

Independent Auditors' Report

To
The Board of Directors
YES Asset Management (India) Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the financial statements of YES Asset Management (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the statement of Profit and Loss and statement of Cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Financial Statements").

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 Standards prescribed under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its loss and cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

3. The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' 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.

4. In connection with our audit of the financial statements, our responsibility is to read the other information identified as above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for the Financial Statements

5. 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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.
6. In preparing the financial statements, management is 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.

Auditors' Responsibilities for the Audit of the Financial Statements

7. 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. The description of the auditor's responsibilities for the audit of the financial statements is given in "Appendix I" to this report.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 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.

9. 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 and Statement of Profit and Loss, and Cash Flow statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. In our opinion, the company has not paid any managerial remuneration for the year ended 31st March 2021, to its directors pursuant to the provisions of section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations, which would impact its financial position in its financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
 - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045

Dhananajay Jaiswal
Partner
M. No. 187686
UDIN: 21187686AAAADZ7970

Place: Mumbai
Date: 27th April 2021

APPENDIX – I: THE FURTHER DESCRIPTION OF THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE 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 system 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.
- 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.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

IN RESPECT OF THE MATTERS COVERED IN CARO 2016 REPORT, WE CONFIRM THE FOLLOWING:

1. In respect of its fixed assets:
 - a. According to the information and explanations given to us, the Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
 - b. According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the Company does not have any immovable property, Consequently, clause 3(i)(c) of the order is not applicable.
2. The company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the order are not applicable to the Company.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii)(a) to 3(iii)(c) of the order are not applicable to the Company.
4. According to the information and explanations given to us, the company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
5. The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under.
6. As the Company is not a manufacturing concern, the clause 3(vi) of the Order regarding maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
7.
 - a) According to the information and explanation given to us and on the basis of our examination of books of accounts, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues, as applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, as at 31st March 2021, there are no disputed statutory dues payables by the Company which are not deposited by the Company.
8. In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or Debenture holders. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.

9. According to the information and explanations given to us, the Company has not raised any fund by way of public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the order are not applicable to the company.
10. During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
11. The Company has not paid any managerial remuneration during the period as per the provisions of section 197 read with the schedule V of the Act.
12. The Company is not in the nature of a Nidhi Company as defined under section 406 of the Act.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 23 of the financial Statements etc., as required by the applicable accounting standards.
14. The company has made private placement of shares to its holding company. To the best of our knowledge, belief and management explanation provided the funds have been utilized for routine operation of the business.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045

Dhananajay Jaiswal
Partner
M. No. 187686
UDIN: 21187686AAAADZ7970

Place: Mumbai
Date: 27th April 2021

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of YES Asset Management (India) Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting includes 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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting 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.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045

Dhananajay Jaiswal
Partner
M. No. 187686
UDIN: 21187686AAAADZ7970

Place: Mumbai
Date: 27th April 2021

YES Asset Management (India) Limited

Balance Sheet

As at 31 March 2021

(Currency: Indian Rupees in '000)

Particulars		As at 31 March 2021	As at 31 March 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,095,000	895,000
Reserves and surplus	4	(524,300)	(392,174)
Non-current liabilities			
Other long term liabilities	5	2,371	2,307
Long term provisions	6	3,899	2,759
Current liabilities			
Trade payables			
- total dues of micro enterprises and small enterprises		-	-
- total dues other than micro enterprises and small enterprises		274	10,271
Other current liabilities	7	3,656	5,592
Short term provisions	8	10,739	13,117
TOTAL		591,639	536,872
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		2,721	7,744
Intangible assets		4,420	3,975
Intangible assets under development		705	1,185
Non Current Investment	10	16,475	16,475
Deferred tax assets (net)		-	-
Long term loans and advances	11	4,467	8,321
Current assets			
Current Investment	10	29,708	438,497
Trade Receivable	14	104	222
Cash and cash equivalents	12	478,388	19,381
Short term loans and advances	13	47,025	38,005
Other current assets	15	7,626	3,067
TOTAL		591,639	536,872
Significant accounting policies	2		
Notes to the financial statements	3 to 33		

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

In terms of our report of even date

For M/s. CHOKSHI AND CHOKSHI LLP
Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors of
YES Asset Management (India) Limited
CIN: U65990MH2017PLC294178

