# Yes Securities (INDIA) Limited

January 07, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Issuer rating | 0.00 | CARE AA-; Stable | Reaffirmed |
| Commercial paper | 1,000.00 | CARE A1+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Reaffirmation in ratings assigned to debt instruments and issuer rating of Yes Securities (India) Limited (YSIL) derives strength from the credit profile of its parent entity, Yes Bank Limited (YBL; rated CARE AA-: Stable/CARE A1+). YSIL provides capital market-related services, including retail broking, margin trading facility, wealth management, and institutional broking. As a subsidiary of YBL, it has strong operational linkages with its parent and derives significant benefits from the shared brand identity and financial and managerial support. Ratings continue to reflect YSIL's established retail broking franchise, extensive experience of the management team and its moderate leverage. The company's revenue profile is diversified, with increasing share of interest income from margin trade facility (MTF) in the recent past. YSIL also maintains adequate margin and established risk management systems.

Going forward, YSIL plans to diversify its clientele away from YBL's customers but will continue to remain a strategically important subsidiary for the bank by servicing its clients and enabling cross-selling of banking products. The company also plans to enter the financial products distribution business.

Ratings are constrained by volatility of income due to high dependence on capital markets, high client concentration in the brokerage segment, exposure to increasing competition in the sector, and moderate size of operations and profitability, despite an improvement in FY25.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:**

- Improvement in credit profile of the parent (YBL).

**Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:**

- Deterioration in the credit profile of the parent.
- Dilution in shareholding of and/or linkages with the parent.
- Significant deterioration in scale and profitability on a sustained basis

**Analytical approach:** Standalone

YSIL has been assessed on a standalone basis while factoring in managerial, financial, and operational linkages, and the shared brand name with its parent, YBL.

**Outlook:** Stable

The "Stable" outlook factors in CareEdge Ratings' expectation that YSIL will remain strategically important to YBL and will continue to receive need-based support from YBL. CareEdge Ratings expects that the company would report steady business growth while maintaining adequate capitalisation and strong liquidity position.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

**Parentage YBL and managerial, operational, financial linkages, and shared brand name**

YSIL is a subsidiary of YBL and provides capital market-related services, including retail broking, wealth management, and institutional broking, predominantly to the bank's clients. YSIL has been receiving financial support from the bank. The bank has infused additional equity capital of ₹150 crore into YSIL in February 2025. CareEdge Ratings believes YSIL will continue to receive need-based funding support from the bank going forward.

The bank has extended its brand identity and shared the brand name with YSIL. YSIL's Board of Directors is headed by Prashant Kumar, Managing Director and Chief Executive Officer, Yes Bank Limited, as Chairman, with Rajan Pental, Executive Director, Yes Bank Limited, and Tushar Patankar, Chief Risk Officer, Yes Bank Limited, as Directors on YSIL's Board.

**Established retail broking franchise, experienced management team, and adequate risk management systems and process**

YSIL offers broking services to retail customers and acts as an institutional broker with presence in cash, derivatives, and commodities market segments. The company currently offers three-in-one accounts, where demat and trading accounts are offered by YSIL and the linked bank account by YBL, and two-in-one accounts, where the bank account can be with a bank other than YBL. YSIL had a customer base of over ~6 lakh, largely comprising YBL clients, of which active clients stood at 80,309 (per NSE database) as on October 31, 2025. The company started expanding its services to non-YBL clients from March 2022, which is expected to help increase its client base.

As on March 31, 2025, the average margin trading facility (MTF) book stood at ₹753 crore, up from ₹550 crore as on March 31, 2024. As on September 30, 2025, the MTF book reached ₹893.96 crore, compared to ₹528.16 crore a year earlier. The company plans to continue scaling up this book in the near term. MTF lending remains the company's key source of income, with interest income from MTF constituting 40% of total income for H1FY26. The company's total trading turnover stood at ₹2,01,842 crore in FY25 (FY refers to April 01 to March 31) compared to ₹1,49,682 crore in FY24, which comprised equity cash, equity derivatives, currency derivatives, and commodity derivatives. However, ~86% of turnover was derived from equity cash and equity derivative segments. The company started offering MTF to its customers in FY19 and has gradually scaled up the book.

The company has robust risk management systems with adequate margin from clients. The company offers MTF only for selected securities to its clients and charges additional margin over and above the exchange-specified value at risk (VaR) and extreme loss margin (ELM). YSIL has defined criteria for client exposures and has not faced major loss or bad debts in the last five years of operations.

YSIL's operations are headed by Anshul Arzare, Managing Director and Chief Executive Officer, who has over two decades of experience in the financial industry.

