

INDEPENDENT AUDITOR'S REPORT

To the Members of YES Securities (India) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YES Securities (India) Limited (the 'Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (the 'AS') specified under section 133 of the Act. This

responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Mumbai
24 April 2019

Milind Ranade
Partner
Membership No.100564

YES Securities (India) Limited

“Annexure A” to the Independent Auditor’s Report

(Referred to in our report of even date)

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year.
 - (c) The Company does not have any immovable properties. Accordingly paragraph 3 (i) (c) of the Order is not applicable.
- ii. The Company is a service company primarily rendering broking and merchant banking services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanation given to us, the Company has not granted any loans, made any investments, provided any guarantees and security in terms of sec 185 and sec 186 of the Act during the year under audit. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. Basis the legal opinion obtained by the Company in the earlier years, management had concluded that the non-interest bearing and non-refundable amount received by YSL towards brokerage under SVSP will not fall within the ambit of the term ‘deposit’. Besides this the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub- section (1) of Section 148 of the Act, for any of the services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the Books of Accounts, amounts deducted/ accrued in the Books of Accounts in respect of undisputed statutory dues including income tax, goods and service tax, provident fund, Employees State Insurance and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Excise duty and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, provident fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax or goods and service tax or provident fund or Employees State Insurance or cess and other material statutory dues which have not been deposited by the Company on account of disputes.

YES Securities (India) Limited

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

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

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

Mumbai
24 April 2019

Milind Ranade
Partner
Membership No: 100564

“Annexure B” to the Independent Auditor’s report on the financial statements of YES Securities (India) Limited for the year ended 31 March 2019.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of YES Securities (India) Limited (the ‘Company’) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the ‘Guidance Note’).

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Mumbai

24 April 2019

Milind Ranade

Partner

Membership No: 100564

YES Securities (India) Limited

Balance Sheet

As at 31 March 2019

(Currency: Indian Rupees in '000)

		As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	800,000	500,000
Reserves and surplus	4	730,704	(11,279)
Non-current liabilities			
Other long term liabilities	5	126,242	61,866
Long-term provisions	6	14,005	12,987
Current liabilities			
Short term borrowings	7	1,024,173	150,378
Trade payables	8		
- total dues of micro enterprise and small enterprises		-	-
- total dues other than micro enterprise and small enterprises		592,814	325,190
Other current liabilities	9	251,314	177,968
Short term provisions	10	17,858	14,220
TOTAL		3,557,110	1,231,330
ASSETS			
Non-current assets			
Property, Plant and Equipment			
Tangible assets	11	70,199	17,531
Intangible assets		26,118	6,882
Tangibles assets under development		4,436	-
Intangibles assets under development		8,600	5,900
Long-term loans and advances			
Deferred tax assets (net)	12	45,571	44,825
Loans and advances		1,167,215	-
Other non-current assets	13	136,498	207,102
Current assets			
Trade receivables	14	479,435	338,301
Cash and cash equivalents	15	1,263,213	207,345
Other current assets	16	355,825	403,444
TOTAL		3,557,110	1,231,330

Significant accounting policies

2

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

As per our report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors of

YES Securities (India) Limited

Milind Ranade

Partner

Membership No: 100564

Rajat Monga

Non Executive Director

(DIN: 02931688)

E. Prasanth Prabhakaran

Joint MD & CEO

(DIN: 06887880)

Anshul Arzare

Executive Director & CFO

(DIN: 07585882)

Vaibhav Purohit

Company Secretary

(ACS: 24055)

Mumbai

24 April 2019

Mumbai

24 April 2019

YES Securities (India) Limited

Statement of profit and loss

for the year 01 April 2018 to 31 March 2019

(Currency: Indian Rupees in '000)

