

Key Audit Matters

The key audit matter:

1. Impairment of loans

Charge (Charge reversal): INR (85.8) million for the year ended 31 March 2022

Provision: INR 53.5 million as at 31 March 2022

Refer to the accounting policies in "Note 2.7.1, to the Consolidated Financial Statements: Overview of ECL principles, "Note 2.1.5 to the Consolidated Financial Statements: Significant Accounting Policies- use of estimates and judgements and "Note 4 to the Consolidated Financial Statements: Loans"

Subjective estimate

Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are:

- Data Inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.
- Model Estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach
- Economic Scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID -19.

The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, including off-balance sheet elements, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements (Note No. 28.2) disclose the sensitivities estimated by the Company.

Disclosures

The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus and are related to an area of significant estimate.

How the matter was addressed in our audit

Design/Controls

We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and Application Controls over key systems used in the ECL process.

Key Audit Matters (Continued)

Key aspects of our controls testing involved the following:

- Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data, and assumptions into Ind AS 109 impairment models.
- Testing the 'Governance Framework' controls over validation, implementation, model monitoring in line with RBI guidance.
- Testing the design and operating effectiveness of the key controls over the application of the staging criteria.
- Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.
- Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any.
- Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.
- Testing key controls operating over the information technology in relation to loan impairment management systems.

Test of Details

Key aspects of our testing included:

- Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
- Model calculations testing through re-performance.
- Performed an overall assessment of the ECL provision levels at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

Assessing disclosures: We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

Independent Auditor's Report (Continued)

Key Audit Matters (Continued)

The key audit matter:

2. Information Technology (IT)

IT systems and controls

The Company's key financial accounting and reporting are highly dependent on the information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses certain enterprise systems to manage the financial reporting.

We have focused on user access management, change management, design of segregation of duties, change management, incident management, business continuity and disaster recovery, backup and recovery management, certain system reconciliation controls, system application controls over key financials accounting and reporting systems and physical and environmental controls associated with the enterprise systems.

How the matter was addressed in our audit

Our key audit procedures to assess the IT General Controls included the following:

- Tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management program development and general computer operations.
- Tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights and process designed to manage segregation of duties.
- Other areas that were independently assessed included password policies, security configurations of critical IT infrastructure such as antivirus/antimalware control over changes to systems.
- Performed configuration review and other tests on certain aspects of the security management mechanism, network security, operational security of key infrastructure data and Information
- Tested the design and operating effectiveness of controls over incident management to determine that incidents are reported, whether they are resolved as per the severity of the incident and recorded for root cause analysis.
- Tested the design and operating effectiveness of controls over backup and recovery, which includes ensuring that the data is backed up in timely manner and accurately restored if required.
- Review of the Company's internal control procedures to secure the IT environment.

Independent Auditor's Report (Continued)

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the auditor's report.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's management and the Board of Directors are responsible for the preparation & presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

In preparing the Consolidated Financial Statements, the respective management and the Board of Directors of the Holding Company and its associate are responsible for assessing the Company's (or the associate'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 the Board of Directors either intends to liquidate the Company (or the associate) or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its associate are responsible for overseeing each Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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 Holding Company has adequate internal financial controls with reference to the Consolidated 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 Consolidated 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation and

Independent Auditor's Report (Continued)

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)**

- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Holding Company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the Consolidated Financial Statements of which we are the independent auditors. For the associate entity included in the Consolidated Financial Statements, which has been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 Consolidated 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.

Independent Auditor's Report (Continued)**Other Matters**

The Consolidated Financial Statements also includes the Holding Company's share of net profit (loss) and other comprehensive income (loss) of (INR 73.9 million) and (INR 1.21 million) respectively for the year ended 31st March, 2022, as considered in the Consolidated Financial Statements, in respect of the associate company whose financial statements / financial information have been audited by other auditors and whose report has been furnished to us by the Management. And our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate company, and our report in terms of sub-section (3) of Section 143 of the Act is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above mentioned matter.

