

# YES Securities (India) Limited

## Balance Sheet

As at 31 March 2017

(Currency: Indian Rupees in '000)

	<i>Note</i>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	500,000	500,000
Reserves and surplus	4	(144,289)	(242,181)
<b>Non-current liabilities</b>			
Other non-current liabilities	5	1,510	378
Long-term provisions	6	12,185	4,921
<b>Current liabilities</b>			
Trade payables			
- total dues of micro enterprise and small enterprises	7	-	-
- total dues other than micro enterprise and small enterprises	7	205,700	141,293
Other current liabilities	8	24,780	13,991
Short term provisions	9	64,478	43,727
<b>TOTAL</b>		<b>664,364</b>	<b>462,129</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		22,278	13,413
Intangible assets		4,614	9,268
Capital work in progress		-	12,301
Intangibles assets under development		5,671	3,595
Deferred tax assets (net)	11	6,588	2,225
Other non-current assets	12	223,077	43,969
<b>Current assets</b>			
Trade receivables	13	103,863	128,243
Cash and cash equivalents	14	216,265	79,271
Other current assets	15	82,008	169,844
<b>TOTAL</b>		<b>664,364</b>	<b>462,129</b>

Significant accounting policies

2

Notes referred to above form an integral part of the financial statements 3 to 34

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**

**Milind Ranade**

Partner

Membership No: 100564

**Rana Kapoor**

Non Executive Chairman

(DIN: 00320702)

**E. Prasanth Prabhakaran**

Executive Director &  
CEO

(DIN: 06887880)

**Anshul Arzare**

Executive Director & CFO  
(DIN:07585882)

**Vaibhav Purohit**

Company Secretary  
(ACS:24055)

Mumbai

Date: 17 April 2017

Mumbai

Date: 17 April 2017

# YES Securities (India) Limited

## Statement of profit and loss

for the year 01 April 2016 to 31 March 2017

(Currency: Indian Rupees in '000)

	<i>Note</i>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
Revenue from operations	16	633,001	236,991
Other income	17	4,897	7,519
<b>Total revenue</b>		<b>637,898</b>	<b>244,510</b>
<b>Expenses</b>			
Employee benefits expense	18	351,920	229,762
Finance charges		265	-
Depreciation and amortisation	10	13,549	12,896
Other expenses	19	178,635	102,633
<b>Total expenses</b>		<b>544,369</b>	<b>345,291</b>
<b>Profit / (loss) before tax</b>		<b>93,529</b>	<b>(100,781)</b>
Tax expense:			
- Current tax (MAT Expense)		18,774	-
- MAT credit		(18,774)	-
Deferred tax credit		(4,363)	(3,200)
<b>Profit / (loss) for the year</b>		<b>97,892</b>	<b>(97,581)</b>
Earnings per equity share of face value Rs. 10 Basic & diluted (not annualised)		<b>1.96</b>	<b>(2.33)</b>

Significant accounting policies

2

Notes referred to above form an integral part of the financial statements 3 to 34

As per our report of even date attached

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

Chartered Accountants

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

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**Milind Ranade**

Partner

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Company Secretary

(ACS:24055)