Dhananajay Jaiswal
Partner
Membership No: 187686

Mohan Tanksale
Director
(DIN 02971181)

Ashish Agarwal
Director
(DIN: 07962812)

Kanwar Vivek
CEO

Nehal Shah
Company Secretary
(ACS: 18077)

Mumbai
Date: 27 April 2021

Amit Deshmukh
CFO

Mumbai
Date: 27 April 2021

YES Asset Management (India) Limited

Statement of profit and loss

for the period 1 April 2020 to 31 March 2021

(Currency: Indian Rupees in '000)

	<i>Note</i>	For the period ended 31 March 2021	For the period ended 31 March 2020
Revenue			
Revenue from operations	16	144	3,322
Other income	17	39,955	15,575
Total revenue		40,099	18,898
Expenses			
Employee benefits expense	18	96,942	121,825
Depreciation and amortisation	9	7,336	9,278
Other expenses	19	67,947	73,179
Total expenses		172,225	204,282
Profit / (loss) before tax		(132,126)	(185,385)
Tax expense:			
- Current tax (MAT Expense)		-	-
- MAT credit		-	-
Deferred tax expense	26	-	-
Loss for the period		(132,126)	(185,385)
Earnings per Share - Basic and Diluted (Rs. per Equity Share of Rs. 10 each)	20	(1.35)	(2.13)
Significant accounting policies	2		
Notes to the financial statements	3 to 33		

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

In terms of our report of even date

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YES Asset Management (India) Limited

Cash flow statement

for the period 1 April 2020 to 31 March 2021

(Currency: Indian Rupees in '000)

		Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flow from operating activities			
Loss before tax		(132,126)	(185,385)
Adjustments:			
Depreciation and amortisation		7,336	9,278
Interest income		(15,247)	(15,575)
Profit on sale of investment		(24,708)	-
Operating loss before working capital changes			
Increase / (Decrease) in Non current liabilities		1,205	1,253
Increase / (Decrease) in Current liabilities		(14,311)	799
(Increase) / Decrease in Long term loans and advances		3,852	(1,093)
(Increase) / Decrease in Current Assets		(3,619)	217
(Increase) / Decrease in Short term loans and advances		(9,021)	(15,166)
Cash used in operations		(186,638)	(205,672)
Direct taxes paid		0	-
Net cash used in operating activities	(A)	(186,638)	(205,672)
B. Cash flow from investing activities			
Purchases of fixed assets		(2,278)	(2,615)
Interest received		14,426	17,001
Profit on sale of investment		24,708	-
(Increase) / Decrease in Investment		408,789	(149,972)
Net cash used in investing activities	(B)	445,646	(135,586)
C. Cash flow from financing activities			
Issue of share capital		200,000	150,000
Net cash from financing activities	(C)	200,000	150,000
Net increase in cash and cash equivalents (A+B+C)		459,007	(191,258)
Add: Cash and cash equivalents at beginning of the period		19,381	210,639
Cash and cash equivalents at end of the period (Refer Note 12)		478,388	19,381

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013 read with Rule 7 (1) of the Companies (Accounts) Rules, 2014
- Figures in brackets indicate cash outgo.
- Figures relating to previous year have been recast wherever necessary to conform to the figures of the current year.

In terms of our report of even date

For M/s. CHOKSHI AND CHOKSHI LLP
Firm's Registration No: 101872W/W100045

Dhananajay Jaiswal
Partner
Membership No: 187686

Mumbai
Date: 27 April 2021

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Company Secretary
(ACS: 18077)

Mumbai
Date: 27 April 2021

YES Asset Management (India) Limited

Notes to financial statements

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

1 Background

Yes Asset Management (India) Limited (the Company) was incorporated on April 21, 2017 as a wholly owned subsidiary of YES BANK Limited (YBL / Holding Company). The Company has entered into an investment management agreement with Yes Trustee Limited to act as the investment manager for any funds to be launched by Yes Mutual fund. The company obtained registration from Securities and Exchange Board of India ('SEBI') to launch Mutual fund operations on July 3, 2018. Yes Mutual Fund launched its first Scheme Yes Liquid Fund in January 2019. Subsequently in the FY 2019-20 Yes Mutual Fund launched two schemes namely Yes Ultra Short Term Fund and Yes Overnight Fund.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The Financial Statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of financial Statements are consistent with those followed in previous year.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of operations and the time between their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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

Management Fees

Management fees are accounted for on accrual basis in accordance with the investment management agreement and SEBI (Mutual Fund) Regulations, 1996.