Report on Other Legal and Regulatory Requirements

- (A) As required by the Companies (Auditor's Report) Order, 2020 (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(xxi) of the Order.
- (B) 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 of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor for the associate.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including consolidated other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report agree with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate, none of the directors of the Holding Company and its associate is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act and
 - f) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

Independent Auditor's Report (Continued)**Report on Other Legal and Regulatory Requirements (continued)**

(C) 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 Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Holding Company and its associates - Refer Note 26 to the Consolidated Financial Statements.
- II. The Holding Company and its associate did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its associate during the year ended 31 March 2022;
- IV.
 - a) The Management of the Holding Company have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its associate to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its affiliate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management of the Holding Company have represented to us, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its associate from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor notice that has caused us or other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. No dividend was declared or paid during the year by the Holding Company and its associate. Hence the Holding Company is in compliance with section 123 of the Act,

Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements (continued)

(D) With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the Company being a private company, provisions of Section 197 of the Act are not applicable to the Company and no reporting is required under this clause for the year ended 31 March 2022. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Suresh Surana & Associates LLP Chartered Accountants

Firm's Registration No: 121750WW-100010

Rajesh Maniar

Partner

Membership No: 040833

ICAI UDIN: 22040833ASBGXH9858

Bengaluru

13th September 2022

Annexure A referred to in paragraph A under the heading “Report on Other Legal and Regulatory Requirements” of our report on the Consolidated Financial Statements of Barclays Investments & Loans (India) Private Limited for the year ended 31 March 2022

Statement on the matters specified in paragraphs 3 (xxi) & 4 of Companies (Auditor’s Report) Order, 2020 (“the Order”/”CARO”)

In our opinion and according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its affiliates issued by other auditor included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remark in these CARO reports, except below:

| Sr. No. | Name of the entities | CIN | Holding Company/ Affiliates | Clause number of the CARO report |
|---------|--|-----------------------|-----------------------------|----------------------------------|
| 1) | Barclays Investments and Loans (India) Private Limited | U93090MH1937FTC291521 | Holding | vii |
| 2) | Barclays Securities (India) Pvt Ltd | U67120MH2006PTC161063 | Associate | vii(b), xvii |
| 3) | Barclays Wealth Trustees (India) Pvt Ltd | U93000MH2008PTC188438 | Subsidiary of Associate | vii(b) |

Annexure B to the Independent Auditor's report on the Consolidated Financial Statements of Barclays Investments & Loans (India) Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 1(B)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion.

In conjunction with our audit of the Consolidated Financial Statements of Barclays Investments and Loans (India) Private Limited (the 'Holding Company') as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to the Consolidated Financial Statements criteria established by the Holding 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 Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these Consolidated 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 the Consolidated 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 these Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Annexure B to the Independent Auditor's report on the Consolidated Financial Statements of Barclays Investments & Loans (India) Private Limited for the year ended 31 March 2022 (Continued)

Auditor's Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated 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 judgement, including the assessment of the risks of material misstatement of the Consolidated 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 these Consolidated Financial Statements.

Meaning of Internal Financial controls with Reference to these Consolidated Financial Statements

A company's internal financial controls with reference to these Consolidated 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 these Consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Annexure B to the Independent Auditor's report on the Consolidated Financial Statements of Barclays Investments & Loans (India) Private Limited for the year ended 31 March 2022
(Continued)**

Inherent Limitations of Internal Financial controls with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Consolidated 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 these Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

For Suresh Surana & Associates LLP
Chartered Accountants

Firm's Registration No: 121750W/W-100010

Rajesh Maniar
Partner

Membership No: 040833

ICAI UDIN: 22040833ASBGXH9858

Bengaluru
13th September 2022

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022
 (All amounts in Indian Rupees millions)

| | <u>Note</u> | <u>Audited</u> <u>As at</u> March 31 2022 | <u>Audited</u> <u>As at</u> March 31 2021 |
|---|-------------|---|---|
| ASSETS | | | |
| (1) Financial assets | | | |
| (a) Cash and cash equivalents | 3 | 3,790.60 | 945.10 |
| (b) Loans | 4 | 27,383.84 | 21,614.78 |
| (c) Investments | 5 | 162.51 | 237.63 |
| (d) Other financial assets | 6 | 0.93 | 0.58 |
| Total financial assets | | 31,337.88 | 22,798.09 |
| (2) Non-financial assets | | | |
| (a) Current tax assets (Net) | | 581.10 | 542.76 |
| (b) Deferred tax assets (Net) | | 847.12 | 964.57 |
| (c) Property, plant and equipment | 7 | 16.83 | 17.83 |
| (e) Other non-financial assets | 8 | 4.86 | 4.07 |
| Total non-financial assets | | 1,449.91 | 1,529.23 |
| Total assets | | 32,787.79 | 24,327.32 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| (1) Financial liabilities | | | |
| (a) Payables | | | |
| (i) Other payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 9 | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 13.13 | 16.90 |
| (b) Borrowings (Other than debt securities) | 10 | 23,172.57 | 15,233.30 |
| (c) Subordinated liabilities | 11 | 29.66 | 26.92 |
| (d) Other financial liabilities | 12 | 0.03 | 2.31 |
| Total financial liabilities | | 23,215.39 | 15,279.43 |
| (2) Non-financial liabilities | | | |
| (a) Provisions | 13 | 7.27 | 5.00 |
| (b) Other non-financial liabilities | 14 | 4.96 | 4.69 |
| Total non-financial liabilities | | 12.23 | 9.69 |
| (3) EQUITY | | | |
| (a) Share capital | 15 | 10,903.29 | 10,903.29 |
| (b) Other equity | 16 | (1,343.12) | (1,865.09) |
| Total equity | | 9,560.17 | 9,038.20 |
| Total liabilities and equity | | 32,787.79 | 24,327.32 |