**Adequate capital position with moderate gearing levels**

The company has adequate capital position supported by capital infusion from its parent, Yes Bank Limited (YBL) when required. The parent infused ₹150 crore in February 2025. Apart from equity support from the parent, the company also has working capital financing facilities of ₹250 crore from the parent.

The company's tangible net worth (TNW) increased to ₹445.54 crore as on March 31, 2025, compared to ₹253.67 crore as on March 31, 2024, primarily driven by a capital infusion of ₹150 crore and internal accruals. TNW increased to ₹465.43 crore as on September 30, 2025, through internal accruals. The company's overall gearing decreased to 0.98x as on March 31, 2025 (March 31, 2024: 2.22x), mainly because of capital infusion in February 2025. Gearing as on September 30, 2025, stood at 1.5x. YSIL is expected to maintain overall gearing below 4x in the medium term, within the limits prescribed by the Securities and Exchange Board of India (SEBI) of 5x.

Going forward, continuous need-based support from the parent to maintain leverage levels and support growth, and the company's ability to generate adequate internal accruals, will remain key rating monitorable.

## Key weaknesses

**Moderate scale, despite improvement**

YSIL is an established broker, despite a modest turnover and market share of 0.18% of active clients as on October 31, 2025. Its market share by turnover (cash segment [NSE+BSE]) declined slightly to 0.33% in March 2025, down from 0.35% in March 2024. YSIL has a diversified income profile with revenue from brokerage (including retail and institutional broking), interest income through the margin trading facility (MTF) book, and other fee income.

The company has been focusing on broking and MTF segments to maintain its revenue and profitability in the last three years. Brokerage contributed the majority total income, accounting for ~31% in H1FY26 (FY25: 33%), while interest from MTF constituted ~40% of total income for H1FY26 (FY25: 40%) and interest on fixed deposits comprised the balance. Income from broking is expected to constitute a major proportion of income in the near term, as it has scaled up its customer base tapping YBL's clientele. The company has been able to report profit in the last three years due to a shift in business strategy and focus on wealth and MTF segments.

The company reported profit after tax (PAT) of ₹16.43 crore on total income of ₹177.53 crore (PAT of ₹38.85 crore and total income of ₹341.94 crore in FY25) compared to PAT of ₹25.57 crore on total income of ₹175.27 crore in H1FY25.

**Presence in inherently risky and competitive broking business**

YSIL's business and earning profile significantly depends on income earned as brokerage which contributed to ~31% of its total revenues in H1FY26. This indicates YSIL's dependence on capital market activities which is highly volatile, which could impact earnings profile and the company's profitability.

As the company is in MTF lending, it is also exposed to credit and market risk. The company's MTF book has increased from ₹101.3 crore as on March 31, 2021, to ₹551.68 crore as on March 31, 2025, and further to ₹893.96 crore as on September 30, 2025. Securities broking business has high degree of competition, with the entry of zero brokerages and discount broking firms which have reduce the brokerage yields. However, the company mitigates the risk arising from such activities by maintaining excess margin with the exchange in the form of cash, fixed deposit and other securities.

Going forward, the company's ability to maintain asset quality and increase its brokerage income through increase in the active clientele, would remain a key rating monitorable**.**

## Liquidity: Adequate

As on September 30, 2025, YSIL maintained unencumbered cash and bank balances of ₹45.19 crore against scheduled debt repayments of ₹180.00 crore (commercial paper) over the ensuing three months, resulting in a liquidity coverage ratio of ~25%. However, liquidity comfort is supported by the availability of undrawn overdraft facilities amounting to ₹248.39 crore backed by lien-marked fixed deposits (₹498 crore). Further comfort is derived from YSIL's strong financial flexibility being a subsidiary of YBL, which enables access to additional funding sources to meet maturing obligations in a timely manner.

**Environment, social, and governance (ESG) risks:** Not applicable

## Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Issuer Rating
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Broking Firms
Short Term Instruments

## About the company and industry

## Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Financial services | Financial services | Capital markets | Stockbroking and allied |

**About the company – YBL**
YBL is a new generation private sector bank incorporated in November 2003. The RBI superseded the bank's board of directors and imposed a moratorium on the bank from March 05, 2020. Government of India approved the 'Yes Bank Reconstruction scheme, 2020' which came into effect from March 13, 2020. Per the scheme, the moratorium was lifted from March 18, 2020, and State Bank of India (SBI) led group of financial institution invested ₹10,000 crore. SBI is required to hold minimum 26% in bank for three years and other investors are required to hold 75% of their holding for three years. The bank raised ₹15,000 crore from institutional investors in July 2020, which has led to improvement in its capitalisation levels to well-above regulatory requirement.