Other Income

Interest Income is recognized on a time proportion basis. The profit/loss on the sale of investments is recognized in the statement of Profit and Loss on the trade date using the FIFO method for arriving at purchase cost. Dividend income is recognized when the right to receive dividend is established.

2.4 Property, Plant and Equipment

Fixed assets are stated at 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. All expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss during the period in which they are incurred. Gains or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognized in the Statement of Profit and Loss.

2.5 Depreciation

Depreciation is provided on straight-line basis at the rates and in the manner prescribed in Schedule II of the companies Act 2013, except for certain assets.

A. Plant & Equipment

Following is the summary of useful lives of the assets as per management's estimate and as required by the Companies Act, 2013 except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase/acquisition.

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

2 Summary of significant accounting policies (Continued)

Nature of Fixed Assets	Management Estimate of useful life in years	As per the Companies Act, 2013
Office equipment	5	5
Computer Hardware		
- Server & Network*	3	6
- Others	3	3
Furniture and fixtures	10	10
Leasehold improvements to premises	Over the lease period	Not Specified

* Based on technical advice, management believes that the useful lives of these assets reflect the period over which they are expected to be used. For the assets purchased/sold during the year, depreciation is provided on pro rata basis.

B. Intangible Asset

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.

Computer Software is amortised over a period of 4 years or such lower estimated useful life on straight line basis.

2.6 Impairment of Assets

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 loss 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 recoverable amount of the assets.

2.7 Investment

Investments which are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.8 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Board has approved ESOS plan and accordingly eligible employees may get ESOSs in future.

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 accounts 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 absences. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company accounts for the liability for compensated absences 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.

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

2 Summary of significant accounting policies (Continued)

2.9 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 the Income-tax Act, 1961.

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.

2.10 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 earnings per share 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 Scheme Expenses

Expenses incurred on behalf of schemes of the Fund are charged to the Statement of Profit and Loss of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996 and reported accordingly.

2.12 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.

2.13 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 obligation 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 are 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 are not recognized in the financials. However, contingent assets are assessed continually and if it is 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.

2.14 Segment Reporting

Based on the guiding principles given in the Accounting Standard on 'Segment Reporting' (AS-17) issued by the Institute of Chartered Accountants of India, the primary segment of the Company is business segment which comprises of Asset Management.

2.15 Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year end monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted in the relevant year as income / expense.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

	As at 31 March 2021	As at 31 March 2020
3 Share capital		
Details of authorized, issued and subscribed share capital		
Authorized		
200,000,000 equity shares of Rs. 10 each	2,000,000	2,000,000
	2,000,000	2,000,000
Issued, subscribed and paid-up		
109,500,000 equity shares (Previous Year 89,500,000) of Rs. 10 each, fully paid-up	1,095,000	895,000
	1,095,000	895,000
3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the period March 31, 2021		
Particulars	Equity shares	
	No. of shares	Amount
Shares outstanding at the beginning of the period	89,500,000	895,000
Shares issued during the period	20,000,000	200,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	109,500,000	1,095,000
3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the period March 31, 2020		
Particulars	Equity shares	
	No. of shares	Amount
Shares outstanding at the beginning of the period	74,500,000	745,000
Shares issued during the period	15,000,000	150,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	89,500,000	895,000
3.3 Rights, preferences and restrictions attached to shares		
Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year the company has issued 1,00,00,000 equity shares each at face value of Rs.10/- per share on August 25, 2020 and December 30, 2020 to Yes Bank Limited.		
3.4 Shares held by holding company and subsidiary of holding company		
Name of Shareholder	As at	As at
YES Bank Limited*	31 March 2021	31 March 2020
No. of equity shares held	109,500,000	89,500,000
% of Holding	100.00%	100.00%
* This includes six nominee shareholders of Yes Bank Limited holding one share each.		
3.5 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Name of Shareholder	As at	As at
YES Bank Limited*	31 March 2021	31 March 2020
No. of equity shares held	109,500,000	89,500,000
% of Holding	100%	100%
* This includes six nominee shareholders of Yes Bank Limited holding one share each.		
4 Reserves and surplus		
Surplus / (Deficit) in statement of Profit and Loss		
Opening balance	(392,174)	(206,789)
Add: Loss for the period	(132,126)	(185,385)
Balance as at the end of the period	(524,300)	(392,174)
5 Other long term liabilities		
Lease rental equalisation	2,371	2,307
	2,371	2,307
6 Long term provisions		
Provision for compensated absence	743	656
Provision for Gratuity	3,156	2,103
(Refer Note 21)		
	3,899	2,759

