>TANGIBLE</b>										
Leasehold Improvements	18,352	668	682	18,338	7,866	3,564	-	11,430	6,908	10,486
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Computers	17,972	77,893	-	95,865	13,383	20,818	-	34,201	61,664	4,589
Office Equipments	623	358	-	981	286	185	-	471	510	337
Motor Vehicle	3,435	-	750	2,685	1,317	544	293	1,567	1,117	2,119
<b>Sub-Total</b>	<b>40,381</b>	<b>78,920</b>	<b>1,433</b>	<b>1,17,869</b>	<b>22,852</b>	<b>25,111</b>	<b>293</b>	<b>47,670</b>	<b>70,199</b>	<b>17,531</b>
<b>INTANGIBLE</b>										
Software	25,258	25,504	-	50,762	18,379	6,264	-	24,644	26,118	6,882
<b>Sub-Total</b>	<b>25,258</b>	<b>25,504</b>	<b>-</b>	<b>50,762</b>	<b>18,379</b>	<b>6,264</b>	<b>-</b>	<b>24,644</b>	<b>26,118</b>	<b>6,882</b>
<b>Total</b>	<b>65,640</b>	<b>1,04,424</b>	<b>1,433</b>	<b>1,68,631</b>	<b>41,231</b>	<b>31,375</b>	<b>293</b>	<b>72,314</b>	<b>96,317</b>	<b>24,413</b>
Assets under development										
Intangible									8,600	5,900
Tangible									4,436	-
<b>Total</b>									<b>13,036</b>	<b>5,900</b>

**12 Deferred tax assets (net)**

The primary components of deferred tax assets (net) are as follows:

Deferred tax assets

Provision for gratuity	6,087	4,289
Provision for lease rentals	330	824
Provision of compensated absence	5,155	4,989
Carry forward Losses	73,770	-
Provision for Doubtful Debt	32,793	7,604
Provision for Bonus	-	29,120
<u>Deferred tax liabilities</u>		
Depreciation and amortization	(744)	1,255

**Deferred tax Asset**

-	<b>45,571</b>
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Company has not recognised Deferred Tax Asset due to losses incurred during the Year.

**13 Other non current assets**

Interest free security deposit with stock exchanges	29,825	23,575
Other deposits*	42,765	16,095
Prepaid expenses	424	3,429
Tax deducted at source receivable	1,10,058	92,844
Interest accrued on fixed deposits	1,315	555
	<b>1,84,387</b>	<b>1,36,498</b>

\*Other deposits include fixed deposits with maturity of more than 12 months and pledged with NSE Clearing Limited Rs.2,500 (previous year NIL), BSE Limited Rs. NIL (previous year Rs. NIL), Indian Clearing Corporation Ltd Rs. 18,000 (previous year Rs. 9,000), Multi Commodity Exchange of India Rs. 750 (previous year Rs. NIL), Multi Commodity Exchange Clearing Corporation Rs. 2,500 (previous year Rs. NIL), NCDEX Rs. 750 (previous year Rs. NIL)



YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31st March 2020

(Currency: Indian Rupees in '000)

	As at 31 March 2020	As at 31 March 2019
<b>14 Trade receivables</b>		
Debts outstanding for a period exceeding six months		
Unsecured considered good	-	-
Doubtful	1,12,264	25,356
Less - Provision for bad and doubtful debts	(1,12,264)	(25,356)
	-	-
Debts outstanding for a period less than six months (Unsecured considered good )		
Receivable from Holding Company	-	3,115
Receivable from exchange/clearing house	91,652	1,25,992
Other receivable	2,52,747	3,50,328
Doubtful	350	758
Less - Provision for bad and doubtful debts	(350)	(758)
	<u>3,44,399</u>	<u>4,79,435</u>
<b>15 Cash and bank balances</b>		
<b>Cash and cash equivalents:</b>		
Balances in current accounts	2,08,967	2,62,913
<b>Other bank balances :</b>		
Bank deposits under lien	6,32,175	10,00,300
	<u>8,41,142</u>	<u>12,63,213</u>
Bank deposits due to mature within 12 months of the reporting date included under 'Bank deposits under lien'	6,32,175	10,00,300
*Short term deposits include fixed deposits with maturity of less than 12 months and pledged with National Stock Exchange of India Limited Rs. 1,300 (previous year Rs. 1,300), NSE Clearing Limited Rs. 52,500 (previous year Rs. 6,21,500), BSE Limited Rs. 1,375 (previous year Rs. 1,375), Indian Clearing Corporation Ltd Rs. 3,22,000 (previous year Rs. 47,875), Multi Commodity Exchange of India Ltd Rs. Nil (previous year Rs. 750), MCX Clearing Corporation Ltd Rs. 45,000 (previous year Rs. 2,500)		
<b>16 Other current assets</b>		
Interest accrued on fixed deposits	14,420	23,591
GST input credit	8,321	2,192
Prepaid expenses	8,404	5,417
Interest free margin deposit with Stock exchanges	5,67,501	3,11,000
Others	11,747	13,625
	<u>6,10,393</u>	<u>3,55,825</u>

