



**YES SECURITIES (INDIA) LIMITED**

**Audited Financial Statements for the year ended**

**March 31, 2015**

## **Independent Auditors' Report**

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

#### **Report on the financial statements**

We have audited the accompanying financial statements of YES Securities (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act 2013 ('the Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of Act read with rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control, 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.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

## **Independent Auditors' Report(Continued)**

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

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.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by 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 2015, its loss and cash flows for the year ended on that date.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2015 ('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 statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- (b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the balance sheet, 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 statement comply with the Accounting Standards referred to in 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 31 March 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2015, from being appointed as a Director in terms of Section 164 (2) of the Act; and
- (f) 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, 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;
  - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

**Independent Auditors' Report***(Continued)*

**YES Securities (India) Limited**

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

*Chartered Accountants*

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

Mumbai  
16 April 2015

**Milind Ranade**

*Partner*

Membership No: 100564

# YES Securities (India) Limited

## Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

1.
  - (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 and investment properties by which all the fixed assets and investment properties 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.
2. The Company is a service company primarily rendering broking services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed continuing failure on part the Company to correct major weakness in the internal control system in regard to above during the course of our audit.
5. According to the information and explanations given to us, the Company has not accepted deposits as per 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.
6. 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.
7.
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, 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, Service tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2015 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 Sales Tax or Service tax or duties of excise or value added tax or cess and other material statutory dues which have not been deposited by the Company on account of disputes.
  - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.

# YES Securities (India) Limited

## Annexure to the Independent Auditors' Report(*Continued*)

8. The Company was incorporated on 14 March 2013 and has not completed 5 years since registration. Consequently, paragraph 3(viii) of the Order is not applicable.
9. In our opinion and according to the information and explanations given to us, the Company did not have any dues to any financial institution or bank. The Company did not have any outstanding debentures during the year. Thus, paragraph 3(ix) of the Order is not applicable
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3(x) of the Order is not applicable
11. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company does not have any loans during the year. Thus, paragraph 3(xi) of the Order is not applicable
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Co. LLP**

*Chartered Accountants*

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

Mumbai  
16 April 2015

**Milind Ranade**

*Partner*

Membership No: 100564

# YES Securities (India) Limited

## Balance Sheet

As at 31 March 2015

(Currency: Indian Rupees in '000)

	<i>Note</i>	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	350,000	175,000
Reserves and surplus	4	(144,600)	(65,213)
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	975	627
Other non-current liabilities	6	1,107	475
Long-term provisions	7	1,129	364
<b>Current liabilities</b>			
Trade / customer accounts payables	8	33,858	14,399
Other current liabilities	9	3,515	2,494
Short term provisions	10	9,600	3,478
<b>TOTAL</b>		<b>255,584</b>	<b>131,624</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		16,068	21,967
Intangible assets		10,823	11,581
Intangible assets under development		1,650	2,700
Other non-current assets	12	54,066	34,026
<b>Current assets</b>			
Trade receivables	13	5,221	-
Cash and bank balances	14	145,501	53,374
Other current assets	15	22,255	7,976
<b>TOTAL</b>		<b>255,584</b>	<b>131,624</b>

Significant accounting policies 2

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

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

**Kapil Bali**

Executive Director & CEO

(DIN:03343092)

**Rajat Monga**

Director

(DIN:02931688)

**Shridhar Rane**

Executive Director & CFO

(DIN:06540725)

**Rakesh Gupta**

Company Secretary

Mumbai

Date: 16 April 2015

Mumbai

Date: 16 April 2015

# YES Securities (India) Limited

## Statement of Profit and Loss

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

	<i>Note</i>	<b>For the year 01 April 2014 to 31 Mar 2015</b>	<b>For the period 14 March 2013 to 31 Mar 2014</b>
Revenue from operation	16	37,796	3,437
Other income	17	6,533	2,009
<b>Total revenue</b>		<b>44,329</b>	<b>5,446</b>
<b>Expenses</b>			
Employee benefits expense	18	69,639	40,487
Depreciation and amortisation	11	10,317	3,767
Other expenses	19	43,412	25,778
<b>Total expenses</b>		<b>123,368</b>	<b>70,032</b>
<b>Loss before tax</b>		<b>(79,039)</b>	<b>(64,586)</b>
Tax expense:			
Current tax		-	-
Deferred tax charge		348	627
<b>Loss for the period</b>		<b>(79,387)</b>	<b>(65,214)</b>
Earnings per equity share of face value Rs. 10 Basic & Diluted (Not annualised)		<b>(3.41)</b>	<b>(5.63)</b>