		For the year ended 31 March 2019 (Audited)	For the year ended 31 Mar 2018 (Audited)
Revenue from operations	17	888,874	716,937
Other income	18	9,926	1,638
Total revenue		898,800	718,575
Expenses			
Employee benefits expense	19	571,145	439,046
Finance charges		41,020	3,877
Depreciation and amortisation		31,375	11,504
Other expenses	20	176,565	115,452
Total expenses		820,105	569,879
Profit before tax		78,695	148,696
Tax expense:			
- Current tax		56,858	53,923
- Short/ (excess) provision for earlier years		(29,403)	-
- MAT (credit)		-	-
Deferred tax expense / (credit)		(746)	(38,237)
Profit for the year		51,986	133,010
Earnings per equity share of face value Rs. 10			
Basic & diluted (not annualised)		0.82	2.66

Significant accounting policies

2

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

As per our report of even date attached

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

Chartered Accountants

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

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

Milind Ranade

Partner

Membership No: 100564

Rajat Monga

Non Executive Director

(DIN: 02931688)

E. Prasanth Prabhakaran

Joint MD & CEO

(DIN: 06887880)

Anshul Arzare

Executive Director & CFO

(DIN: 07585882)

Vaibhav Purohit

Company Secretary

(ACS: 24055)

Mumbai

24 April 2019

YES Securities (India) Limited

Cash flow statement

for the year 01 April 2018 to 31 March 2019

(Currency: Indian Rupees in '000)

	For the year ended 31 Mar 2019 (Audited)	For the year ended 31 March 2018 (Audited)
A. Cash flow from operating activities		
Profit before tax as per statement of profit & loss	78,695	148,696
Adjustments:		
Non cash and non operating adjustments		
Depreciation and amortisation	31,375	11,504
Loss on sale / write-off of property, plant and equipments (net)	-	1,302
Interest income	(9,338)	(17,025)
MAT credit utilised	-	(18,774)
Finance charges	41,020	3,877
Provision for doubtful debts	15,187	4,227
Unrealised loss on foreign exchange transactions	(2,096)	(10)
Operating cash flows before working capital changes	154,843	133,797
Increase in non current liabilities and provisions	65,394	433,955
(Decrease) / Increase in current liabilities and provisions	344,608	-
(Increase) / decrease in loans and advances	(1,167,215)	-
Decrease in other non current assets	70,604	36,612
Decrease / (Increase) in trade receivable	(154,224)	(186,751)
Decrease / (Increase) in other current assets	56,957	(381,304)
Cash generated from operations	(629,033)	36,309
Direct taxes paid	(27,455)	(35,149)
Net cash flow used in operating activities (A)	(656,488)	1,160
B. Cash flow from investing activities		
Purchase of property, plant and equipments (including intangible asset under development)	(110,877)	(11,051)
Sale of property, plant and equipments	458	496
Interest received	-	4,352
Net cash flow used in investing activities (B)	(110,419)	(6,203)
C. Cash flow from financing activities		
Proceeds from issue of share capital	300,000	-
Increase in securities premium	690,000	-
Short term borrowings (Bank overdraft)	873,795	-
Finance charges	(41,020)	(3,877)
Net cash flow generated / (used) from financing activities (C)	1,822,775	(3,877)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,055,868	(8,920)
Add: Cash and cash equivalents at beginning of the year	207,345	216,265
Cash and cash equivalents at end of the year (refer note 15)	1,263,213	207,345

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

Rajat Monga

Non Executive Director

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Executive Director & CFO

(DIN: 07585882)

Vaibhav Purohit

Company Secretary

(ACS: 24055)

Mumbai

24 April 2019

Mumbai

24 April 2019

YES Securities (India) Limited
Notes to financial statements (continued)
as at 31 March 2019

(Currency: Indian Rupees in '000)