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

		As at 31 March 2021	As at 31 March 2020
7	Other current liabilities		
	Statutory dues payable	3,656	5,592
	Other expenses payable	-	-
		3,656	5,592
8	Short term provisions		
	Provision for compensated absences	107	92
	Provision for Gratuity	7	5
	Provision for Expenses	10,625	13,020
		10,739	13,117
10	Investment		
	Non Current Investment		
	Mandatory Investment under SEBI Regulation 28(4)		
	Investment in Yes Liquid Fund - Growth Option Units 4,995 (Previous Year 4,995 Units) Market Value 5,554 thousand (Previous Year 5,384 thousand)	5,000	5,000
	Investment in Yes Ultra Short Term Fund - Growth Option Units 5,000 (Previous Year 5,000 Units) Market Value 5,479 thousand (Previous Year 5,260 thousand)	5,000	5,000
	Investment in Yes Overnight Fund - Growth Option Units 5,000 (Previous Year 5,000 Units) Market Value 5,296 thousand (Previous Year 5,147 thousand)	5,000	5,000
	Other Non Current Investment		
	Investment in Shares of MF Utilities India Private Limited Qty 5,00,000 (Previous Year 5,00,000 Units)	1,475	1,475
		16,475	16,475
	Current Investment		
	Investment in Yes Liquid Fund - Growth Option Units 29,708 (Previous Year 300,000 Units) Market Value 3.30 crores (Previous Year 32.34 crores)	29,708	300,000
	Investment in Fixed Deposit of Yes Bank	-	138,497
		29,708	438,497
11	Long term loans and advances (Unsecured, considered good)		
	Security deposit	4,467	4,467
	Tax deducted at source receivable	-	3,853
		4,467	8,321
12	Cash and cash equivalents		
	Balances with a bank		
	On current account	3,388	9,381
	On deposit accounts	475,000	10,000
		478,388	19,381
13	Short term loans and advances (Unsecured, considered good)		
	GST input credit	43,733	35,350
	Prepaid expenses	3,292	2,655
		47,025	38,005
14	Trade receivables		
	Asset Management Fees Receivable	104	222
		104	222
15	Other Current Assets		
	Interest accrued on deposits with a bank	2,005	1,184
	Receivable from YES Bank	4,606	-
	Tax deducted at source receivable	1,015	1,884
		7,626	3,067

YES Asset Management (India) Limited**Notes to financial statements (continued)***as at 31 March 2021*

(Currency: Indian Rupees in '000)

9 Fixed assets

Description	Gross block				Depreciation / Amortisation				Net block
	As at 01 April 2020	Additions	Deductions	As at 31 March 2021	As at 01 April 2020	For the period	On Deductions	As at 31 March 2021	As at 31 March 2021
Tangible Assets									
Leasehold Improvements	4,995	402		5,398	2,413	1,045		3,458	1,939
Computer Hardware	16,753	580	755	16,578	12,513	4,117	392	16,238	340
Office Equipment	1,860	-	580	1,280	938	314	414	838	442
Intangible Assets	-			-	-			-	
Computer Software	7,469	2,719		10,188	3,494	2,274		5,768	4,420
Total	31,078	3,701	1,335	33,444	19,359	7,750	806	26,303	7,141
Intangible assets under development	1,185	1,941	2,421	705	-	-	-	-	705