### Significant accounting policies

2

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

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

**Kapil Bali**

Executive Director & CEO

(DIN:03343092)

**Rajat Monga**

Director

(DIN:02931688)

**Shridhar Rane**

Executive Director & CFO

(DIN:06540725)

**Rakesh Gupta**

Company Secretary

Mumbai

Date: 16 April 2015

Mumbai

Date: 16 April 2015



# YES Securities (India) Limited

## Cash flow statement

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

	For the year 01 April 2014 to 31 March 2015	For the period 14 March 2013 to 31 March 2014
<b>A. Cash flow from operating activities</b>		
Loss before tax	(79,039)	(64,586)
<b>Adjustments:</b>		
Depreciation and amortisation	10,317	3,767
<b>Operating cash flows before working capital changes</b>		
Increase / (Decrease) in liabilities and provisions	27,999	21,210
(Increase) / Decrease in other non current assets	(20,040)	(34,026)
(Increase) / Decrease in trade receivable	(5,221)	-
(Increase) / Decrease in other current assets	(14,279)	(7,976)
<b>Net cash flow used in operating activities</b>	<b>(A) (80,263)</b>	<b>(81,611)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets (including capital work in progress)	(2,610)	(40,015)
<b>Net cash flow used in investing activities</b>	<b>(B) (2,610)</b>	<b>(40,015)</b>
<b>C. Cash flow from financing activities</b>		
Issue of share capital	175,000	175,000
<b>Net cash flow generated from financing activities</b>	<b>(C) 175,000</b>	<b>175,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>92,127</b>	<b>53,374</b>
<b>Add: Cash and cash equivalents at beginning of the period</b>	<b>53,374</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period (refer Note 14)</b>	<b>145,501</b>	<b>53,374</b>

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

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

**Kapil Bali**

Executive Director & CEO

(DIN:03343092)

**Rajat Monga**

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Executive Director & CFO

(DIN:06540725)

**Rakesh Gupta**

Company Secretary

Mumbai

Date: 16 April 2015

Mumbai

Date: 16 April 2015

YES Securities (India) Limited  
**Notes to financial statements (continued)**  
as at 31 March 2015

(Currency: Indian Rupees in '000)

**11 FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				Net Block	
	As at 01 April 2014	Addition	Deduction/Adjustment for the year	As at 31 Mar 2015	As at 01 April 2014	For the year	Deduction	As at 31 Mar 2015	As at 31 Mar 2015	As at 31 Mar 2014
<b>TANGIBLE</b>										
Leasehold Improvements	12,382	199	-	12,581	1,086	2,829	-	3,915	8,666	11,296
Furniture & Fixtures	314	18	-	332	314	-	-	314	18	-
Computers	8,811	380	-	9,191	1,190	3,037	-	4,227	4,964	7,621
Office Equipments	150	99	-	249	10	129	-	139	110	140
Motor Vehicle	3,001	-	-	3,001	91	600	-	691	2,310	2,910
<b>Sub-Total</b>	<b>24,658</b>	<b>696</b>	<b>-</b>	<b>25,354</b>	<b>2,691</b>	<b>6,595</b>	<b>-</b>	<b>9,286</b>	<b>16,068</b>	<b>21,967</b>
<b>INTANGIBLE</b>										
Software	12,657	2,964	-	15,621	1,076	3,722	-	4,798	10,823	11,581
<b>Sub-Total</b>	<b>12,657</b>	<b>2,964</b>	<b>-</b>	<b>15,621</b>	<b>1,076</b>	<b>3,722</b>	<b>-</b>	<b>4,798</b>	<b>10,823</b>	<b>11,581</b>
<b>Total</b>	<b>37,315</b>	<b>3,660</b>	<b>-</b>	<b>40,975</b>	<b>3,767</b>	<b>10,317</b>	<b>-</b>	<b>14,084</b>	<b>26,891</b>	<b>33,548</b>
Intangible assets under development										
Back Office Software									1650	2700