Mumbai

Date: 17 April 2017

Mumbai

Date: 17 April 2017

# YES Securities (India) Limited

## Cash flow statement

for the year 01 April 2016 to 31 March 2017

(Currency: Indian Rupees in '000)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before tax as per statement of profit & loss	93,529	(100,781)
<b>Adjustments:</b>		
Depreciation and amortisation	13,549	12,896
Interest income	(11,635)	(13,101)
Finance charges	265	-
Unrealised loss on foreign exchange transactions	69	-
<b>Operating cash flows before working capital changes</b>		
Increase in liabilities and provisions	104,343	155,102
(Increase) / Decrease in other non current assets	(179,108)	10,097
Decrease / (Increase) in trade receivable	24,311	(123,023)
Decrease / (Increase) in other current assets	86,727	(144,919)
<b>Net cash flow generated / (used) in operating activities</b>	<b>(A) 132,050</b>	<b>(203,729)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (including intangible asset under development)	(16,183)	(22,931)
Sales of fixed assets	8,648	-
Interest received	12,744	10,431
<b>Net cash flow generated / (used) in investing activities</b>	<b>(B) 5,209</b>	<b>(12,500)</b>
<b>C. Cash flow from financing activities</b>		
Issue of share capital	-	150,000
Bank guarantee commission / Finance charge	(265)	-
<b>Net cash flow (used) / generated from financing activities</b>	<b>(C) (265)</b>	<b>150,000</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>136,994</b>	<b>(66,229)</b>
<b>Add: Cash and cash equivalents at beginning of the year</b>	<b>79,271</b>	<b>145,501</b>
<b>Cash and cash equivalents at end of the year (refer note 14)</b>	<b>216,265</b>	<b>79,271</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**

**Milind Ranade**

Partner

Membership No: 100564

**Rana Kapoor**

Non Executive Chairman

(DIN:00320702)

**E. Prasanth Prabhakaran**

Executive Director &  
CEO

(DIN: 06887880)

**Anshul Arzare**

Executive Director & CFO  
(DIN:07585882)

**Vaibhav Purohit**

Company Secretary  
(ACS:24055)

Mumbai

Date: 17 April 2017

Mumbai

Date: 17 April 2017

**YES Securities (India) Limited**  
**Notes to financial statements (continued)**  
*as at 31 March 2017*

(Currency: Indian Rupees in '000)

**10 Fixed assets**

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01 April 2016	Addition	Deduction / Adjustment for the year	As at 31 March 2017	As at 01 April 2016	For the year	Deduction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
<b>Tangible</b>										
Leasehold Improvements	14,723	18,352	14,723	18,352	7,920	3,933	7,920	3,933	14,419	6,803
Furniture & Fixtures	361	-	361	-	317	-	317	-	-	44
Computers	12,430	1,567	-	13,997	7,777	3,241	-	11,018	2,979	4,653
Office Equipments	391	64	208	247	188	30	80	138	109	203
Motor Vehicle	3,001	6,391	3,551	5,841	1,291	1,657	1,878	1,070	4,771	1,710
<b>Sub-Total</b>	<b>30,906</b>	<b>26,374</b>	<b>18,843</b>	<b>38,437</b>	<b>17,493</b>	<b>8,861</b>	<b>10,195</b>	<b>16,159</b>	<b>22,278</b>	<b>13,413</b>
<b>Intangible</b>						-				
Software	18,754	34	-	18,788	9,486	4,688	-	14,174	4,614	9,268
<b>Sub-Total</b>	<b>18,754</b>	<b>34</b>	<b>-</b>	<b>18,788</b>	<b>9,486</b>	<b>4,688</b>	<b>-</b>	<b>14,174</b>	<b>4,614</b>	<b>9,268</b>
<b>Total</b>	<b>49,660</b>	<b>26,408</b>	<b>18,843</b>	<b>57,225</b>	<b>26,979</b>	<b>13,549</b>	<b>10,195</b>	<b>30,333</b>	<b>26,892</b>	<b>22,680</b>
Intangible assets under development									5,671	3,595
Tangible assets under development										12,301
<b>Total</b>									<b>5,671</b>	<b>15,896</b>