11 Fixed assets

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01 April 2018	Addition	Deduction/Adjustment for the year	As at 31 Mar 2019	As at 01 April 2018	For the Period	Deduction	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2018
TANGIBLE										
Leasehold Improvements	18,352	668	682	18,338	7,866	3,564	-	11,430	6,908	10,486
Computers	17,972	77,893	-	95,865	13,383	20,818	-	34,201	61,664	4,589
Office Equipments	623	358	-	981	286	185	-	471	510	337
Motor Vehicle	3,435	-	750	2,685	1,317	544	293	1,567	1,117	2,119
Sub-Total	40,381	78,920	1,433	117,869	22,852	25,111	293	47,670	70,199	17,531
INTANGIBLE						-				
Software	25,258	25,504	-	50,762	18,379	6,264	-	24,644	26,118	6,882
Sub-Total	25,258	25,504	-	50,762	18,379	6,264	-	24,644	26,118	6,882
Total	65,640	104,424	1,433	168,631	41,231	31,375	293	72,314	96,317	24,413
Intangible assets under development									8,600	5,900
Back Office Software										
Website										
Tangible assets under development									4,436	-
Total									13,036	5,900

Description	Gross block				Depreciation / Amortisation				Net Block	
	As at 01 April 2017	Addition	Deduction / Adjustment for the year	As at 31 March 2018	As at 01 April 2017	For the year	Deduction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Tangible										
Leasehold Improvements	18,352	-	-	18,352	3,933	3,933	-	7,866	10,486	14,419
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Computers	13,997	3,975	-	17,972	11,018	2,365	-	13,383	4,589	2,979
Office Equipments	247	376	-	623	138	148	-	286	337	109
Motor Vehicle	5,841	-	2,406	3,435	1,070	855	608	1,316	2,119	4,771
Sub-Total	38,437	4,351	2,406	40,382	16,159	7,301	608	22,851	17,531	22,278
Intangible						-				
Software	18,788	6,471	-	25,259	14,174	4,203	-	18,377	6,882	4,614
Sub-Total	18,788	6,471	-	25,259	14,174	4,203	-	18,377	6,882	4,614
Total	57,225	10,822	2,406	65,641	30,333	11,504	608	41,229	24,413	26,892
Intangible assets under development									5,900	5,671
Tangible assets under development									-	-
Total									5,900	5,671

Notes to financial statements

for the year ended 31 March 2019

(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, the Bombay Stock Exchange (BSE) since 11 June 2013 and Multi Commodity Exchange (MCX) since 5 February 2019.

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, gst and stock exchange expenses.

Subscription fees

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

Investment banking income

Fee income from Investment banking / Merchant banking services are recognised based on completion of milestone as per the engagement letter. Further Fee 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 Property, plant and equipment

Property, plant and equipment 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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted 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 Property, plant and equipment 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 Property, plant and equipment	Management Estimate of useful life in years
Office equipment	5
Computer - servers and networks	3
Computer software	4
Vehicles	5
Furniture and fixtures	10
Leasehold improvements to premises	Over the lease period or 9 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 2019

(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 2019

(Currency: Indian Rupees in '000)

	As at 31 March 2019	As at 31 March 2018
3 Share capital		
3.1 Details of authorized, issued and subscribed share capital		
Authorized capital		
200,000,000 equity shares (PY 50,000,000) of Rs. 10 each	2,000,000	500,000
	2,000,000	500,000
Issued, subscribed and fully paid up capital		
80,000,000 (PY 50,000,000) equity shares of Rs. 10 each, fully paid up	800,000	500,000
	800,000	500,000

3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Equity shares	
	No. of shares	Amount
Shares outstanding at the beginning of the year	50,000,000	500,000
Shares issued during the year	30,000,000	300,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	80,000,000	800,000

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Name of Shareholder	As at 31 March 2019	
	No. of equity shares held	% of holding
YES Bank Limited*	80,000,000	100
(80,000,000 equity shares of Rs. 10 each, fully paid up)		

3.3 Information on equity shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2019	
	No. of equity shares held	% of holding
YES Bank Limited*	80,000,000	100

* This include six nominee shareholder of Yes Bank Limited holding one share each

As per the records of the company including its register of shareholder or members and other declarations, above shareholding represents both, legal and beneficial ownership rights.