# YES Securities (India) Limited

## Notes to financial statements

for the period 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

### 1 Background

YES Securities (India) Ltd. (the Company) was incorporated on 14 March 2013, as a wholly owned subsidiary of YES Bank Limited (YBL / Holding Company). The Company offers, inter alia, trading / investment in equity and other financial products along with various value added services. The Company is a securities broker registered with Securities and Exchange Board of India since 8 July 2013. The Company is member of National Stock Exchange (NSE) since 2 May 2013 and the Bombay Stock Exchange (BSE) since 11 June 2013.

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

The accompanied financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with Accounting Standards referred under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies set below have been consistently applied to the period presented in the financial statement.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) require management to make judgment, estimates and assumptions that affect the accounting policies and reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual result may differ from the estimates. Any revision to the accounting estimates is recognised prospectively in current and future period.

#### 2.3 Revenue recognition

##### Broking income

Brokerage income is recognised as per contracted rate on execution of transaction on behalf of the customers on the trade date and is net off related sub brokerage expenses, service tax and stock exchange expenses.

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

#### 2.4 Fixed Assets

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

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

#### 2.5 Depreciation

As disclosed in table below, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013. Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets to be appropriate.

Nature of Fixed Assets	Management Estimate of useful life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in years
Office Equipment	5	5
Computer - Servers and Networks	3	6
Computer Software	4	4
Vehicles	5	8
Furniture and Fixtures	10	10
Leasehold improvements to premises	Over the lease period or 9 years whichever is less	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.

The Company has changed the depreciation rates for Office Equipment from 16.21% to 20% and Furniture and Fixtures from 6.33% to 10% in line with Schedule II of the Companies Act, 2013. Till the year ended March 31, 2014 the Company has followed depreciation rate as prescribed in Schedule XIV of the Companies Act, 1956 for Office Equipments and Furniture and Fixtures. Had the Company followed the earlier depreciation rates the profit would have been higher by Rs. 5.8 thousand

**Notes to financial statements (Continued)**

for the period 01 April 2014 to 31 March 2015

(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.

*Leave encashment and compensated absences*

The eligible employees of the Company are entitled to carry forward certain number of their annual leave entitlement to subsequent years, subject to ceiling. The employee can not encash unavailed / unutilized leave. The Company has computed compensated absence provisions as per revised AS - 15 Employee Benefits.

**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.

*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.

**Notes to financial statements (Continued)**

As at 31 March 2015

(Currency: Indian Rupees in '000)

	As at 31 March 2015	As at 31 March 2014
<b>3 Share capital</b>		
<b>3.1 Details of authorized, issued and subscribed share capital</b>		
Authorized capital		
50,000,000 equity shares (PY 25,000,000) of Rs. 10 each	500,000	250,000
	<u>500,000</u>	<u>250,000</u>
Issued, subscribed and fully paid up capital		
35,000,000 ( PY 17,500,000) equity shares of Rs. 10 each, fully paid up	350,000	175,000
	<u>350,000</u>	<u>175,000</u>

**3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

Particulars	Equity shares	
	No. of shares	Amount
Shares outstanding at the beginning of the period	17,500,000	175,000
Shares issued during the period	17,500,000	175,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	35,000,000	350,000

**3.3 Information on equity shareholders holding more than 5% shares**

Name of Shareholder	As at 31 March 2015	
	No. of equity shares held	% of holding
YES Bank Limited*	35,000,000	100.00%

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

**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:**

This being the second year after the incorporation, these details are nil.