Significant accounting policies
 The notes are an integral part of these financial statements

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As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
 Firm registration No.121750W/W-100010

For and on behalf of the Board

Rajesh Maniar
Partner
 Membership No. 040833

Rakesh Kripalani
Director
 DIN No. 02877283

Ruzbeh Sutaria
Director
 DIN No. 07889937

Date : September 13 2022

Date : September 13 2022

Date : September 13 2022

Noopur Gupta
Company Secretary
 ACS 27413

Date : September 13 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022
 (All amounts in Indian Rupees millions)

| | <u>Note</u> | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
|---|-------------|-----------------------|-----------------------|
| <u>REVENUE FROM OPERATIONS</u> | | | |
| (i) Interest income | 17 | 1,752.44 | 1,351.34 |
| (ii) Dividend income | | - | - |
| (I) Total revenue from operations | | 1,752.44 | 1,351.34 |
| (II) Other income | 18 | 1.75 | 10.63 |
| (III) Total income (I + II) | | 1,754.19 | 1,361.97 |
| <u>EXPENSES</u> | | | |
| (i) Finance costs | 19 | 890.38 | 587.86 |
| (ii) Impairment on financial instruments | 20 | (85.82) | 103.01 |
| (iii) Employee benefits expenses | 21 | 47.29 | 42.26 |
| (iv) Depreciation, amortization and impairment | 22 | 1.00 | 0.39 |
| (v) Other expenses | 23 | 51.36 | 49.21 |
| (IV) Total expenses | | 904.21 | 782.73 |
| (V) Profit before exceptional items and tax (III-IV) | | 849.98 | 579.23 |
| (VI) Exceptional items | | - | - |
| (VII) Profit before tax (V -VI) | | 849.98 | 579.23 |
| (VIII) Share of net loss in associate | | (73.90) | (133.69) |
| (IX) Profit before tax (VII +VIII) | | 776.08 | 445.54 |
| (X) Tax expense | | | |
| (1) Current tax | | 195.07 | 119.60 |
| (2) Deferred tax | | 56.33 | 15.61 |
| Total tax expense (1+2) | 24 | 251.40 | 135.21 |
| (XI) Profit for the year (VII-VIII) | | 524.68 | 310.33 |
| (XII) Other comprehensive income | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurements of the defined benefit liabilities | | (1.50) | 0.61 |
| Sub-total | | (1.50) | 0.61 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | (0.11) |
| Share of net other comprehensive income in associate | | (1.21) | (1.56) |
| Other comprehensive income | | (2.71) | (1.05) |
| (XIII) Total Comprehensive Income for the period (IX+X) | | 521.97 | 309.27 |
| Earnings per equity share [Face value of Rs. 50] | | | |
| Basic and diluted (in INR) | 25 | 2.41 | 1.42 |

Significant accounting policies

The notes are an integral part of these financial statements

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For Suresh Surana & Associates LLP
 Chartered Accountants
 Firm registration No.121750W/W-100010

