

September 24, 2018

Mr. Khushro A. Bulsara  
Senior General Manager  
Listing Compliance & Legal Regulatory  
**BSE Limited**  
Corporate Relations Department  
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Mumbai - 400 001  
**BSE Scrip Code: 532648**

Mr. Avinash Kharkar  
AVP - Listing Compliance  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra - Kurla Complex, Bandra (E)  
Mumbai - 400 051  
**NSE Symbol: YESBANK**

Dear Sirs,

**Sub.: Reply on News Clarification**

We refer to your e-mail dated September 24, 2018 seeking clarification on media report titled as "RBI slaps Yes Bank with Rs. 38 Crore over GST Violations".

In this regard, kindly find below our response:

1. Firstly, we would like to humbly submit that the heading used by "Financial Express" is inappropriate as RBI has not imposed any fines/ penalties over GST violations on the Bank.
2. Further, we would like to submit that it is with reference to the Domestic Money Transfer (DMT) program, the Additional Commissioner of Central Tax & Central Excise, Mumbai Central (GST Office) had raised certain observations in the method to compute the applicable GST on transactions. Towards this, the GST office had computed an amount of INR 38.04 crore of GST/Service Tax, payable by the Bank. The Bank has taken legal views on record from Tax Experts confirming the Bank's interpretation of the law to be correct & tenable. The Bank continues to believe that its GST/Service tax computation and collection process for the DMT program is accurate. Furthermore, YES BANK's process is in line with the prevalent industry practice followed across all banks. In addition, there has been no written communication in the form of a show-cause notice, or otherwise, provided to YES BANK on the matter by the authorities.

However, given that Domestic Remittances are a very crucial and integral part of the national financial inclusion agenda, benefitting the most marginalized and financially excluded individuals of the country, YES BANK is keen to pursue uninterrupted functioning of this

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socially important offering. Therefore, the Bank has taken a decision to pay GST/Service tax claims amounting to INR 38.04 crore "Under Protest".

The Bank would like to reiterate that this should not, by any means, be considered as an admission of liability. YES BANK will continue to engage with the GST Office to explain its case and if required, follow the course of law to clarify interpretation issues, if any.


3. We would further like to humbly submit that in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Bank's Policy on Reporting of Material Events and SEBI Circular on 'Continuous Disclosure Requirements for Listed Entities' dated September 9, 2015, the captioned event was not material and hence, not required to be reported to the stock exchanges.
4. Additionally, we firmly believe that such media reports will not have any influence on the operation/ performance of the Bank.

In view of the above and considering the fact that the impact of the event was not material on the operations/ performance of the Bank, no disclosure was made in terms of Regulation 30 of Listing Regulations.

We hope that aforesaid elucidations addresses your concerns.

Thanking you,

Yours faithfully,  
For YES BANK LIMITED

  
Shivanand R. Shettigar  
Company Secretary