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:

There are no such transaction carried out during the year

4 Reserves and surplus

Securities premium account

Opening balance	-	-
Add: Equity shares issued during the year	690,000	-
Balance in Securities premium account	690,000	-

Surplus / (Deficit) in statement of Profit and Loss

Opening balance	(11,282)	(144,289)
Add: Profit / (loss) for the year	51,986	133,010
Balance in profit and loss account	40,704	(11,279)
Closing balance	730,704	(11,279)

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

	As at 31 March 2019	As at 31 March 2018
5 Other long term liabilities		
Lease equalisation reserve	1,132	2,076
Advance subscription	125,110	59,790
	126,242	61,866
6 Long term provisions		
Provision for compensated absence	2,668	291
Provision for gratuity (Net of invested fund)	11,337	12,696
	14,005	12,987
7 Short term borrowings		
Overdraft with banks (Secured against book debts)	1,024,173	150,378
	1,024,173	150,378
8 Trade payables		
Customer payables	541,873	277,524
Payable to holding company	2,703	2,908
Payable to exchange / clearing house	27,179	22,767
Other payables		
- Due to MSME (Refer note no. 24)	-	-
- Others	21,059	21,991
	592,814	325,190
9 Other current liabilities		
Other payables		
Accrued salaries and benefits	107,215	84,951
Statutory dues payable	34,192	39,991
Lease equalization reserve	1,699	566
Advance subscription	108,208	52,460
	251,314	177,968
10 Short term provisions		
Provision for compensated absence	14,465	11,786
Provision for gratuity	3,393	2,434
	17,858	14,220
12 Deferred tax assets (net)		
The primary components of deferred tax assets (net) are as follows:		
<u>Deferred tax assets</u>		
Provision for gratuity	4,289	5,236
Preliminary expenses u/s 35D of Income Tax Act	-	-
Provision for lease rentals	824	914
Provision of compensated absence	4,989	4,180
Depreciation and amortization	(1,255)	3,027
Provision for Doubtful Debt	7,604	3,782
Provision for Bonus	29,120	27,686
<u>Deferred tax liabilities</u>		
Depreciation and amortization	-	-
Deferred tax Asset	45,571	44,825
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		
13 Other non current assets		
Interest free security deposit with stock exchanges	23,575	18,825
Other deposits*	16,095	140,095
Prepaid expenses	3,429	-
Tax deducted at source receivable	92,844	46,319
Interest accrued on fixed deposits	555	1,863
	136,498	207,102

*Other deposits include fixed deposits with maturity of more than 12 months and pledged with NSE Clearing Limited Rs. NIL (previous year Rs. 117,000), BSE Limited Rs. NIL (previous year Rs. NIL), Indian Clearing Corporation Ltd Rs. 9,000 (previous year Rs. 16,000) & Multi Commodity Exchange of India Ltd. Rs. NIL (previous year Rs. NIL)