Description	Gross block				Depreciation / Amortisation				Net Block	
	As at 01 April 2015	Addition	Deduction / Adjustment for the year	As at 31 March 2016	As at 01 April 2015	For the year	Deduction	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
<b>Tangible</b>										
Leasehold Improvements	12,581	2,142	-	14,723	3,915	4,005	-	7,920	6,803	8,665
Furniture & Fixtures	332	29	-	361	314	3	-	317	44	18
Computers	9,191	3,238	-	12,430	4,227	3,550	-	7,777	4,653	4,965
Office Equipments	249	142	-	391	139	48	-	188	203	110
Motor Vehicle	3,001	-	-	3,001	691	600	-	1,291	1,710	2,310
<b>Sub-Total</b>	<b>25,354</b>	<b>5,552</b>	<b>-</b>	<b>30,906</b>	<b>9,286</b>	<b>8,207</b>	<b>-</b>	<b>17,493</b>	<b>13,413</b>	<b>16,068</b>
<b>Intangible</b>						-				
Software	15,621	3,133	-	18,754	4,798	4,688	-	9,486	9,268	10,823
<b>Sub-Total</b>	<b>15,621</b>	<b>3,133</b>	<b>-</b>	<b>18,754</b>	<b>4,798</b>	<b>4,688</b>	<b>-</b>	<b>9,486</b>	<b>9,268</b>	<b>10,823</b>
<b>Total</b>	<b>40,975</b>	<b>8,685</b>	<b>-</b>	<b>49,659</b>	<b>14,084</b>	<b>12,896</b>	<b>-</b>	<b>26,979</b>	<b>22,680</b>	<b>26,891</b>
Intangible assets under development									3,595	1,650
Back Office Software										450
Website										1,200
Tangible assets under development									12,301	
<b>Total</b>									<b>15,896</b>	<b>1,650</b>

# YES Securities (India) Limited

## Notes to financial statements

for the year ended 31 March 2017

(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 SEBI registered securities broker since 8 July 2013, Category I Merchant Banker w.e.f 3 September 2015 and 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 National Stock Exchange (NSE) since 2 May 2013 and the Bombay Stock Exchange (BSE) since 11 June 2013.

### 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 and is net off related sub brokerage expenses, service tax 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 income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients / intermediaries.

Interest income, account opening income and other income is recognized on accrual basis.

#### 2.4 Fixed assets

Fixed assets are stated as cost less accumulated depreciation / amortisation and provision for impairment. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use.

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

Fixed assets 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 cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting Statement of profit and loss and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

#### 2.5 Depreciation

Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets as disclosed below is appropriate.

Nature of Fixed Assets	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 years whichever is less

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.

**Notes to financial statements (Continued)**

for the year ended 31 March 2017

(Currency: Indian Rupees in '000)

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

**2.6 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.

**2.7 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.

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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.

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2017

(Currency: Indian Rupees in '000)

	As at 31 March 2017	As at 31 March 2016
<b>3 Share capital</b>		
<b>3.1 Details of authorized, issued and subscribed share capital</b>		
Authorized capital		
50,000,000 equity shares (PY 50,000,000) of Rs. 10 each	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
Issued, subscribed and fully paid up capital		
50,000,000 ( PY 50,000,000) equity shares of Rs. 10 each, fully paid up	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<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>No. of shares</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	50,000,000	500,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	50,000,000	500,000
<b>3.3 Information on equity shareholders holding more than 5% shares</b>		
<b>Name of Shareholder</b>	<b>As at 31 Mar 2017</b>	
	<b>No. of equity shares held</b>	<b>% of holding</b>
YES Bank Limited*	50,000,000	100.00%
* This include six nominee shareholder of Yes Bank Limited holding one share each		
<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 out during the year		
<b>4 Reserves and surplus</b>		
<b>Surplus / (Deficit) in statement of Profit and Loss</b>		
Opening balance	(242,181)	(144,600)
Add: Profit / (loss) for the year	97,892	(97,581)
Balance in profit and loss account	(144,289)	(242,181)
<b>Closing balance</b>	<b>(144,289)</b>	<b>(242,181)</b>
<b>5 Other non current liabilities</b>		
Lease equalisation reserve	1,510	378
	<b>1,510</b>	<b>378</b>
<b>6 Long term provisions</b>		
Provision for compensated absence	381	-
Provision for gratuity (Net of invested fund)	11,804	4,921
	<b>12,185</b>	<b>4,921</b>
<b>7 Trade payables</b>		
Customer payables	175,276	127,193
Payable to holding company	656	1,922
Trade payables		
- Due to MSME	-	-
- Others	29,768	12,178
	<b>205,700</b>	<b>141,293</b>

YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31 March 2017

(Currency: Indian Rupees in '000)

	As at 31 March 2017	As at 31 March 2016
<b>8 Other current liabilities</b>		
<b>Other payables</b>		
Accrued salaries and benefits	1,477	1,540
Statutory dues payable	23,096	9,446
Lease equilization reserve	-	1,739
Payable to exchange / clearing house	207	1,266
	<b>24,780</b>	<b>13,991</b>
<b>9 Short term provisions</b>		
Provision for compensated absence	10,607	7,580
Provision for gratuity	2,871	2,147
Provision for employee incentives	51,000	34,000
	<b>64,478</b>	<b>43,727</b>
<b>11 Deferred tax assets (net)</b>		
The primary components of deferred tax assets (net) are as follows:		
<u>Deferred tax assets</u>		
Provision for gratuity	4,851	2,184
Preliminary expenses u/s 35D of Income Tax Act	111	104
Provision for lease rentals	499	654
Depreciation and amortization	1,127	-
<u>Deferred tax liabilities</u>		
Depreciation and amortization	-	(717)
<b>Deferred tax Asset</b>	<b>6,588</b>	<b>2,225</b>
Deferred tax assets on timing differences which are expected to reverse in the subsequent year have been recognized to the extent there is reasonable certainty regarding it's realization		
In the absence of virtual certainty that sufficient future taxable income will be available, the Company has not recognised deferred tax assets on account of carry forward losses and unabsorbed depreciation in the financial year ended 31 March 2017		
<b>12 Other non current assets</b>		
Deposits with stock exchanges	18,825	18,825
Other deposits*	171,145	13,325
Prepaid expenses	-	144
Tax deducted at source receivable	33,107	11,675
	<b>223,077</b>	<b>43,969</b>
*Other deposits include fixed deposits with maturity of more than 12 months and pledged with National Stock Exchange of India Limited Rs. 1,300 (previous year NIL), National Securities Clearing Corporation Limited Rs.147,500 (previous year Rs. 1,500), BSE Limited Rs. 1,375 (previous year Rs. 1,375) & Indian Clearing Corporation Ltd Rs. 13,875 (previous year NIL)		
<b>13 Trade receivables</b>		
Debts outstanding for a period exceeding six months		
Doubtful	6,682	49
Less - Provision for bad and doubtful debts	(6,682)	(12)
	-	37
Debts outstanding for a period less than six months (Unsecured considered good )		
Receivable from Holding Company	653	9,068
Other receivable	103,228	119,138
Less - Provision for bad and doubtful debts	(18)	-
	<b>103,863</b>	<b>128,243</b>
<b>14 Cash and cash equivalents</b>		
<b>Balance with bank</b>		
Balances in current accounts	159,160	52,271
<b>Other bank balance</b>		
Short term deposits with banks	57,105	27,000
	<b>216,265</b>	<b>79,271</b>



YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31 March 2017

(Currency: Indian Rupees in '000)