**About the company – YSIL**
YSIL is a subsidiary of YBL (rated CARE AA-; Stable/CARE A1+) and was incorporated on March 14, 2013. The company is a securities broker registered with the SEBI since July 08, 2013. The company is also a registered merchant banker, research analyst, and investment advisor with SEBI.

YSIL offers variety of services, including trading and investment in equity, merchant banking services such as fundraising for large corporates across public and private sectors and equity and debt advisory, investment banking services such as mergers and acquisition and private equity service to wide range of sectors, fixed income advisory and investment advisory to retails investors and HNI investors. YSIL has been a major player in providing multiple PE investor exit through IPO over the years.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | H1FY26 (UA) |
|---|---|---|---|
| Total income | 272.70 | 341.94 | 177.53 |
| PAT | 30.39 | 38.85 | 16.42 |
| Tangible net-worth (TNW) | 253.67 | 445.54 | 465.43 |
| Loan book (Margin trading facility) | 599.22 | 550.30 | 893.96 |
| Overall gearing (x)* | 2.43 | 1.09 | 1.61 |
| Cost-to-income (%) | 80.51% | 80.33% | 84.77% |
| Return on net-worth (RONW) (%) | 16.20% | 11.11% | 9.46% |

A: Audited UA: Unaudited; Note: these are latest available financial results
*including non-fund-based limits utilized

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated**: Annexure-4

**Lender details**: Annexure-5

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating assigned and Rating outlook |
|---|---|---|---|---|---|---|
| Commercial Paper | INE066R14820 | 28-May-25 | 8.50% | 13-Feb-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14846 | 06-Jun-25 | 8.50% | 05-Mar-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14853 | 23-Jun-25 | 8.30% | 20-Mar-26 | 20.00 | CARE A1+ |
| Commercial Paper | INE066R14861 | 30-Jun-25 | 8.15% | 29-Dec-25 | 25.00 | CARE A1+ |
| Commercial Paper | INE066R14879 | 25-Jul-25 | 8.20% | 23-Apr-26 | 55.00 | CARE A1+ |
| Commercial Paper | INE066R14887 | 09-Sep-25 | 7.50% | 10-Mar-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14895 | 19-Sep-25 | 7.50% | 18-Mar-26 | 10.00 | CARE A1+ |
| Commercial Paper | INE066R14903 | 30-Sep-25 | 7.85% | 29-Jun-26 | 20.00 | CARE A1+ |
| Commercial Paper | INE066R14911 | 01-Oct-25 | 7.85% | 30-Jun-26 | 25.00 | CARE A1+ |
| Commercial Paper | INE066R14929 | 03-Oct-25 | 7.85% | 02-Jul-26 | 10.00 | CARE A1+ |
| Commercial Paper | INE066R14937 | 16-Oct-25 | 7.70% | 27-Mar-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14952 | 28-Oct-25 | 7.70% | 25-Feb-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14945 | 29-Oct-25 | 7.85% | 28-Jul-26 | 30.00 | CARE A1+ |
| Commercial Paper | INE066R14960 | 10-Nov-25 | 8.00% | 10-Sep-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14978 | 14-Nov-25 | 8.00% | 16-Sep-26 | 50.00 | CARE A1+ |
| Commercial Paper | INE066R14986 | 10-Dec-25 | 7.50% | 09-Apr-26 | 30.00 | CARE A1+ |
| Commercial Paper- Proposed | - | - | - | - | 425.00 | CARE A1+ |
| Issuer Ratings | - | - | - | - | - | CARE AA-Stable |

**Annexure-2: Rating history for last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1 | Commercial Paper-Commercial Paper (Standalone) | ST | 1000.00 | CARE A1+ | 1)CARE A1+ (07-Jul-25) | 1)CARE A1+ (26-Dec-24) | 1)CARE A1+ (12-Feb-24)<br><br>2)CARE A1+ (24-Nov-23) | 1)CARE A1+ (17-Feb-23)<br><br>2)CARE A1+ (12-Oct-22)<br><br>3)CARE A1 (15-Jul-22)<br><br>4)CARE A1 (06-Apr-22) |
| 2 | Issuer Rating-Issuer Ratings | LT | 0.00 | CARE AA-; Stable | 1)CARE AA-; Stable (07-Jul-25) | 1)CARE A+; Stable (26-Dec-24) | 1)CARE A; Positive (12-Feb-24)<br><br>2)CARE A; Positive (24-Nov-23) | - |

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1 | Commercial Paper-Commercial Paper (Standalone) | Simple |

**Annexure-5: Lender details**

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| To view lender-wise details of bank facilities please click here |

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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**About us:**

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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