YES Securities (India) Limited

**Notes to financial statements (Continued)**

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
<b>17 Revenue from operations</b>		
Advisory income	2,97,069	5,20,894
Brokerage income	3,37,509	1,94,426
Account opening income	1,432	6,622
Interest on delayed payment	2,77,880	1,20,563
<b>Other operating income</b>		
Interest income on fixed deposits	66,506	38,254
(fixed deposit placed with exchange/clearing corporation for margin)		
Other operating income	27,914	17,452
	<b>10,08,310</b>	<b>8,98,212</b>
<b>18 Other income</b>		
Interest on Income Tax Refund	3489	-
Miscellaneous income	682	588
	<b>4,171</b>	<b>588</b>
<b>19 Employee benefits expense</b>		
Salaries, allowances and bonus	7,56,905	5,51,789
Contribution to provident and other funds (Refer Note 23)	28,784	18,118
Staff welfare expenses	7,014	2,505
	<b>7,92,703</b>	<b>5,72,412</b>
<b>20 Other expenses</b>		
Rent and other charges	54,999	29,897
Electricity charges	2,943	1,319
Repairs & maintenance	6,310	2,992
Technology expenses	68,575	37,072
Advertisement & business development	19,860	13,851
Traveling and conveyance	24,246	17,162
Rates and taxes	871	15,484
Insurance	777	605
Communication expenses	4,334	5,123
Connectivity charges	4,338	754
Printing & stationary	13,481	2,370
Membership & subscriptions	13,501	6,752
Professional fees	18,998	11,655
Directors' fees	1,100	925
Payment to auditors (Refer note no. 20.1 below)	1,837	1,668
Recruitment & Training Expenses	8,311	4,242
Sub brokerage#	7,423	1,922
Exchange charges	523	1,974
Custodial, Depository & Clearing Expenses	1,238	381
Bank Charges	1,495	77
Bad debts written off	1,340	304
Provision for doubtful debts	86,500	15,187
Corporate Social Responsibility Expenses (Refer note no. 20.2 below)	2,160	1,258
Miscellaneous expenses	14,597	2,324
	<b>3,59,757</b>	<b>1,75,298</b>
<b>20.1 Payment to auditors</b>		
Statutory audit fees	1,757	1,600
Out of pocket expenses	80	770

#Consists of payments made to various brokers / Sub brokers for references / mobilization of funds for the Public issues, managed by investment banking unit of the Company.

**20.2 Corporate Social Responsibility (CSR)**

(a) CSR amount required to be spent by the Company during the year is Rs. 2,139 (Previous Year Rs. 1,248)

(b) Expenditure related to Corporate Social Responsibility is Rs. 2,160 (Previous Year Rs. 1,258).

Details of Amount spent towards CSR given below:

Particulars	31 March 2020			31 March 2019		
	In cash	unpaid / Provision	Total	In cash	unpaid / Provision	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	2,160	-	2,160	1,258	-	1,258

## Notes to financial statements (Continued)

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

### 21 Earnings per share

Profit / (Loss) for the year	(3,62,591)	51,986
Number of shares at the beginning of the year	8,00,00,000	5,00,00,000
Total number of equity shares outstanding at the end of the year	8,00,00,000	8,00,00,000
Weighted average number of equity shares at the end of the year	8,00,00,000	6,31,50,685
<b>Basic &amp; Diluted EPS</b>	<b>(4.53)</b>	<b>0.82</b>
<b>Face value per share</b>	<b>10</b>	<b>10</b>

### 22 Commitments

Estimated amount of contracts remains to be executed on capital account and not provided for (net of advances Rs.6,815) is Rs. 13,262 (previous period advances and capital commitments were Rs. 13,036 & Rs. 47,187 respectively).

### 23 Employee benefits

#### A) Defined contribution plan (Provident fund)

Amount of Rs. 28,784 (previous year Rs.18,118) is recognised as expenses in Employee benefits expense- Note 19 in the statement of profit and loss.