For and on behalf of the Board

 Rajesh Maniar
 Partner
 Membership No. 040833

 Rakesh Kripalani
 Director
 DIN No. 02877283

 Ruzbeh Sutaria
 Director
 DIN No. 07889937

Date : September 13 2022

Date : September 13 2022

Date : September 13 2022

 Noopur Gupta
 Company Secretary
 ACS 27413

Date : September 13 2022



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts in Indian Rupees millions)

| | March 31, 2022 | March 31, 2021 |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 776.08 | 445.54 |
| Adjustments for | | |
| Impairment loss allowance | (85.82) | 103.01 |
| Interest income on fixed deposits | (64.29) | (18.83) |
| Dividend income | - | - |
| Depreciation, amortisation and impairment | 1.00 | 0.39 |
| Provision for compensated absences and gratuity | 1.81 | 1.13 |
| Interest on borrowings | 890.38 | 587.86 |
| Provision for service tax/ goods and service tax | 3.71 | 3.75 |
| Operating profit before working capital changes | 1,522.87 | 1,122.85 |
| Adjustments for | | |
| (Increase)/Decrease in loans | (5,683.24) | (6,689.89) |
| (Increase)/Decrease in other financial assets | 0.36 | 286.26 |
| (Increase)/Decrease in intangible assets under development | - | - |
| (Increase)/Decrease in non financial assets | (4.50) | (6.94) |
| (Increase)/Decrease in Investment | 73.90 | 133.74 |
| (Decrease)/Increase in payables | (3.77) | (0.46) |
| (Decrease)/Increase in other financial liabilities | (2.28) | (31.33) |
| (Decrease)/Increase in non financial liabilities | 0.27 | 1.01 |
| (Decrease)/Increase in provisions | (1.03) | 1.29 |
| Cash generated from operations | (5,620.29) | (6,306.31) |
| Payment of taxes (net) | (172.28) | (29.38) |
| Net cash used in from operating activities (A) | (4,269.69) | (5,212.82) |
| Cash flows from investing activities | | |
| Interest received on fixed deposits | 63.56 | 18.57 |
| Purchase of fixed assets | - | (1.99) |
| Net cash generated from investing activities (B) | 63.56 | 16.58 |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 4,100.00 | 12,750.00 |
| Repayments of borrowings | (4,100.00) | (13,250.00) |
| Proceeds from commercial papers | 50,031.38 | 23,990.44 |
| Repayment of commercial papers (includes accretion of discount on commercial paper) | (42,950.00) | (21,150.00) |
| Interest on borrowings | (29.75) | (27.38) |
| Net cash used in financing activities (C) | 7,051.63 | 2,313.06 |
| Net decrease in cash and cash equivalents (A + B + C) | 2,845.49 | (2,883.19) |
| Cash and cash equivalents as at beginning of the period | 945.10 | 3,828.29 |
| Cash and cash equivalents as at the end of the period | 3,790.59 | 945.09 |

Notes :

1. Cash and cash equivalents include the following:

Balance with bank

- In current account

- In fixed deposit account (original maturity of less than 3 months)

As at

March 31, 2022

As at

March 31, 2021

990.60

545.10

2,800.00

400.00

3,790.60

945.10

2. The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 "Statement of cash flows".

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm registration No.121750W/W-100010

For and on behalf of the Board

Rajesh Maniar

Partner

Membership No. 040833

Date : September 13 2022

Rakesh Kripalani

Director

DIN No. 02877283

Date : September 13 2022

Ruzbeh Sutaria

Director

DIN No. 07889937

Date : September 13 2022

Noopur Gupta

Company Secretary

ACS 27413

Date : September 13 2022



BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in Indian Rupees millions)

A. Equity share capital

| | No. of shares | Amount |
|---|--------------------|---------------|
| Equity shares of Rs. 50 each issue, subscribed and fully paid up | | |
| As on March 31, 2021 | 218,065,712 | 10,903 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the year | - | - |
| | 218,065,712 | 10,903 |
| As on March 31, 2022 | 218,065,712 | 10,903 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the period | - | - |
| | 218,065,712 | 10,903 |