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

	As at 31 March 2019	As at 31 March 2018
14 Trade receivables		
Debts outstanding for a period exceeding six months		
Unsecured considered good		20,599
Doubtful	25,356	10,858
Less - Provision for bad and doubtful debts	(25,356)	(10,858)
	-	20,599
Debts outstanding for a period less than six months (Unsecured considered good)		
Receivable from Holding Company	3,115	1,073
Receivable from exchange/clearing house	125,992	38,268
Other receivable	350,328	278,361
Doubtful	758	69
Less - Provision for bad and doubtful debts	(758)	(69)
	479,435	338,301
15 Cash and cash equivalents		
Balance with bank		
Balances in current accounts	262,913	18,295
Other bank balance		
Short term deposits with banks*	1,000,300	189,050
	1,263,213	207,345
*Short term deposits include fixed deposits with maturity of less than 12 months and pledged with National Stock Exchange of India Limited Rs. 1,300 (previous year Rs. 1,300), NSE Clearing Limited Rs. 621,500 (previous year Rs. 177,500), BSE Limited Rs. 1,375 (previous year Rs. 1,375), Indian Clearing Corporation Ltd Rs. 47,875 (previous year Rs. 8,875), Multi Commodity Exchange of India Ltd Rs. 750 (previous year NIL), MCX Clearing Corporation Ltd Rs. 2,500 (previous year NIL) & YES Bank Limited Rs. 215,000 (previous year NIL).		
16 Other current assets		
Interest accrued on fixed deposits	23,591	15,206
GST input credit	2,192	6,069
Prepaid expenses	5,417	1,806
Interest free margin deposit with Stock exchanges	311,000	355,000
Others	13,625	25,363
	355,825	403,444
17 Revenue from operations		
Advisory income	520,894	565,140
Brokerage income	194,426	115,426
Account opening income	6,622	7,997
Interest on delayed payment	120,563	10,887
Interest income on fixed deposits (fixed deposit placed with exchange/clearing corporation for margin)	28,916	15,608
Other operating income	17,453	1,879
	888,874	716,937
18 Other income		
Interest income on fixed deposits	9,338	1,417
Miscellaneous income	588	221
	9,926	1,638
19 Employee benefits expense		
Salaries, allowances and bonus	550,522	422,743
Contribution to provident and other funds (Refer Note 23)	18,118	13,288
Staff welfare expenses	2,505	3,015
	571,145	439,046

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

	As at 31 March 2019	As at 31 March 2018
20 Other expenses		
Advertisement & business development	13,851	5,945
Sub brokerage#	1,829	-
Connectivity charges	754	589
Directors' sitting fees	925	800
Electricity charges	1,319	1,589
Exchange charges	1,974	3,442
Insurance charge	605	722
Lease rental - computer	643	883
Professional fees	11,655	4,980
Membership & subscriptions	6,669	5,000
Payment to auditors (Refer note no. 20.1 below)	1,668	1,710
Printing & stationery	2,487	4,200
Postage & courier	619	592
Bad debt	-	127
Provision for doubtful debt	15,187	4,227
Repairs & maintenance	2,992	2,596
Rates and taxes	207	169
Rent and other charges	29,897	25,928
Roc filing fee	15,240	-
Staff recruitment charges	3,813	2,337
Shared service charges	1,408	1,526
Technology expenses	35,428	24,069
Telephone expenses	3,097	3,155
Traveling and conveyance	17,162	16,040
Website expenses	1,000	576
Contribution towards Corporate Social Responsibility (Refer note no. 20.2 below)	1,258	-
Miscellaneous expenses	4,878	4,250
	176,565	115,452
20.1 Payment to auditors		
Statutory audit fees	1,600	1,600
Out of pocket expenses	68	110

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

20.2 Corporate Social Responsibility (CSR)

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

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

Details of Amount spent towards CSR given below:

Education	1,258	-
Total	1,258	-

21 Earnings per share

Profit / (Loss) for the year	51,986	133,011
Number of shares at the beginning of the year	50,000,000	50,000,000
Total number of equity shares outstanding at the end of the year	80,000,000	50,000,000
Weighted average number of equity shares at the end of the year	63,150,685	50,000,000
Basic & Diluted EPS	0.82	2.7
Face value per share	10	10

22 Commitments

Estimated amount of contracts remains to be executed on capital account and not provided for (Net of advances Rs. 13,036) is Rs. 47,187 (previous year capital commitments and advance Rs. 5,378 and Rs. 5,900 respectively).