**4 Reserves and surplus****Surplus / (Deficit) in statement of Profit and Loss**

Opening balance	(65,213)	-
Add: Loss for the period	(79,387)	(65,213)
	<u>(144,600)</u>	<u>(65,213)</u>
Balance in profit and loss account	(144,600)	(65,213)
	<u>(144,600)</u>	<u>(65,213)</u>

**5 Deferred tax liability (net)**

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

<u>Deferred tax liability</u>		
Depreciation and amortization	1,823	1,094
<u>Deferred tax assets</u>		
Provision for gratuity	350	113
Preliminary expenses u/s 35D of Income Tax Act	156	207
Provision for lease rentals	342	147
<b>Deferred tax liability (net)</b>	<u>975</u>	<u>627</u>

Deferred tax assets on timing differences which are expected to reverse in the subsequent period have been recognized to the extent there is reasonable certainty regarding its realization

In the absence of virtual certainty that sufficient future taxable income will be available, the Company has not recognised deferred tax assets on account of carry forward losses in the financial year ended 31 March 2015.

**6 Other non current liabilities**

Lease straight-line reserve	1,107	475
	<u>1,107</u>	<u>475</u>

**7 Long Term Provisions**

Provision for Gratuity	1,129	364
	<u>1,129</u>	<u>364</u>

YES Securities (India) Limited

**Notes to financial statements (Continued)**

As at 31 March 2015

(Currency: Indian Rupees in '000)

	As at 31 March 2015	As at 31 March 2014
<b>8 Trade / customer accounts Payables</b>		
Customer payables	24,686	2,317
Trade Payables	9,172	12,082
(Includes accrued expenses)		
	<u>33,858</u>	<u>14,399</u>
<b>9 Other current liabilities</b>		
<b>Other payables</b>		
Accrued salaries and benefits	381	-
Statutory dues payable	2,400	2,065
Payable to Holding Company	252	361
Payable to exchange / clearing house	482	68
	<u>3,515</u>	<u>2,494</u>
<b>10 Short term provisions</b>		
Provision for compensated absence	596	477
Provision for Gratuity	4	1
Provision for employee incentives	9,000	3,000
	<u>9,600</u>	<u>3,478</u>
<b>12 Other non current assets</b>		
Deposits with Stock Exchanges	18,825	18,825
Other deposits*	31,450	14,405
Prepaid Expenses	287	254
Tax deducted at source receivable	3,504	542
	<u>54,066</u>	<u>34,026</u>
<p>*Other deposits include fixed deposits with maturity of more than 12 months and pledged with National Stock Exchange of India Limited Rs. 1,300 (previous period Rs. 1,300), National Securities Clearing Corporation Limited Rs.22,500 (previous period Rs. 7,500) &amp; BSE Limited Rs. 3,875 (previous period Rs. 1,875)</p>		
<b>13 Trade receivables</b>		
Debts outstanding for a period exceeding six months (Unsecured considered good )		
Other Receivable	9	-
Debts outstanding for a period less than six months (Unsecured considered good )		
Yes Bank Limited	5,164	-
Other Receivable	48	-
	<u>5,221</u>	<u>-</u>
<b>14 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances in current accounts	16,301	3,374
<b>Other Bank Balance</b>		
Short Term Deposits with Banks	129,200	50,000
	<u>145,501</u>	<u>53,374</u>
<b>15 Other current assets</b>		
Interest accrued on fixed deposits	2,836	2,356
Service tax input credit	4,207	3,859
Receivable from Exchange/clearing House	12,947	603
Prepaid expenses	2,172	933
Others	93	225
	<u>22,255</u>	<u>7,976</u>