B. Other equity

| | Reserves and Surplus | | | | | | | Other comprehensive income | Total |
|--|----------------------|--------------------|-----------------|----------------------------|-------------------------------------|---------------------|------------------------|----------------------------|-------------------|
| | Statutory reserves | Securities premium | General reserve | Capital redemption reserve | Retained earnings Surplus/(Deficit) | Impairment Reserves | Contribution by parent | | |
| Opening balance as on April 01, 2020 | 863.59 | 6.15 | 35.70 | 2.11 | (3,122.04) | - | 39.28 | 0.84 | (2,174.37) |
| - Profit for the period | - | - | - | - | 310.33 | - | - | - | 310.33 |
| - Other comprehensive income | - | - | - | - | - | - | - | (1.05) | (1.05) |
| Dividends | - | - | - | - | - | - | - | - | - |
| Transfer to statutory reserve u/s 45IA of RBI Act 1934 | 61.74 | - | - | - | (61.74) | - | - | - | - |
| Changes during the year | 61.74 | - | - | - | 248.59 | - | - | (1.05) | 309.28 |
| Closing balance as on March 31, 2021 | 925.33 | 6.15 | 35.70 | 2.11 | (2,873.45) | - | 39.28 | (0.21) | (1,865.09) |
| Opening balance as on April 01, 2021 | 925.33 | 6.15 | 35.70 | 2.11 | (2,873.45) | - | 39.28 | (0.21) | (1,865.09) |
| - Profit for the period | - | - | - | - | 524.68 | - | - | - | 524.68 |
| - Other comprehensive income | - | - | - | - | - | - | - | (2.71) | (2.71) |
| - Impairment Reserves | - | - | - | - | (56.24) | 56.24 | - | - | - |
| - Transfer to statutory reserve u/s 45IC of RBI Act 1934 | 119.72 | - | - | - | (119.72) | - | - | - | - |
| Changes during the period | 119.72 | - | - | - | 348.72 | 56.24 | - | (2.71) | 521.97 |
| Closing balance as on March 31, 2022 | 1,045.05 | 6.15 | 35.70 | 2.11 | (2,524.73) | 56.24 | 39.28 | (2.92) | (1,343.12) |

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm registration No.121750W/W-100010

For and on behalf of the Board

Rajesh Maniar
Partner
Membership No. 040833

Rakesh Kripalani
Director
DIN No. 02877283

Ruzbeh Sutaria
Director
DIN No. 07889937

Date : September 13 2022

Date : September 13 2022

Date : September 13 2022

Noopur Gupta
Company Secretary
ACS 27413

Date : September 13 2022



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

1 Background

Barclays Investments & Loans (India) Private Limited, Subsidiary of Barclays Bank PLC, United Kingdom (the 'Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a non-deposit taking systemically important (ND-SI) non-banking financial company ('NBFC') registered with Reserve Bank of India ('RBI'). The Company is primarily engaged in lending activities. The Company's registered office is at Barclays, Nirlon Knowledge Park, 10th Floor, B-6, Off Western Express Highway, Goregaon (East), Mumbai - 400063.

The Company has also listed its Commercial Papers issued to the schemes of Mutual Funds as per the Securities Exchange and Board of India (the 'SEBI') Circular SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 on 'Framework for listing of Commercial Paper' and amendments thereto issued vide the SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/167 dated December 24, 2019.

The Company Consolidated financial statements are approved for issue by the Company's Board of Directors on 13-Sept-2022

2 Significant accounting policies

2.1. Basis of preparation

2.1.1. Statement of compliance

The consolidated financial statements (the 'financial statements') of the Company have been prepared on a going concern basis in accordance with Indian Accounting standard (herein after referred as 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. Consolidated financial statements account for investment in Associate by using the equity method in accordance with Ind As 28.

2.1.2. Basis of measurement

The financial statements have been prepared on historical cost basis except for defined benefit plans - plan assets, which have been measured at fair value.

2.1.3. Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is the primary currency of the economic environment in which the Company operates (the "functional currency"). All values are rounded to the nearest millions, except when otherwise indicated.

2.1.4. Presentation of the financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The statement of cash flows has been presented using indirect method as per the requirements of Ind AS 7 Statement of Cash flows. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis. For group company's financial assets and financial liabilities may be reported on net basis if the parties intend to settle on a net basis.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

2.1.5. Significant accounting judgements, estimates and assumptions

Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that are considered in the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively.

2.2. Recognition of interest income

2.2.1. The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost and debt instrument measured at Fair Value through Other Comprehensive Income (FVOCI). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

2.2.2. Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at Fair Value through Profit and loss ('FVTPL') is recognised using the contractual interest rate under net gain/(loss).

2.3. Financial instruments - initial recognition

2.3.1. Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

2.3.2. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 2.4.1.1 and 2.4.1.2. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and borrowings in commercial papers.

2.3.3. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost - Refer Note 2.4.1
- Fair Value through Other Comprehensive Income (FVOCI) - Refer Note 2.4.2
- Fair Value through Profit and Loss (FVTPL) - Refer Note 2.4.4

2.4. Financial assets and liabilities

2.4.1. Amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met :

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below

2.4.1.1. Business model assessment

Classification and measurement of financial assets depends on the results of solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.



