Yes Securities (INDIA) Limited

July 08, 2026

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

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has upgraded the Issuer Rating of Yes Securities (India) Limited (YSIL) to "CARE AA+; Stable" while re-affirming the ratings assigned to Commercial Paper at "CARE A1+". CareEdge Ratings has assessed the standalone financial and operational performance of YSIL while also factoring in the operational and financial linkages with the parent Yes Bank Limited (YBL; rated CARE AA+' Stable / CARE A1+). YSIL is engaged in capital market-related services, including retail broking, margin trading facility (MTF), wealth management, and institutional broking.

The company benefits from strong operational integration with YBL, supported by shared branding, as well as financial and managerial support. The ratings continue to derive strength from YSIL's established retail broking franchise, experienced management team, and moderate leverage profile. The company's revenue mix remains diversified, with a growing contribution from interest income generated through the MTF business in recent periods. The ratings also factor in YSIL's adequate margin position and established risk management framework.

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 which is further expected to diversify revenue sources.

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.

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 Mr. Vinay Muralidhar Tonse being the Chairman of the Board, Managing Director and Chief Executive Officer, Yes Bank Limited, as Chairman, with Rajan Pental, Executive Director, 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 ~9 lakh, largely comprising YBL clients, of which active clients stood at 94,318 (per NSE database which includes only NSE clientele) as on May 31, 2026. The company started expanding its services to non-YBL clients from March 2022, which is expected to help increase its client base. CareEdge Ratings notes that YSIL was subject to regulatory action by the NSE, which restricted the company from onboarding new customers until August 2026. However, as per the latest NSE order dated July 01, 2026, the matter has since been resolved. CareEdge Ratings will continue to monitor the further developments and assess any potential impact on the company's operations and franchise.

As on March 31, 2026, the margin trading facility (MTF) book stood at ~₹681 crore (as on date), up from ₹552 crore as on March 31, 2025. 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 42% of total income for FY26. The company's total trading turnover stood at ₹2,25,046 crore in FY26 (FY refers to April 01 to March 31) compared to ₹2,01,842 crore in FY25, which comprised equity cash, equity derivatives, currency derivatives, and commodity derivatives. However, ~93% of turnover was derived from equity cash and equity derivative segments. The company has been offering MTF to its customers since FY19 and has been gradually scaling 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 ~₹490 crore as on March 31, 2026, compared to ~₹446 crore as on March 31, 2025, primarily driven by internal accruals. The company's overall gearing (fund based) stood at 1.20x as on March 31, 2026 (March 31, 2025: 0.98x). 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 0.21% of active clients as on May 31, 2026. 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. Interest from MTF contributed the majority total income, accounting for ~42% in FY26 (FY25: 40%), while brokerage constituted ~32% of total income for FY26 (FY25: 33%) 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 ₹39.51 crore on total income of ₹373.62 crore during FY26 compared to PAT of ₹38.85 crore on total income of ₹341.94 crore in FY25.

Presence in inherently risky and competitive broking business

YSIL's business and earning profile significantly depends on income earned as brokerage which contributed to ~32% of its total revenues in FY26. 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 crore as on March 31, 2021, to ~₹681 crore as on March 31, 2026 despite significant market volatility. 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 March 31, 2026, YSIL had unencumbered cash and bank balance of ₹0.25 crore. Additionally, the company had lien-marked fixed deposits of ~₹309 crore against its overdraft facilities, providing support towards meeting debt repayments of ₹405 crore falling due over next three months. Comfort is further driven from YSIL's strong financial flexibility as YBL's subsidiary to obtain additional funding to repay maturing debt.

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 & Allied

About YBL

Yes Bank Ltd. (YBL) is a new generation private sector bank incorporated in November 2003. On May 9, 2025, Sumitomo Mitsui Banking Corporation (SMBC) announced that its Board of Directors approved a Share Purchase Agreement (SPA) with the State Bank of India (SBI) to acquire approximately 13.19% of the Bank's equity share capital, amounting to over 4.13 billion shares, subject to regulatory approvals from the Reserve Bank of India and the Competition Commission of India. Additionally, SMBC entered into separate agreements with seven other banks — HDFC, ICICI, Kotak Mahindra, Axis, IDFC First, Federal, and Bandhan — to acquire a combined 6.81% equity stake through individual SPAs.

The above transaction has been completed as on March 31, 2026, and SMBC hold 24.90% in Yes Bank Limited. SBI and Ververnta Limited still continue to remain as two of the largest shareholders in YES Bank holding ~10.8% and ~8.5% respectively as on March 31, 2026, with one nominee Director each on the Board of Directors.

About 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, 2025 (A)	March 31, 2026 (A)
Total income	341.94	373.62
PAT	38.85	39.51
Tangible Net worth	445.54	489.54
Loan Book (Margin Trading Facility)	551.68	680.57
Cost-to-Income (%)	80.33%	81.04%
Overall Gearing* (x)	1.09	1.31
Return on net-worth (RONW) (%)	11.11%	8.45%

*including non-fund based limits utilised

A: Audited UA: Unaudited; Note: these are latest available financial results

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	-	-	-	-	1000.00	CARE A1+
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	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 2026-2027	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
1	Commercial Paper-Commercial Paper (Standalone)	ST	1000.00	CARE A1+	-	1)CARE A1+ (07-Jan-26) 2)CARE A1+ (07-Jul-25)	1)CARE A1+ (26-Dec-24)	1)CARE A1+ (12-Feb-24) 2)CARE A1+ (24-Nov-23)
2	Issuer Rating-Issuer Ratings	LT	0.00	CARE AA+; Stable	-	1)CARE AA-; Stable (07-Jan-26) 2)CARE AA-; Stable (07-Jul-25)	1)CARE A+; Stable (26-Dec-24)	1)CARE A; Positive (12-Feb-24) 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

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Vineet Jain Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3623 E-mail: Vineet.jain@careedge.in
Relationship Contact Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Sudam Shrikrushna Shingade Director **CARE Ratings Limited** Phone: 912267543453 E-mail: sudam.shingade@careedge.in Yogesh Rochani Assistant Director **CARE Ratings Limited** Phone: 91-120-4452041 E-mail: Yogesh.Rochani@careedge.in

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

For detailed Rating Report and subscription information, please visit www.careratings.com