YES Securities (India) Limited

**Notes to financial statements (Continued)**

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

	For the year ended 31 March 2015	For the period 14 March 2013 to 31 March 2014
<b>16 Revenue from operation</b>		
Brokerage income	14,076	25
Account Opening Income	22,329	-
Interest income on fixed deposits (fixed deposit placed with exchange/clearing corporation for margin)	1,391	3,412
	<u>37,796</u>	<u>3,437</u>
<b>17 Other income</b>		
Interest income on fixed deposits	6,483	2,008
Miscellaneous Income	50	1
	<u>6,533</u>	<u>2,009</u>
<b>18 Employee benefits expense</b>		
Salaries, allowances and bonus	66,416	38,978
Contribution to provident and other funds (Refer Note 23)	2,940	1,414
Staff welfare expenses	283	95
	<u>69,639</u>	<u>40,487</u>
<b>19 Other expenses</b>		
Advertisement & Business Development	292	1,062
Commission & Fees	-	660
Connectivity charges	467	447
Directors' sitting fees	460	80
Electricity Charges	1,256	436
Exchange charges	76	109
Insurance Charge	399	-
Professional fees	1,520	3,942
Membership & Subscriptions	404	93
Payment to auditors*	880	838
Pre incorporation expense	-	839
Printing & Stationary	930	77
Postage & Courier	959	11
Repairs & Maintenance	872	-
Rates and taxes	4,919	1,589
Rent and Other charges	12,764	9,573
Service tax expenses	-	190
Staff recruitment charges	698	1,893
Shared service charges	789	328
Technology Expenses	11,714	2,738
Telephone expenses	468	115
Traveling and conveyance	2,280	382
Website Expenses	1,118	284
Miscellaneous expenses	147	92
	<u>43,412</u>	<u>25,778</u>
* Payment to auditors		
Statutory audit fees	800	800
Other matters	-	26
Out of pocket expenses	80	12
	<u>880</u>	<u>838</u>

**Notes to financial statements (Continued)**

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

**20 Earnings per share**

	For the year ended 31 March 2015	For the period 14 March 2013 to 31 March 2014
Loss for the period	(79,387)	(65,213)
Number of shares at the beginning of the period	17,500,000	-
Total number of equity shares outstanding at the end of the period	35,000,000	17,500,000
Weighted average number of equity shares at the end of the period	23,279,452	11,585,519
<b>Basic &amp; Diluted EPS</b>	<b>(3.41)</b>	<b>(5.63)</b>
<b>Face value per share</b>	<b>10</b>	<b>10</b>

**21 Commitments**

Estimated amount of contracts remains to be executed on capital account and not provided for ( Net of advances) is Rs. 2800 thousand (previous period Nil).

**22 Employee Benefits**

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

Amount of Rs.2940 thousand (previous period Rs.1,414 thousands) is recognised as expenses in "Employee benefit expenses" - 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 AS 15.

I Assumption as at	31-Mar-15	31-Mar-14
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Interest/Discount Rate	7.81%	9.19%
Rate and increase in compensation	10%	10%
Rates of returns (expected) on plan assets		
Employee Attrition Rate (Past service (PS))	PS: 0 to 42 : 6%	PS: 0 to 42 : 5%
Expected average remaining service (years)	12.43	14.02
<b>II Present value of obligations</b>		
Plan Liability (PVO) at beginning of year	365	-
Interest cost	34	-
Current Service Cost	723	365
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial (Gain)/loss on obligation	11	-
PVO at end of year	1,133	365
<b>III Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of period	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefit Paid	-	-
Fair Value of Plan Assets at end of period	-	-
Funded Status (including unrecognised past service cost)	(1,133)	(365)
Excess of actual over estimated return on Plan Assets	-	-
<b>IV Experience History</b>		
(Gain)/Loss on obligation due to change in Assumption	145	-
Experience (Gain)/ Loss on obligation	(134)	-
Actuarial Gain/ (Loss) on plan assets	-	-
<b>V Actuarial Gain/ (Loss) Recognised</b>		
Actuarial Gain/ (Loss) for the period (Obligation)	(11)	-
Actuarial Gain/ (Loss) for the period (Plan Assets)	-	-
Total Gain/ (Loss) for the period (Plan Assets)	(11)	-
Actuarial Gain/ (Loss) recognised for the period	(11)	-
Unrecognised Actuarial Gain/ (Loss) at end of period	-	-
<b>VI Amount to be recognized in the balance sheet</b>		
PVO at end of year	1,133	365
Fair Value of Plan Assets at end of year	-	-
Funded Status	(1,133)	(365)
Unrecognized Actuarial Gain/ (Loss)	-	-
Unrecognized Past Services Cost-non vested benefits	-	-
Net Assets/(liability) recognized in the balance sheet	(1,133)	(365)
<b>VII Expenses recognized in the statement of Profit &amp; Loss</b>		
Current Service Cost	723	365
Interest Cost	34	-
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	11	-
Expenses recognized in the statement of Profit & Loss	768	365
<b>VIII Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	365	-
Expenses as above	768	365
Contribution paid	-	-
Closing Net Liability	1,133	365