Barclays Investments & Loans (India) Private Limited
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(All amounts in Indian Rupees Millions)

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within the business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

An entity's business model can be 'hold to collect' even when some sales occur or are expected to occur in the future. Sales due to an increase in the assets' credit risk - Sales due to an increase in the assets' credit risk are not inconsistent with a hold to collect business model because the credit quality of financial assets is relevant to the entity's ability to collect contractual cash flows. Sales for other reasons - Other sales which are not due to an increase in credit risk may still be consistent with a hold to collect business model. This is the case if those sales are incidental to the overall business model. Examples of such sales could include :

- sales that are insignificant in value both individually and in aggregate, even when such sales are frequent
- sales that are infrequent, even when the sales are significant in value
- sales made close to the maturity of the financial assets when the proceeds from the sales approximate the collection of the remaining contractual cash flows.

Where sales occur that are more than infrequent and they are more than insignificant in value, an entity will need to assess whether and how those sales are consistent with the objective of a hold to collect business model. An increase in the frequency or value of sales in a particular period is not in itself necessarily inconsistent with a hold to collect business model, if the company can explain the reasons for those sales and demonstrate why those sales do not reflect a change in the entity's business model.

2.4.1.2. The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

2.4.2. Financial Assets at FVOCI

Financial assets are measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss other than for equity instruments which are never recycled through profit and loss.

2.4.3. Financial liability at amortised cost

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on funds issued, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

2.4.4. Financial assets and financial liabilities at fair value through profit or loss ('FVTPL')

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

2.4.5. Equity instruments

The Company subsequently measures all equity investments at FVTPL, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 'Financial Instruments: Presentation' and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

2.4.6. Investment in associate - Basis for Preparation of Consolidated financial statement

(i) Control & Significant Influence

Control is achieved when the company has all the following:

- Power over the Investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its powers over investee to affects its returns

Significant Influence

Significant Influence is the power to participate in the financial and operating policy of the decisions of the investee but is not control or joint control over those policies.

(ii) Principles of Consolidation

The investment in associate is accounted by using the equity method for accounting in the consolidated financial statement. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. Dividend received from the associate is recognised as reduction in the carrying amount of the investment.

2.5. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company has not reclassified any of its financial assets or liabilities.

2.6. De-recognition of financial assets and liabilities

2.6.1. De-recognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchase or Originated Credit Impaired ('POCI').

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

2.6.2. De-recognition of financial assets other than due to substantial modification

2.6.2.1. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

2.6.2.2. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

2.7. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

2.7.1. Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.



Barclays Investments & Loans (India) Private Limited
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(All amounts in Indian Rupees Millions)

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 28.2.1.

The 12m ECL is the portion of LTECLs that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments.

The Company's Expected Credit Loss ('ECL') calculations are outputs of model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's internal credit grading methodology, which assigns probability of default ('PD') to the individual grades.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL ('LTECL') basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL model, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GNPA and collateral values, and the effect on PDs, Exposure at default ('EAD') and Loss given default ('LGD').
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

Management overlay : The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. Company can decide in their judgement to increase the ECL for certain specific cases over and above the ECL computation.

2.7.2. Note for Impairment of assets other than loans

The Company reviews the carrying amounts of its other assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any.

2.7.3. Undrawn loan commitments

Undrawn loan commitments are commitments under which the Company is required to provide a loan with pre-specified terms to the customer, over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
For the year ended March 31, 2022
(All amounts in Indian Rupees Millions)

2.7.4. The Calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD : The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The Company categorises its loans into Stage 1, Stage 2 and Stage 3. The Company recognises an allowance based on 12mECLs for Stage 1 loans and LTECL for Stage 2 & Stage 3 loans.

In ECL model the Company relies on broad range of forward looking information for economic inputs.

2.8. Collateral repossessed

The Company's policy is to sell assets which are repossessed. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

All assets held for sale are recorded at carrying cost or fair value whichever is lower.

2.9. Write-off

Write-off of assets are considered in line with internally approved policy. Additionally, the Company may consider case specific write off based on recovery prospects and based on the recommendation of Credit Risk officer with relevant sanctioning authority.



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(All amounts in Indian Rupees Millions)

2.10. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instrument- Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rate curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- Level 3 financial instruments- Those that include one or more unobservable input that is significant to the measurement as a whole.

2.11. Foreign currency transactions

Revenue and expenses are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are not restated. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the statement of profit and Loss in the period in which they arise.

2.12. Lease

The Company has adopted Ind AS - 116, effective annual reporting period beginning April 1, 2019. The Company does not have any property on lease for period ended March 31, 2022.