23 Employee benefits**A) Defined contribution plan (Provident fund)**

Amount of Rs.18,118 (previous year Rs.13,288) is recognised as expenses in "Employee benefits expense" - Note 19 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

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

	31-Mar-19	31-Mar-18
I Assumption as at		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/discount rate	7.49%	7.40%
Rate and increase in compensation	10.00%	12.00%
Rates of returns (expected) on plan assets		8.00%
Employee attrition rate (past service (PS)) - Others	PS: 0 to 42 : 8.77%	PS: 0 to 42 : 6%
Employee attrition rate (past service (PS)) - IB Team	PS: 0 to 5 : 27%	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)	8.43	10.12

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019
(Currency: Indian Rupees in '000)

	31 March 2019	31 March 2018
II Present value of obligations		
Plan liability (PVO) at beginning of the year	26,154	29,719
Interest cost	1,799	1,825
Current service cost	6,674	5,992
Past service cost - (non vested benefits)	-	170
Past service cost - (vested benefits)	-	241
Benefits paid	(3,675)	(4,882)
Transfer In of liability	-	-
Actuarial loss on obligation	(8,490)	(6,911)
PVO at end of the year	22,463	26,154
III Changes in fair value of plan assets		
Fair value of plan assets at beginning of the year	10,939	15,045
Transfer in of fund	-	-
Expected return on plan assets	728	1,008
Contributions	-	-
Benefit paid	(3,675)	(4,882)
Actuarial gain on plan assets	(259)	(231)
Fair value of plan assets at end of the year	7,733	10,939
IV Fair value of plan assets		
Fair value of plan assets at beginning of the year	10,939	15,045
Transfer in of fund	-	-
Actual return on plan assets	469	777
Contributions	-	-
Benefit paid	(3,675)	(4,882)
Fair value of plan assets at end of the year	7,733	10,939
Funded status (including unrecognised past service cost)	(14,730)	(15,215)
Excess of actual over estimated return on plan assets	(259)	(231)
V Experience history		
(Gain)/loss on obligation due to change in assumption	(6,086)	(1,694)
Experience (gain)/ loss on obligation	(2,404)	(5,218)
Actuarial gain/ (loss) on plan assets	(259)	(231)
VI Actuarial gain/ (loss) recognised		
Actuarial gain/ (loss) for the year (obligation)	8,490	6,911
Actuarial gain/ (loss) for the year (plan assets)	(259)	(231)
Total gain/ (loss) for the year (plan assets)	8,231	6,680
Actuarial gain/ (loss) recognised for the year	8,231	6,680
Unrecognised actuarial gain/ (loss) at end of the year	-	-
VII Amount to be recognized in the balance sheet		
PVO at end of the year	22,463	26,154
Fair value of plan assets at end of the year	7,733	10,939
Funded status	(14,730)	(15,215)
Unrecognized actuarial gain/ (loss)	-	-
Unrecognized past services cost-non vested benefits	-	85
Net assets/(liability) recognized in the balance sheet	(14,730)	(15,129)
VIII Expenses recognized in the statement of profit & loss		
Current service cost	6,674	5,992
Interest cost	1,799	1,825
Past service cost - (non vested benefits)	85	170
Past service cost - (vested benefits)	-	241
Unrecognized past services cost-non vested benefits	-	(85)
Expected return on plan assets	(728)	(1,008)
Net actuarial (gain)/loss recognized for the year	(8,231)	(6,680)
Expenses recognized in the statement of profit & loss	(400)	455
IX Movements in the liability recognized in balance sheet		
Opening net liability	15,129	14,675
Expenses as above	(400)	455
Contribution paid	-	-
Closing net liability	14,730	15,129

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

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

C) Defined benefit plan (Compensated absence)

The following table set out as required under AS 15.