**Notes to financial statements (Continued)**

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

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

	31-Mar-15	31-Mar-14
Number of suppliers registered with competent authorities	-	-
Principal amount remaining unpaid to any supplier as at the year end	-	-
interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
Amount of interest accrued and remaining unpaid at the year end	-	-

**24 Related party disclosures**

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

a) As per AS 18 "Related Party Disclosures", the Company's related parties for the year ended March 31, 2015 are disclosed below

**Holding Company**

YES Bank Limited

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

Mr. Kapil Bali - Whole Time Director & CEO

Mr. Shridhar Rane - Whole Time Director & CFO

Mr. Rakesh Gupta - Company Secretary

- A Significant transactions between the Company and related parties during the year ended March 31, 2015

	31-Mar-15	31-Mar-14
Transaction with Holding Company		
Equity Share issued	175,000	175,000
Interest income	7,874	5,420
Dmat Account opening income	21,879	-
Brokerage received	162	-
Shared service cost	789	328
Remuneration paid to KMP :		
- Mr. Kapil Bali	10,694	9,826
- Mr. Shridhar Rane	6,552	5,600
- Mr. Rakesh Gupta	1,426	-

- B Outstanding Balance with holding Company :

	31-Mar-15	31-Mar-14
Equity Share Capital	350,000	175,000
Fixed Deposits	156,875	60,675
Interest accrued on Fixed Deposits	2,836	2,356
Receivable for account opening charges	5,164	-
Payable for shared service	(252)	(361)

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

**25 Operating Lease**

The Company has taken office premises on operating lease. Gross rental expense for the year ended 31 March 2015 aggregated to Rs.10,013 (previous period Rs. 7,510 thousands), has been included under the head Operating and other expenses -Rent & Taxes in the Statement of Profit and Loss.

Lease obligations	31-Mar-15	31-Mar-14
Not later than one year	10,017	10,013
Later than one year and not later than five years	23,040	33,043
	<u>33,057</u>	<u>43,056</u>

**26 Segmental Reporting**

As the Company's business activity falls within a single primary business segment, the Financial Statements are reflective of the information required by AS 17 - Segment Reporting.

**27 Contingent liabilities**

Contingent liabilities as at 31 March 2015 were Nil (previous period Nil).

YES Securities (India) Limited

**Notes to financial statements (Continued)**

for the year 01 April 2014 to 31 March 2015

(Currency: Indian Rupees in '000)

- 28** Corresponding figures of the previous period provided in the statement of profit and loss and the cash flow statement are not comparable as current period figures are for twelve months whereas corresponding previous period figures are for twelve months and seventeen days (i.e. from day of incorporation till 31 March 2014).
- 29** Figures for the previous year have been regrouped / reclassified as follows
- Provision for compensated absences has been regrouped from 'Long Term Provision' to 'Short Term Provisions', aggregating to Rs. 477 thousand
  - Provision for employee incentive has been regrouped from 'Other current liabilities' to 'Short Term Provisions', aggregating to Rs. 3,000 thousand

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

**Kapil Bali**

Executive Director

& CEO

(DIN:03343092)

**Rajat Monga**

Director

(DIN:02931688)

**Shridhar Rane**

Executive Director

& CFO

(DIN:06540725)

**Rakesh Gupta**

Company Secretary

Mumbai

Date: 16 April 2015

Mumbai

Date: 16 April 2015