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2.13. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

Dividend on equity share is recognised in the statement of profit and loss when the right to receive the dividend is established.

2.14. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.15. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and cash equivalents, which are subject to an insignificant risk of changes in value.

2.16. Property, plant and equipment and intangible assets

Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

The cost also includes, the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence if having used the item during a particular period for purposes other than to produce inventories during the period.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Companies Act, 2013.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.



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Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

(b) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

(c) Depreciation

Depreciation is provided, from the following month in which the asset is capitalised, on a straight line method over the useful life of assets as estimated by management.

| Asset | Management estimate of Useful life | Useful life as per Schedule II |
|--------------|---|---|
| Buildings | 60 years | 60 years |
| Computers | 3 years | 3 years |

Depreciation is provided for the month in which the asset is sold or disposed.

Items individually costing less than GBP 5 ('000s) (equivalent to approximately INR 504 ('000s)) are fully charged to the Profit and Loss Account in the year of purchase, except expenditure incurred as part of a major capital outlay and desktops, laptops.



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Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

2.17. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

2.18. Retirement and other employee benefits

i. Defined Contribution Plan:

The Company has a defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions.

The Company's contributions to the above plan are charged to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

ii. Defined Benefit Plan:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.



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As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

iii. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

- In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- In case of non-accumulating compensated absences, when the absences occur.

iv. Other Long- term Employee Benefits:

The employees of the Company are entitled to annual leave as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Remeasurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

The Global Share Purchase Plan (GSP) scheme enables employees to purchase Barclays shares. Barclays will match the partnership shares on a one-for-one basis up to the first £600 invested per year. Matching shares are subject to forfeiture unless an employee leaves as an eligible leaver, or the shares are held for a minimum of three years.

2.19. Provision and contingent assets/liabilities

Provisions are recognised when the Company has a present obligation (legal or commercial) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



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A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.20. Taxes

i. Income Tax

Income tax expense consists of current and deferred tax.

ii. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

iii. Deferred Tax

Deferred tax assets are recognised to the extent that is probable that the future taxable profit will be available against which they can be used. Therefore, in case of history of recent losses, the Company recognizes deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is a convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognised, are reviewed at each reporting date and are recognised /reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

iv. Minimum Alternate Tax ('MAT')

Minimum Alternative Tax (MAT) paid in a reporting period is charged to the statement of Income and Expenditure account as current tax. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Income and Expenditure account and shown as MAT credit entitlement. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent there is no longer convincing evidence to the effect that it will pay Normal Income tax during the specified period.

v. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the GST incurred on a purchase of assets is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset, as applicable.
- The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.



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2.21. Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.22. Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



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3 Cash and cash equivalents

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-------------------------|-------------------------|
| Balances with banks: | | |
| -In current account | 990.60 | 545.10 |
| -Deposit with bank (with original maturity less than 3 months) | 2,800.00 | 400.00 |
| Total | 3,790.60 | 945.10 |

4 Loans (at amortised cost)

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-------------------------|-------------------------|
| (a) Loans | 27,268.10 | 21,617.62 |
| Interest accrued but not due on loans | 169.25 | 136.49 |
| Less: Impairment loss allowance | (53.51) | (139.33) |
| Net Total | 27,383.84 | 21,614.78 |
| (b) Secured by Hypothecation of securities | 27,437.35 | 21,754.11 |
| Unsecured | - | - |
| Gross Total | 27,437.35 | 21,754.11 |
| Less: Impairment loss allowance | (53.51) | (139.33) |
| Net Total | 27,383.84 | 21,614.78 |
| (c) Loans in India | | |
| -Public sectors | | |
| -Others | 27,437.35 | 21,754.11 |
| Gross Total | 27,437.35 | 21,754.11 |
| Less: Impairment loss allowance | (53.51) | (139.33) |
| Net Total - A | 27,383.84 | 21,614.78 |
| Loans outside India | - | - |
| Less: Impairment loss allowance | - | - |
| Net Total - B | - | - |
| Net Total (A+B) | 27,383.84 | 21,614.78 |

No loans have been granted to promoters, directors, KMPs and other related parties during the year (Previous year: Nil).