	31 March 2019	31 March 2018
I Assumption as at		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/discount rate	7.5%	6.7%
Rate and increase in compensation	10.0%	12.0%
Rates of returns (expected) on plan assets		
Employee attrition rate (past service (PS)) - Others	PS: 0 to 42 : 8.77%	PS: 0 to 42 : 6%
Expected average remaining service (years)	8.44	10.06
II Change in present value of obligations		
Plan liability (PVO) at beginning of the year	291	381
Interest cost	22	25
Current service cost	1,848	2,195
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	1,003	(2,310)
PVO at end of the year	3,163	291
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)	(3,163)	(291)
Excess of actual over estimated return on plan assets	-	-
V Experience history		
(Gain)/loss on obligation due to change in assumption	(825)	(42)
Experience (gain)/ loss on obligation	1,828	(2,267)
Actuarial gain/ (loss) on plan assets	-	-
VI Actuarial gain/ (loss) recognised		
Actuarial gain/ (loss) for the year (obligation)	(1,003)	2,310
Actuarial gain/ (loss) for the year (plan assets)	-	-
Total gain/ (loss) for the year (plan assets)	(1,003)	2,310
Actuarial gain/ (loss) recognised for the year	(1,003)	2,310
Unrecognised actuarial gain/ (loss) at end of the year	-	-
VII Amount to be recognized in the balance sheet		
PVO at end of the year	3,163	291
Fair value of plan assets at end of the year		
Funded status	(3,163)	(291)
Unrecognized actuarial gain/ (loss)	-	-
Unrecognized past services cost-non vested benefits	-	-
Net assets/(liability) recognized in the balance sheet	(3,163)	(291)
VIII Expenses recognized in the statement of profit & loss		
Current service cost	1,848	2,195
Interest cost	22	25
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	1,003	(2,310)
Expenses recognized in the statement of profit & loss	2,872	(90)
IX Movements in the liability recognized in balance sheet		
Opening net liability	291	381
Expenses as above	2,872	(90)
Contribution paid	-	-
Closing net liability	3,163	291

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

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

	31 March 2019	31 March 2018
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	-	-

25 **Related party disclosures**

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

a) As per AS 18 "Related Party Disclosures", the Company's related parties for the year ended 31 March 2019 are disclosed below

Holding Company

YES Bank Limited

Fellow Subsidiaries

YES Asset Management (India) Limited

YES Trustee Limited

Key Management Personnel ('KMP')

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

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

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

A Significant transactions between the Company and related parties during the year ended 31 March 2019

Transaction with Holding Company

Equity share issued with securities premium	990,000	-
Interest income	6,719	1,417
Demat account opening income	5,466	6,522
Brokerage received	2,749	1,819
Shared service cost	6,577	2,726
Interest expense	41,020	3,877
Bank guarantee commission	75	-
Purchase of property, plant and equipment	640	-

Remuneration paid to KMP :

- Mr. E. Prasanth Prabhakaran	20,334	14,414
- Mr. Anshul Arzare	12,176	10,351
- Mr. Vikas Dawra	8,614	-

Broking Income Received from KMP

- Mr. Prasanth Prabhakaran	323.36	85.41
- Mr. Anshul Arzare	57.81	0.39
- Mr. Vikas Dawra	8.25	-

B Outstanding balance with holding company :

Equity share capital	800,000	500,000
Fixed deposits	215,000	-
Interest accrued on fixed deposits	6,047	-
Receivable for account opening charges	3,115	1,073
Payable for shared service	(2,616)	(683)
Payable for trade obligation	(87)	(2,226)
Outstanding bank guarantee	(10,000)	-

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

Related party relationships have been identified by the management

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

26 **Operating lease**

The Company has taken office premises on operating lease. Gross rental expense for the year ended 31 March 2019 aggregated to Rs.19,814 (previous year Rs. 18,870), has been included under the head operating and other expenses -rent & taxes in the Statement of profit and loss.