#### B) Defined benefit plan (Gratuity)

The following table set out the gratuity plan as required under Accounting Standard - Employee benefit (AS 15 Revised)

	31-Mar-20	31-Mar-19
<b>I Assumption as at</b>		
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/discount rate	5.47%	7.49%
Rate and increase in compensation	10.00%	10.00%
Rates of returns (expected) on plan assets	8.00%	8.00%
Employee attrition rate (past service (PS)) - Others	PS: 0 to 42 : 24%	PS: 0 to 42 : 8.77%
Employee attrition rate (past service (PS)) - IB Team	PS: 0 to 42 : 34%	PS: 0 to 42 : 27%
Expected average remaining service (years)	3.06	8.43
<b>II Present value of obligations</b>		
Plan liability (PVO) at beginning of the year	22,463	26,154
Interest cost	1,555	1,799
Current service cost	7,955	6,674
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	(989)	(3,675)
Transfer In of liability		
Actuarial loss on obligation	(2,658)	(8,490)
PVO at end of the year	28,326	22,463
<b>III Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	7,733	10,939
Transfer in of fund	-	-
Expected return on plan assets	750	728
Contributions	-	-
Benefit paid	(989)	(3,675)
Actuarial gain on plan assets	(72)	(259)
Fair value of plan assets at end of the year	7,423	7,733
<b>IV Experience history</b>		
(Gain)/loss on obligation due to change in assumption	(2,945)	(6,086)
Experience (gain)/ loss on obligation	287	(2,404)
Actuarial gain/ (loss) on plan assets	(72)	(259)
<b>V Expenses recognized in the statement of profit &amp; loss</b>		
Current service cost	7,955	6,674
Interest cost	1,555	1,799
Past service cost - (non vested benefits)	-	85
Past service cost - (vested benefits)	-	-
Unrecognized past services cost-non vested benefits	-	-
Expected return on plan assets	(750)	(728)
Net actuarial (gain)/loss recognized for the year	(2,587)	(8,231)
Expenses recognized in the statement of profit & loss	6,173	(400)
<b>VI Movements in the liability recognized in balance sheet</b>		
Opening net liability	14,730	15,129
Expenses as above	6,173	(400)
Contribution paid	-	-
Closing net liability	20,903	14,730

The Company's gratuity fund is managed by its insurer, Bajaj Allianz Life Insurance Company Ltd. The plan assets under the fund invested are in approved securities

#### Experience history

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Defined benefit obligation	28,326	22,463	26,154	29,719
Fair Value of plan assets	7,423	7,733	10,939	15,045
(Surplus)/ Deficit	20,903	14,730	15,215	14,674
Experience adjustment on plan liabilities (gain)/ loss	287	(2,404)	(5,218)	2,526
Experience adjustment on plan assets (loss)/ gain	678	469	777	1,496

## Notes to financial statements (Continued)

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

### C) Defined benefit plan (Compensated absence)

The following table set out as required under AS 15 Revised.

	31 March 2020	31 March 2019
<b>I Assumption as at</b>		
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/discount rate	5.47%	7.49%
Rate and increase in compensation	10.00%	10.00%
Rates of returns (expected) on plan assets	8.00%	8.00%
Employee attrition rate (past service (PS)) - Others	PS: 0 to 42 : 24%	PS: 0 to 42 : 8.77%
Employee attrition rate (past service (PS)) - IB Team	PS: 0 to 42 : 34%	PS: 0 to 42 : 27%
Expected average remaining service (years)	3.06	8.43
<b>II Change in present value of obligations</b>		
Plan liability (PVO) at beginning of the year	3,163	291
Interest cost	-	22
Current service cost	8,384	1,848
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(5,205)	1,003
PVO at end of the year	6,342	3,163
<b>IV Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at end of the year	-	-
Funded status (including unrecognised past service cost)	(6,342)	(3,163)
Excess of actual over estimated return on plan assets	-	-
<b>V Experience history</b>		
(Gain)/loss on obligation due to change in assumption	(287)	(825)
Experience (gain)/ loss on obligation	(4,919)	1,828
Actuarial gain/ (loss) on plan assets	-	-
<b>VII Amount to be recognized in the balance sheet</b>		
PVO at end of the year	6,342	3,163
Fair value of plan assets at end of the year	-	-
Funded status	(6,342)	(3,163)
Unrecognized actuarial gain/ (loss)	-	-
Unrecognized past services cost-non vested benefits	-	-
Net assets/(liability) recognized in the balance sheet	(6,342)	(3,163)
<b>VIII Expenses recognized in the statement of profit &amp; loss</b>		
Current service cost	8,384	1,848
Interest cost	-	22
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Unrecognized past services cost-non vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized for the year	(5,205)	1,003
Expenses recognized in the statement of profit & loss	3,179	2,872
<b>IX Movements in the liability recognized in balance sheet</b>		
Opening net liability	3,163	291
Expenses as above	3,179	2,872
Contribution paid	-	-
Closing net liability	6,342	3,163

- 24 Trade payable includes Rs. Nil payable to "suppliers" registered under the Micro, Small and Medium Enterprise Development Act, 2006. No interest has been paid / is payable by the company during the year to "suppliers" registered under this Act. The aforementioned is based on the response received by the company to its inquiries with suppliers with regard to applicability under the said Act.