	As at 31 March 2017	As at 31 March 2016
<b>15 Other current assets</b>		
Interest accrued on fixed deposits	4,396	5,506
Service tax input credit	1,341	998
Receivable from exchange/clearing house	55,414	85,646
Prepaid expenses	1,611	1,230
Other deposit*	-	76,175
Others	472	289
Tax deducted at source receivable	18,774	-
	<b>82,008</b>	<b>169,844</b>
*Other deposits include fixed deposits with maturity of less than 12 months and pledged with National Stock Exchange of India Limited Rs. NIL (previous year Rs. 1,300), National Securities Clearing Corporation Limited Rs. NIL (previous year Rs. 61,000) & BSE Limited Rs. NIL (previous year Rs. 13,875)		
<b>16 Revenue from operations</b>		
Advisory income	562,687	151,386
Brokerage income	45,649	20,885
Account opening income	17,380	59,109
Interest income on fixed deposits	7,285	5,611
(fixed deposit placed with exchange/clearing corporation for margin)		
	<b>633,001</b>	<b>236,991</b>
<b>17 Other income</b>		
Interest income on fixed deposits	4,350	7,490
Miscellaneous income	547	29
	<b>4,897</b>	<b>7,519</b>
<b>18 Employee benefits expense</b>		
Salaries, allowances and bonus	338,415	220,685
Contribution to provident and other funds (Refer Note 22)	12,809	8,625
Staff welfare expenses	696	452
	<b>351,920</b>	<b>229,762</b>
<b>19 Other expenses</b>		
Advertisement & business development	8,981	16,542
Sub brokerage#	72,834	-
Connectivity charges	474	715
Directors' sitting fees	800	750
Electricity charges	1,657	1,499
Exchange charges	182	74
Insurance charge	359	286
Lease rental - computer	834	214
Professional fees	3,502	2,557
Membership & subscriptions	4,594	3,438
Payment to auditors*	1,663	1,535
Printing & stationary	1,242	1,287
Postage & courier	443	1,385
Bad debt	1,181	-
Provision for doubtful debt	6,688	12
Repairs & maintenance	2,592	2,087
Rates and taxes	816	11,210
Rent and other charges	23,863	24,172
Staff recruitment charges	1,969	2,184
Shared service charges	1,774	1,400
Technology expenses	21,098	18,281
Telephone expenses	2,998	1,515
Traveling and conveyance	15,167	9,778
Website expenses	772	792
Miscellaneous expenses	2,152	920
	<b>178,635</b>	<b>102,633</b>
* Payment to auditors		
Statutory audit fees	1,600	1,500
Out of pocket expenses	63	35

#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.

YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31 March 2017

(Currency: Indian Rupees in '000)

**20 Earnings per share**

	As at 31 March 2017	As at 31 March 2016
Profit / (Loss) for the year	97,892	(97,581)
Number of shares at the beginning of the year	50,000,000	35,000,000
Total number of equity shares outstanding at the end of the year	50,000,000	50,000,000
Weighted average number of equity shares at the end of the year	50,000,000	41,926,230
<b>Basic &amp; Diluted EPS</b>	<b>1.96</b>	<b>(2.33)</b>
<b>Face value per share</b>	<b>10</b>	<b>10</b>

**21 Commitments**

Estimated amount of contracts remains to be executed on capital account and not provided for (Net of advances Rs. 4,171) is Rs. 4,109 (previous year Capital commitments and advance Rs. 9,495 and Rs. 15,750 respectively).

**22 Employee benefits**

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

Amount of Rs.12,809 (previous year Rs.8,625) is recognised as expenses in "Employee benefits expense" - Note 18 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)

	31-Mar-17	31-Mar-16
<b>I Assumption as at</b>		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/discount rate	6.69%	7.49%
Rate and increase in compensation	12%	12%
Rates of returns (expected) on plan assets	8%	
Employee attrition rate (Past service (PS)) - Others	PS: 0 to 40 : 6%	PS: 0 to 40 : 6%
Employee attrition rate (Past service (PS)) - IB Team	PS: 0 to 5 : 25%	PS: 0 to 5 : 25%
Employee attrition rate (Past service (PS)) - IB Team	PS: 5 to 42 : 13%	PS: 5 to 42 : 13%
Expected average remaining service (years)	10.06	10.45
<b>II Present value of obligations</b>		
Plan liability (PVO) at beginning of the year	21,277	1,133
Interest cost	1,524	643
Current service cost	4,147	947
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	(1,853)	-
Transfer In of liability		14,210
Actuarial loss on obligation	4,624	4,345
PVO at end of the year	29,719	21,278
<b>III Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	14,210	
Transfer in of fund	-	14,210
Expected return on plan assets	-	-
Contributions	1,193	-
Benefit paid	(1,853)	-
Actuarial gain on plan assets	1,496	-
Fair value of plan assets at end of the year	15,045	14,210
<b>IV Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	14,210	-
Transfer in of fund	-	14,210
Actual return on plan assets	1,496	-
Contributions	1,193	-
Benefit paid	(1,853)	-
Fair value of plan assets at end of the year	15,045	14,210
Funded status (including unrecognised past service cost)	(14,674)	(7,068)
Excess of actual over estimated return on Plan Assets	1,496	-

YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31 March 2017

(Currency: Indian Rupees in '000)

	31-Mar-17	31-Mar-16
<b>V Experience history</b>		
(Gain)/loss on obligation due to change in Assumption	1,981	1,079
Experience (gain)/ loss on obligation	2,642	3,266
Actuarial gain/ (loss) on plan assets	1,496	-
<b>VI Actuarial gain/ (loss) recognised</b>		
Actuarial gain/ (loss) for the year (obligation)	(4,624)	(4,345)
Actuarial gain/ (loss) for the year (Plan assets)	1,496	-
Total gain/ (loss) for the year (Plan assets)	(3,128)	(4,345)
Actuarial gain/ (loss) recognised for the year	(3,128)	(4,345)
Unrecognised actuarial gain/ (loss) at end of the year	-	-
<b>VII Amount to be recognized in the balance sheet</b>		
PVO at end of the year	29,719	21,277
Fair value of plan assets at end of the year	15,045	14,210
Funded status	(14,674)	(7,068)
Unrecognized actuarial gain/ (loss)	-	-
Unrecognized past services cost-non vested benefits	-	-
Net assets/(liability) recognized in the balance sheet	(14,674)	(7,068)
<b>VIII Expenses recognized in the statement of Profit &amp; Loss</b>		
Current service cost	4,147	947
Interest cost	1,524	643
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	3,128	4,345
Expenses recognized in the statement of Profit & Loss	8,799	5,935
<b>IX Movements in the Liability recognized in Balance sheet</b>		
Opening net liability	7,068	1,133
Expenses as above	8,799	5,935
Contribution paid	(1,193)	-
Closing net liability	14,674	7,068

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 2016-17	FY 2015-16	FY 2014-15
Defined benenfit obligation	29,719	21,277	1,133
Fair value of plan assets	15,045	14,210	-
Surplus / (deficit)	14,675	7,068	1,133
Experience adjustments on plan liabilities (gain) / loss	2,642	3,266	(134)
Experience adjustments on plan assets (loss) / gain	1,496	-	-

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

The following table set out as required under AS 15.

	31-Mar-17	31-Mar-16
<b>I Assumption as at</b>		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/Discount rate	6.69%	7.49%
Rate and increase in compensation	12%	12%
Rates of returns (expected) on plan assets		
Employee attrition rate (Past service (PS)) - Others	PS: 0 to 42 : 6%	PS: 0 to 42 : 6%
Employee attrition rate (Past service (PS)) - IB Team	PS: 0 to 5 : 25%	
Employee attrition rate (Past service (PS)) - IB Team	PS: 5 to 42 : 13%	
Expected average remaining service (years)	10.06	12.18
<b>II Change in present value of obligations</b>		
Plan liability (PVO) at beginning of the year	27	
Interest cost	2	
Current service cost	2,813	492
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial (Gain)/loss on obligation	(2,462)	(465)
PVO at end of the year	381	27



# YES Securities (India) Limited

## Notes to financial statements (Continued)

As at 31 March 2017

(Currency: Indian Rupees in '000)

- 23** 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-Mar-17	31-Mar-16
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	-	-

## **24 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 2017 are disclosed below

### **Holding Company**

YES Bank Limited

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

Mr. Prasanth Prabhakarn - Whole Time Director & CEO (From 17 January 2017 )