Lease obligations

Not later than one year	21,701	19,814
Later than one year and not later than five years	14,467	36,168
Later than five years	-	-
	36,168	55,982

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

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

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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 2019 are set out below

Particulars	As at 31 March 2019				As at 31 March 2018			
	Wealth Broking	Merchant Banking	Unallocated	Total	Wealth Broking	Merchant Banking	Unallocated	Total
Segment revenue	371,186	520,894	6,719	898,799	152,018	565,140	1,417	718,575
Inter segment sales	-	-	-	-	-	-	-	-
Total segment revenue	371,186	520,894	6,719	898,799	152,018	565,140	1,417	718,575
Allocable expenses	(464,378)	(294,740)	(60,987)	(820,105)	(240,209)	(313,608)	(16,062)	(569,879)
Segment result	(93,192)	226,154	(54,268)	78,694	(88,191)	251,532	(14,645)	148,696
Total operating profit / (loss) before taxation	(93,192)	226,154	(54,268)	78,694	(88,191)	251,532	(14,645)	148,696
Tax provision/ (release)	-	-	-	26,709	-	-	-	15,686
Total gain/(loss) after taxation				51,985				133,010
Capital employed as at								
Segment assets	3,197,395	210,189	149,526	3,557,110	667,207	239,481	324,642	1,231,330
Total assets				3,557,110				1,231,330
Segment liabilities	1,935,138	87,352	1,534,620	3,557,110	619,141	112,975	499,214	1,231,330
Total liabilities				3,557,110				1,231,330
Net capital employed	1,262,256	122,837	(1,385,095)	-	48,066	126,506	(174,573)	-

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

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

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

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Details of Foreign currency transactions

Expenditure in foreign currency

	31 March 2019	31 March 2018
Travelling expenses	572	478
Subscription charges	665	585
Professional fees	-	121
	1,237	1,184

Earnings in foreign currency

Professional fee for IB services	132,008	214
	132,008	214

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Details of Foreign currency Exposures

Foreign currency exposure of AUD 7,270; MUR 129,015; USD 1,845 is receivable (previous year AUD 7,270, MUR 51,500, EURO 12,422), and no due is payable in the books at the year end (Previous year Nil). In view of limited foreign currency transaction, company has not entered into any hedging contract

YES Securities (India) Limited

Notes to financial statements (Continued)

As at 31 March 2019

(Currency: Indian Rupees in '000)

30 ESOP disclosure

30.1 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 2019 is set out below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	JESOP	PESOP	JESOP	PESOP
Options outstanding at the beginning of the year	492,500	1,408,750	80,625	1,591,000
Granted during the year	25,000	-	435,000	387,500
Exercised during the year	49,500	293,250	14,375	394,750
Forfeited / lapsed during the year	-	-	8,750	175,000
Options outstanding at the end of the year	468,000	1,115,500	492,500	1,408,750
Weighted average exercise price (₹)	92.22	84.45	248	308
Weighted average remaining contractual life of outstanding option (yrs)	2.28	1.13	4.00	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

30.2 During the year, the plan, termed as 'YES Securities Employee Stock Option Scheme 2018' ("Scheme"), has been approved by the members at the extraordinary general meeting of the company dated October 23, 2018. This Scheme has been instituted to reward all the Employees by providing such Employees with Shares of the Company. The schemes include provisions for grant of options to present and future officers and employees of the Yes Securities (India) Limited.

The total number of Options to be granted under the Scheme are 7,485,000 Options. As at 31 March 2019, no option has been granted by the company (Previous year Nil).

31 Contingent liabilities

Contingent liabilities as at 31 March 2019 were Nil (Previous year Nil)

32 During the year Wealth broking client had filed a case with High Court for recovery of loss incurred owing to trading in equity derivative segment. Considering the facts and nature of the case, the order is likely to be in favour of the Company, accordingly no provision has been made in the financials. (Previous year Nil)

33 Previous year comparatives

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

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

Milind Ranade
Partner
Membership No: 100564

Mumbai
24 April 2019

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

Rajat Monga
Non Executive Director
(DIN: 00320702)

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

Anshul Arzare
Executive Director & CFO
(DIN: 07585882)

Vaibhav Purohit
Company Secretary
(ACS: 24055)

Mumbai
24 April 2019