	31 March 2020	31 March 2019
Number of suppliers registered with competent authorities	-	-
Principal amount remaining unpaid to any supplier as at the year end	-	-
interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
Amount of interest accrued and remaining unpaid at the year end	-	-

**Notes to financial statements (Continued)**

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

**25 Related party disclosures**

The company has transactions with its related parties comprising holding company and key management personnel

a) As per AS 18 "Related Party Disclosures", the Company's related parties for the year ended 31 March 2020 are disclosed below

**Holding Company**

YES Bank Limited

**Fellow Subsidiaries**

YES Asset Management (India) Limited

YES Trustee Limited

**Key Management Personnel ('KMP')**

Mr. Prasanth Prabhakaran - Executive Director &amp; CEO (From 17 January 2017), Managing Director &amp; CEO (From 22 January 2019 )

Mr. Vikas Dawra - Managing Director &amp; CEO (From 09 February 2019)

Mr. Anshul Arzare - Executive Director (From 09 August 2016 ), CFO (From 08 February 2017)

**A Significant transactions between the Company and related parties during the year ended 31 March 2020**

## Transaction with Holding Company

Equity share issued with securities premium	-	9,90,000
Interest income	17,724	6,719
Demat account opening income	-	5,466
Brokerage received	567	2,749
Shared service cost	34,483	6,577
Interest expense	1,45,866	41,020
Bank Gurantee commission / Bank charges	2,169	75
Purchase of Property, plant and equipment	-	640

## Transaction with Fellow Subsidiaries - YES Asset Management (India) Limited

Recovery of Shared service cost	744	-
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## Remuneration paid to KMP :

- Mr. E. Prasanth Prabhakaran	27,203	20,334
- Mr. Anshul Arzare	15,021	12,176
- Mr. Vikas Dawra	28,522	8,614

## Broking Income Received from KMP

- Mr. Prasanth Prabhakaran	1.42	323.36
- Mr. Anshul Arzare	0.21	57.81
- Mr. Vikas Dawra	4.02	8.25

**B Outstanding balance with holding company :**

Equity share capital	8,00,000	8,00,000
Fixed deposits	2,10,000	2,15,000
Interest accrued on fixed deposits	5,730	6,047
Receivable for account opening charges	-	3,115
Payable for shared service	(26,235)	(2,616)
Payable for Trade obligation	-	(87)
Outstanding Bank Gurantee	-	(10,000)

Normal banking transaction in current account with YES Bank is not included

## Outstanding balance with Fellow Subsidiaries - YES Asset Management (India) Limited

Receivable for shared service	878	-
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Related party relationships have been identified by the management

**26 Operating lease**

The Company has taken office premises on operating lease. Gross rental expense for the year ended 31 March 2020 aggregated to Rs.21,700 (previous year Rs. 19,814), has been included under the head operating and other expenses - Rent and other charges in the Statement of profit and loss.

**Lease obligations**

Not later than one year	14,467	21,701
Later than one year and not later than five years	-	14,467
Later than five years		
	<b>14,467</b>	<b>36,168</b>

a) general description of the lessee's significant leasing arrangements including, but not limited to, the following:

- The future rent is determined as per the terms of agreement entered between lessor and lessee
- The lease arrangement is due for renewal at the expiry of lease agreement i.e. 60 months.
- The lease arrangement restricts lessee from Sub lease

**Notes to financial statements (Continued)**

For the year ended 31 March 2020

(Currency: Indian Rupees in '000)

**27 Segmental Reporting**

For management purposes, the Company is organised into two business segments viz. Broking and Investment Banking.