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

		Year Ended March 31, 2021	Year Ended March 31, 2020
16	Revenue from operations		
	Asset Management Fees	144	3,322
		144	3,322
17	Other income		
	Interest income on deposits with a bank	14,883	15,520
	Other Interest Income	364	55
	Profit on sale of Investment	24,708	-
		39,955	15,575
18	Employee benefits expense		
	Salaries, allowances and bonus	92,782	116,811
	Contribution to provident and other funds	3,003	3,785
	Leave encashment	102	291
	Gratuity expense	1,055	939
		96,942	121,825
19	Other expenses		
	Directors' sitting fees	1,874	1,600
	Electricity charges	579	955
	Travelling & Conveyance Expenses	27	941
	Professional fees	2,586	2,218
	Membership & subscriptions	133	52
	Information & Technology expenses	22,106	22,874
	Auditor's remuneration - Audit fees		
	Statutory Audit Fees	400	
	Other fees & expenses	<u>100</u>	<u>403</u>
	Postage & courier	4	37
	Advertisement Expenses	346	2,522
	Scheme Related Expenses	2,093	3,072
	Office Expense	2,079	2,954
	Rates and taxes	232	273
	GST Expense	58	-
	Rent	17,290	18,277
	Market Data Expenses	16,452	15,461
	Printing and stationery	17	68
	SEBI& AMFI Fees	650	900
	Miscellaneous expenses	921	574
		67,947	73,179
20	Earnings per share		
	Loss for the period	(132,126)	(185,385)
	Number of equity shares outstanding at the beginning of the period	89,500,000	74,500,000
	Number of equity shares outstanding at the end of the period	109,500,000	89,500,000
	Weighted average number of equity shares outstanding during the period	98,020,548	87,204,918
	Basic and Diluted Earnings Per Share	(1.35)	(2.13)
	Face value per share	10	10

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

21 Employee benefits

A) Defined contribution plan (Provident fund)

Amount of Rs.3,003 thousand (Previous Year Rs.3,785 thousand) is recognised as expenses in "Employee benefits expense" - Note 18 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

Gratuity Liability at the year end is determined based on the Actuarial Valuation. Summary of Actuarial assumption and Financial Assumption at the valuation date as follows :

	Year Ended March 31, 2021	Year Ended March 31, 2020
I. Reconciliation of Opening and closing balance of Defined Benefit Obligation		
Liability at the beginning of the year	2,108	1,169
Interest Cost	139	88
Current Service Cost	1,103	1,545
Actuarial (gain)/loss on obligation	(188)	(695)
Past Service Cost	-	-
Liability at the end of the year	3,162	2,108
II. Reconciliation of Opening and closing balance of Fair Value of Plan Assets		
Fair Value of Plan Asset as at the beginning of the year		
Adjustment to Opening balance	-	-
Expected Returns on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-
Fair Value of Plan Asset as at the end of the year	-	-
III. Actuarial Return on Plan Assets		
Expected Returns on Plan Assets	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-
Actual Return on Plan Assets	-	-
IV. Amount recognized in the Balance Sheet		
Liability at the end of the year	3,162	2,108
Fair value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet	3,162	2,108
V. Expense recognized in the Statement of Profit and Loss		
Current Service Cost	1,103	1,545
Interest Cost	139	88
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	(188)	(695)
Adjustment to Opening balance	-	-
Past Service Cost	-	-
Expense recognized in the Statement of Profit and Loss	1,055	939
VI. Investment Details		
Insurer Managed Fund	-	-
Total	-	-
VII. Experience Adjustment		
Defined benefit obligation	-	-
Plan Assets	-	-
(Surplus) / Deficit	-	-
Experience (Gain)/ Loss on obligation due to change in Assumption	-	-
Experience (Gain)/ Loss Adjustment on Plan Liabilities	(233)	(193)
Experience Gain/ (Loss) Adjustment on Plan Assets	-	-
VIII. Actuarial assumptions used		
Interest/discount rate	6.45%	6.60%
Rate and increase in compensation	9%	9%
Rates of returns (expected) on plan assets	-	-
Employee attrition rate (Past service (PS))	10%	10%
Expected average remaining service (years)	19.80	22.58

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

C) Defined benefit plan (Compensated absence)

Compensated absence Liability at the year end is determined based on the Actuarial Valuation. Summary of Actuarial assumption and Financial Assumption at the valuation date as follows :