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

Mr. Kapil Bali - Whole Time Director & CEO (From 01 April 2016 to 17 January 2017)

Mr. Shridhar Rane - Whole Time Director & CFO (From 01 April 2016 to 09 August 2016)

- A** Significant transactions between the Company and related parties during the year ended 31 March 2017

	31-Mar-17	31-Mar-16
Transaction with Holding Company		
Equity share issued	-	150,000
Interest income	8,087	13,101
Demat account opening income	15,594	58,010
Brokerage received	240	655
Shared service cost	2,649	5,313
Purchase of Vehicles	6,390	-
Remuneration paid to KMP :		
- Mr. E. Prasanth Prabhakaran	5,199	-
- Mr. Anshul Arzare	9,540	-
- Mr. Kapil Bali	11,093	13,068
- Mr. Shridhar Rane	2,556	8,391
Brokerage Received from KMP		
- Mr. Prasanth Prabhakaran	0.07	-
- Mr. Anshul Arzare	4.50	-
- Mr. Kapil Bali	15.23	0.22
- Mr. Shridhar Rane	0.04	0.31

- B** Outstanding balance with holding company :

	31-Mar-17	31-Mar-16
Equity share capital	500,000	500,000
Fixed deposits	51,500	106,050
Interest accrued on fixed deposits	1,203	5,506
Receivable for account opening charges	653	9,068
Payable for shared service	(656)	(1,922)

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

**Notes to financial statements (Continued)**

As at 31 March 2017

(Currency: Indian Rupees in '000)

**25 Operating lease**

The Company has taken office premises on operating lease. Gross rental expense for the year ended 31 March 2017 aggregated to Rs.18,870 (previous year Rs. 16,303), has been included under the head operating and other expenses -rent & taxes in the Statement of profit and loss.

Lease obligations	31-Mar-17	31-Mar-16
Not later than one year	18,870	30,385
Later than one year and not later than five years	55,982	86,367
	<b>74,852</b>	<b>116,752</b>

**26 Segmental Reporting**

For management purposes, the Company is organised into two Business segments viz. Securities Broking and Merchant Banking.

**Securities Broking** - Institutional Broking and Retail Broking

**Merchant Banking** - Issue management activity, acting as manager, consultant, adviser or rendering segmental results for the year ended 31 March 2017 are set out below

Particulars	As at 31 March 2017				As at 31 March 2016			
	Stock Broking	Merchant Banking	Unallocation	Total	Stock Broking	Merchant Banking	Unallocation	Total
Segment revenue	70,404	563,144	4,350	637,898	85,605	151,386	7,519	244,510
Inter segment sales	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>70,404</b>	<b>563,144</b>	<b>4,350</b>	<b>637,898</b>	<b>85,605</b>	<b>151,386</b>	<b>7,519</b>	<b>244,510</b>
Allocable expenses	(210,683)	(323,498)	(10,188)	(544,369)	(188,501)	(129,253)	(27,537)	(345,291)
<b>Segment result</b>	<b>(140,279)</b>	<b>239,646</b>	<b>(5,838)</b>	<b>93,529</b>	<b>(102,896)</b>	<b>22,133</b>	<b>(20,018)</b>	<b>(100,781)</b>
<b>Total operating profit / (loss) before taxation</b>	<b>(140,279)</b>	<b>239,646</b>	<b>(5,838)</b>	<b>93,529</b>	<b>(102,896)</b>	<b>22,133</b>	<b>(20,018)</b>	<b>(100,781)</b>
Tax (provision)/ release				4,363				3,200
<b>Total gain/(loss) after taxation</b>				<b>97,892</b>				<b>(97,581)</b>
<b>Capital employed as at</b>								
Segment assets	364,124	105,824	194,416	664,364	252,819	123,820	85,490	462,129
<b>Total assets</b>				<b>664,364</b>				<b>462,129</b>
Segment liabilities	216,043	83,284	9,325	308,652	152,504	22,316	29,490	204,310
<b>Total liabilities</b>				<b>308,652</b>				<b>204,310</b>
<b>Net capital employed</b>	<b>148,081</b>	<b>22,540</b>	<b>185,091</b>	<b>355,712</b>	<b>100,315</b>	<b>101,504</b>	<b>56,000</b>	<b>257,819</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) Fixed assets and related depreciation on fixed assets, tax related accounts, income other than revenue from operation and expenses which cannot be allocated to any segments have been classified as unallocated.