Broking - Institutional Broking and Retail Broking

Investment Banking - Issue management activity, acting as manager, consultant, adviser or rendering corporate advisory service

Segmental results for the period ended 31 March 2020 are set out below:

Particulars	As at 31 March 2020				As at 31 March 2019			
	Broking	Investment Banking	Unallocated	Total	Broking	Investment Banking	Unallocated	Total
Segment revenue	7,11,922	2,97,069	3,490	10,12,481	3,71,186	5,20,894	6,720	8,98,800
Inter segment sales	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>7,11,922</b>	<b>2,97,069</b>	<b>3,490</b>	<b>10,12,481</b>	<b>3,71,186</b>	<b>5,20,894</b>	<b>6,720</b>	<b>8,98,800</b>
Allocable expenses	(9,67,894)	(3,72,827)	(11,593)	(13,52,314)	(4,65,377)	(2,94,558)	(60,170)	(8,20,105)
<b>Segment result</b>	<b>(2,55,972)</b>	<b>(75,758)</b>	<b>(8,103)</b>	<b>(3,39,833)</b>	<b>(94,191)</b>	<b>2,26,336</b>	<b>(53,450)</b>	<b>78,695</b>
<b>Total operating profit / (loss) before taxation</b>	<b>(2,55,972)</b>	<b>(75,758)</b>	<b>(8,103)</b>	<b>(3,39,833)</b>	<b>(94,191)</b>	<b>2,26,336</b>	<b>(53,450)</b>	<b>78,695</b>
Tax provision/ (release)				22,758				26,709
<b>Total gain/(loss) after taxation</b>				<b>(3,62,591)</b>				<b>51,986</b>
<b>Capital employed as at</b>								
Segment assets	19,67,335	1,51,550	1,66,848	22,85,733	31,97,395	2,10,189	1,49,526	35,57,110
<b>Total assets</b>				<b>22,85,733</b>				<b>35,57,110</b>
Segment liabilities	10,64,559	24,531	11,96,643	22,85,733	19,35,138	87,352	15,34,620	35,57,110
<b>Total liabilities</b>				<b>22,85,733</b>				<b>35,57,110</b>
<b>Net capital employed</b>	<b>9,02,776</b>	<b>1,27,019</b>	<b>(10,29,795)</b>	<b>-</b>	<b>12,62,257</b>	<b>1,22,837</b>	<b>(13,85,094)</b>	<b>-</b>

1) The business operation of the Company are primarily concentrated in India. Accordingly, geographical segment results have not been reported.

2) Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.

3) Property, plant and equipment and related depreciation on Property, plant and equipment, tax related accounts, income other than revenue from operation and expenses which cannot be allocated to any segments have been classified as unallocated.

**28 Details of Foreign currency transactions****Expenditure in foreign currency**

	31 March 2020	31 March 2019
Travelling expenses	496	572
Subscription charges	4,936	665
	<b>5,432</b>	<b>1,237</b>

**Earnings in foreign currency**

Professional fee for IB services	-	1,32,008
	<b>-</b>	<b>1,32,008</b>

**29 Details of Foreign currency Exposures**

(Currency: Indian Rupees in '000)

Foreign currency exposure of MUR 129,015 (Rs.239) is receivable (previous year AUD 7,270 (Rs. 358) , MUR 1,29,015 (Rs. 247) , EURO 12,422 (Rs.966), and USD 1125.62 (Rs.85) due is payable in the books at the year end (Previous year Nil). In view of limited foreign currency transaction, company has not entered into any hedging contract

**30 COVID 19**

1. During the year ended 31 March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus followed by another extension of the lockdown by 19 days.

Stock broking have been declared as essential services and accordingly, the Company has faced no business stoppage/interruption on account of the lockdown.

As of 31 March 2020, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern

2. During the year ended 31 March 2020, the Company has incurred a loss after tax of Rs.3,62,591 . The Management has assessed the future projections, including the potential impact of COVID-19 and believes that Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly these financial statements continue to be prepared on a going concern basis.

**31 Events after reporting date**

Other than the events relating to COVID 19, which has been covered in Note 30.1 , there are no material events after the reporting date that require disclosure in these financial statements.

**32 Contingent liabilities**

Contingent liabilities as at 31 March 2020 were Nil (Previous year Nil)

**Notes to financial statements (Continued)**  
*For the year ended 31 March 2020*  
(Currency: Indian Rupees in '000)

**33 Previous year comparatives**

Previous year’s figures have been re-grouped and reclassified wherever necessary, to confirm to current year’s presentation.

**For B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
YES Securities (India) Limited**

**Pranav Gune**  
*Partner*  
Membership No: 121058

**Raj Ahuja**  
*Non Executive Director*  
(DIN: 01693647)

**E. Prasanth Prabhakaran**  
Joint MD & CEO  
(DIN: 06887880)

**Abhijeet Guin**  
CFO

**Vaibhav Purohit**  
Company Secretary  
(ACS: 24055)

Mumbai  
27 April 2020

Mumbai  
27 April 2020