	Year Ended March 31, 2021	Year Ended March 31, 2020
I Assumption as at		
Mortality	100%	100%
Interest/Discount rate	6.45%	6.60%
Rate and increase in compensation	9%	9%
Rates of returns (expected) on plan assets	0%	0%
Employee attrition rate (past service (PS)) - Others	10%	10%
Expected average remaining service (years)	19.8	22.58
II Change in present value of obligations		
Plan liability (PVO) at beginning of the year	748	457
Interest cost	49	35
Current service cost	286	479
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(233)	(223)
PVO at end of the year	850	748
III Changes in fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Transfer in of fund	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at end of the year	-	-
IV Fair value of plan assets		
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)	-	-
Excess of actual over estimated return on plan assets	-	-
V Experience history		
(Gain)/loss on obligation due to change in assumption	-	-
Experience (gain)/ loss on obligation	-	-
Actuarial gain/ (loss) on plan assets	-	-
VI Actuarial gain/ (loss) recognised		
Actuarial gain/ (loss) for the year (obligation)	-	-
Actuarial gain/ (loss) for the year (plan assets)	-	-
Total gain/ (loss) for the year (plan assets)	-	-
Actuarial gain/ (loss) recognised for the year	-	-
Unrecognised actuarial gain/ (loss) at end of the year	-	-
VII Amount to be recognized in the balance sheet		
PVO at end of the year	850	748
Fair value of plan assets at end of the year	-	-
Funded status	-	-
Unrecognized actuarial gain/ (loss)	-	-
Unrecognized past services cost-non vested benefits	-	-
Net assets/(liability) recognized in the balance sheet	850	748
VIII Expenses recognized in the statement of profit & loss		
Current service cost	286	479
Interest cost	49	35
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	(233)	(223)
Expenses recognized in the statement of profit & loss	102	291
IX Movements in the liability recognized in balance sheet		
Opening net liability	748	457
Expenses as above	102	291
Contribution paid	-	-
Closing net liability	850	748

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

- 22** Trade payable includes - Nil payable to "suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the company during the period 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.

Number of suppliers registered with competent authorities	13	13
Principal amount remaining unpaid to any supplier as at the period end	-	-
interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day	-	-
Amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act	-	-
Amount of interest accrued and remaining unpaid at the period end	-	-

23 Related party disclosures

The company has transactions with its related party comprising its holding company.

a) As per AS 18 "Related Party Disclosures", the Company's related party for the period ended 31 March 2021 are disclosed below

<i>Name</i>	<i>Relationship</i>
YES Bank Limited	Holding Company
YES Securities (India) Limited	Fellow Subsidiary of Holding Company
YES Trustee Limited	Fellow Subsidiary of Holding Company
Mr. Kanwar Vivek - Chief Executive Officer	Key Management Personnel
Ms. Nehal Shah - Company Secretary	Key Management Personnel
Mr. Amit Deshmukh - Chief Financial Officer	Key Management Personnel

- A Transactions between the Company and related party during the period ended 31 March 2021

	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Re-imbursement of expenses incurred by Holding Company	13,714	18,387
(ii) Re-imbursement for expenses from Holding Company	3,192	760
(iii) Equity shares issued to Holding Company during year	200,000	150,000
(iv) Re-imbursement of expenses incurred by Fello Subsidiary of Holding Company	-	744
(v) Remuneration to Key Management Personnel	25,389	34,854

Normal banking transactions in current account with YES Bank are not included.

- B Outstanding balance with holding company :

	As at 31 March 2021	As at 31 March 2020
(i) Share capital held by Holding company	1,095,000	895,000
(ii) Balance in Current Account	3,388	9,381
(iii) Fixed deposits	475,000	148,497
(iv) Interest accrued on fixed deposits	2,005	1,184
(iv) Outstanding balance towards reimbursement of Expenses with Holding company	5,818	7,292
Outstanding balance with Subsidiary of Holding company :	-	803

- 24** Profit on sale of Investement consists of Rs. 2.47 crores as realized gains made on redemptions of investments made in YES Liquid Fund. (Cost of the investment redeemed – Rs. 27.03 crores, Redemptions value – Rs 29.50 crores)

- 25** Redemption specified in Note no. 24 resulted in applicability of rule no 42 of GST requiring the company to reverse proportionate GST input credit. Considering the impact and proportion of GST applicable income and GST non applicable income, the reversal of Rs. 57 lacs has been done and charged to the respective heads of expense.