**27 Details of Foreign currency transactions**

Expenditure in foreign currency	31-Mar-17	31-Mar-16
Travelling expenses	291	192
Subscription charges	1,247	-
	<b>1,538</b>	<b>192</b>
<b>Earnings in foreign currency</b>		
Professional fee for IB services	67,469	3,716
	<b>67,469</b>	<b>3,716</b>

**28 Details of Foreign currency Exposures**

Foreign currency exposure of AUD 57,270 is receivable (previous year AUD 63,015), and no due is payable in the books at the year end (Previous year USD 5,000). In view of limited foreign currency transaction, company has not entered into any hedging contract

## YES Securities (India) Limited

### Notes to financial statements (Continued)

As at 31 March 2017

(Currency: Indian Rupees in '000)

#### 29 ESOP disclosure

Statutory Disclosures Regarding Joining Stock Option Scheme:

The employees of Yes Securities are granted Stock Options of the Yes Bank Ltd. The Yes Bank Ltd has Five Employee Stock Option Schemes viz

- Joining Stock Option Plan I (JSOP I),
- Joining Employee Stock Option Plan II (JESOP II),
- Joining Employee Stock Option Plan III (JESOP III),
- YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I)
- YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010).

The schemes include provisions for grant of options to eligible employees of the Yes Bank Ltd and its subsidiaries/affiliates. All the aforesaid schemes have been approved by the Board Remuneration Committee and the Board of Directors and were also approved by the members of the Yes Bank Ltd. All these schemes are administered by the Board Remuneration Committee of the Yes Bank Ltd

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

A summary of the status of the Yes Bank's stock option plans granted to employees with Yes Securities (India) Limited as on 31 March 2017 is set out below:

	As at March 31, 2017		As at March 31, 2016	
	JESOP	PESOP	JESOP	PESOP
Options outstanding at the beginning of the year	123,175	468,550	153,800	579,250
Granted during the year	-	-	750	15,000
Exercised during the year	69,250	150,350	31,375	89,200
Forfeited / lapsed during the year	37,800	-	-	36,500
Options outstanding at the end of the year	16,125	318,200	123,175	468,550
Weighted average exercise price (₹)	387.07	267.34	266.39	258.76
Weighted average remaining contractual life of outstanding option (yrs)	1.31	1.12	1.08	1.65

The shares issued by Yes Bank to Yes Securities employees does not impact the basic or diluted Earnings Per Share of Yes Securities (India) Limited

- 30 During the year, the Company has recognised asset of INR 18,774 towards MAT credit based on the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax", it is probable that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit set off is allowed

#### 31 Contingent liabilities

Contingent liabilities as at 31 March 2017 were Nil (Previous year Nil)

- 32 The Company does not have any pending litigation as on 31 March 2017. (Previous year Nil)

- 33 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 as provided in the table

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	-	-

#### 34 Previous year comparatives

Previous year's figures have been re-grouped and reclassified wherever necessary

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**

**Milind Ranade**  
Partner

Membership No: 100564

Mumbai  
Date: 17 April 2017

**Rana Kapoor**  
Non Executive Chairman

(DIN: 00320702)

**Anshul Arzare**  
Executive Director & CFO  
(DIN:07585882)  
Mumbai  
Date: 17 April 2017

**E. Prasanth Prabhakaran**  
Executive Director & CEO

(DIN: 06887880)

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