26 Deferred Tax

	As at 31 March 2021	As at 31 March 2020
Tax effect of items constituting deferred tax assets / liabilities		
Difference in written down value of fixed assets as per Companies Act, 2013 and Income Tax Act, 1961,	-	-
Disallowances under Income Tax Act, 1961 u/s 35 D	-	-
	<u>-</u>	<u>-</u>

In absence of reasonable / virtual certainty of taxable income or deferred tax liability, the deferred tax assets (Rs 2,913 thousand as at March 31, 2021) are not recognized.

27 Contingent Liabilities and Commitments

- 1) Contingent Liability as on 31 March 2021 is Nil .
2) Estimated amount of contracts remaining to be executed on capital account as on 31 March 2021 is Rs. 705 thousand (previous year Rs.1,185 thousand.)

28 Operating lease

The Company has taken office premises on operating lease. Gross rental expense for the period ended 31 March 2021 aggregated to Rs. 18,584 thousand Previous year Rs.18,216 thousand has been included under the head operating and other expenses - Rent in the Statement of profit and loss exclusive of taxes.

Lease obligations	As at 31 March 2021	As at 31 March 2020
Not later than one year	19,398	18,571
Later than one year and not later than five years	14,033	33,431
	<u>33,431</u>	<u>52,003</u>

YES Asset Management (India) Limited

Notes to financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in '000)

29 Segmental Reporting

In accordance with Accounting Standard-17 "Segment Reporting", the Company is engaged primarily in the business of asset management hence there are no separate reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability and total cost incurred to acquire segment assets, is as reflected in the Financial Statements as of and for the period ended March 31, 2021. There is no distinguishable component of the Company engaged in providing services in a different economic environment. The Company renders services in one geographical segment and has no offices outside India. Hence there are no reportable geographical segments.

30 The Sponsor of the YES Mutual Fund has entered into a definitive agreement to sell its entire stake in YES Asset Management (India) Limited and YES Trustee Limited to GPL Finance and Investments Limited. White Oak Investment Management Private Limited owns 99% of the Purchaser. The ultimate beneficial holder of the Purchaser is Mr. Prashant Khemka who owns 99.99% of White Oak Investment Management Private Limited. The transaction is subject to requisite approvals from the Regulatory Authorities.

31 The regulatory net worth of the company at the beginning of the F.Y. 2020-21 was Rs.49.77 crores, which was below the minimum regulatory prescribed requirement of Rs.50 crores. Due to capital infusion through two tranches of Rs.10 crores each during the year, the net worth was restored to the minimum limit, and the same was Rs.56.56 crores as at March 31, 2021, in spite of continued losses. However, considering the backdrop of stake sale by the sponsor and regulatory approvals required for the same, the process for completion of stake sale may get delayed due to Covid pandemic situation. This may lead to net worth again falling below the minimum regulatory prescribed requirement of Rs.50 crores during F.Y. 2021-22. The company is in discussion with the sponsor for additional capital infusion. Also, considering the cost base of the company and its current bank balances / investments, it has adequate funds to continue its operations in the foreseeable future. Considering these reasons, the management has prepared the accounts and financial statements for the F.Y. 2020-21 on a 'Going Concern' basis.

32 During the F.Y. 2020-21, there were no significant incremental redemptions in the Yes Mutual Fund schemes ('the schemes') in spite of Covid pandemic and subsequent lockdown. The operational risk / difficulties faced due to lockdown were mitigated by 'work from home option' facilitated by technological solutions. Though the continuation of lockdown has not much impacted the mutual fund industry in terms of generating additional 'Assets Under Management' (AUM), the company continues to face the challenges as it is not able to meet the expectations of investors inter-alia related to minimum AUM in the schemes till the smooth completion of the stake sale process. As mentioned in Note 31, the second wave of COVID 19, resulting in lockdowns and disruptions, is likely to delay the regulatory approvals for completing the stake sale by the sponsor.

33 Figures of the previous year have been regrouped/ reclassified wherever necessary to conform to current year's classification.

In terms of our report of even date

For M/s. CHOKSHI AND CHOKSHI LLP

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors of

YES Asset Management (India) Limited

Dhananajay Jaiswal

Partner

Membership No: 187686

Mohan Tanksale

Director

(DIN 02971181)

Ashish Agarwal

Director

(DIN: 07962812)

Kanwar Vivek

CEO

Nehal Shah

Company Secretary

(ACS: 18077)

Mumbai

Date: 27 April 2021

Amit Deshmukh

CFO

Mumbai

Date: 27 April 2021