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| 5 | Investments in Associates (Equity Method) | As at March, 31 2022 | As at March, 31 2021 |
|----------|---|---------------------------------|---------------------------------|
| | Investment in associate in India (Unquoted): 44,625,000 (2021: 44,625,000) Equity shares of Rs.10 each fully paid up held in Barclays Securities (India) Private Limited | 446.25 | 446.25 |
| | Add: Carry forward of share in profit | 8.60 | 143.90 |
| | Add: Share of profit/(loss) for the year | (75.12) | (135.30) |
| | Less: Dividend paid | 151.68 | 151.68 |
| | Less: Allowance for impairment loss | 65.54 | 65.54 |
| | Net Total | 162.51 | 237.63 |
| 6 | Other financial assets (at amortised cost) | As at March, 31 2022 | As at March, 31 2021 |
| | Interest accrued but not due: -Fixed deposit from related party | 0.71 | 0.26 |
| | Security deposits | 0.22 | 0.32 |
| | Net Total | 0.93 | 0.58 |



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7 Property plant and equipment and intangible assets

As at March 31, 2022

| Property, plant and equipment | Gross Block | | | Accumulated Depreciation | | | | Net Block | |
|-------------------------------|------------------------------|-----------|--------------------|------------------------------|------------------------------|----------------------------------|-----------------------|------------------------------|------------------------------|
| | Balance as at March 31, 2021 | Additions | Disposal/Write off | Balance as at March 31, 2022 | Balance as at March 31, 2021 | Depreciation charge for the year | On Disposal/Write off | Balance as at March 31, 2022 | Balance as at March 31, 2022 |
| Freehold property | 17.25 | - | - | 17.25 | 1.36 | 0.34 | - | 1.70 | 15.55 |
| Computers | 1.99 | - | - | 1.99 | 0.05 | 0.66 | - | 0.71 | 1.28 |
| Total | 19.24 | - | - | 19.24 | 1.41 | 1.00 | - | 2.41 | 16.83 |
| Intangibles | | | | | | | | | |
| Softwares | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - |

As at March 31, 2021

| Property, plant and equipment | Gross Block | | | Accumulated Depreciation | | | | Net Block | |
|-------------------------------|------------------------------|-------------|--------------------|------------------------------|------------------------------|----------------------------------|-----------------------|------------------------------|------------------------------|
| | Balance as at March 31, 2020 | Additions | Disposal/Write off | Balance as at March 31, 2021 | Balance as at March 31, 2020 | Depreciation charge for the year | On Disposal/Write off | Balance as at March 31, 2021 | Balance as at March 31, 2021 |
| Freehold property | 17.25 | - | - | 17.25 | 1.02 | 0.34 | - | 1.36 | 15.89 |
| Computers | - | 1.99 | - | 1.99 | - | 0.05 | - | 0.05 | 1.94 |
| Total | 17.25 | 1.99 | - | 19.24 | 1.02 | 0.39 | - | 1.41 | 17.83 |
| Intangibles | | | | | | | | | |
| Softwares | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - |

Note:- 1. There are no Capital Work In Progress and Intangible assets under development as on March 31, 2022 (Previous year: Nil)
 2. The Company does not hold any immovable property whose title deeds are not held in its name as on March 31, 2022 (Previous year: Nil).



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8 Other non-financial assets

| | As at March, 31 2022 | As at March, 31 2021 |
|---|-------------------------|-------------------------|
| Balance with Government Authorities: | | |
| -Service tax/Goods and Service tax | 297.97 | 294.26 |
| Less: Provision for balance with government authorities | (297.97) | (294.26) |
| Capital Advance | 3.86 | 3.25 |
| Prepaid expenses | 0.23 | - |
| TDS Receivable | 0.77 | 0.82 |
| Total | 4.86 | 4.07 |

9 Payables

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-------------------------|-------------------------|
| Other payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises* | 13.13 | 16.90 |
| Total | 13.13 | 16.90 |

* Trade Payables includes Rs. 0.97 million (Previous Year: Rs. 4.06 million) payable to related parties.

Trade Payables ageing schedule :-

| Particulars | As at March 31, 2022 | | | | |
|-----------------------------|----------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 8.19 | 1.91 | 3.03 | - | 13.13 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |



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| Particulars | As at March 31, 2021 | | | | |
|-----------------------------|----------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 13.37 | 3.53 | - | - | 16.90 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

10 Borrowings - other than debt securities (at amortised cost)

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-------------------------|-------------------------|
| Debt securities in India: | | |
| Secured** | | |
| (Secured by pari passu charge on receivable) | - | - |
| Unsecured | | |
| Commercial Paper* | | |
| From banks | - | - |
| From others | 23,400.00 | 15,400.00 |
| Less: Unamortized of discount | (227.43) | (166.70) |
| Total | 23,172.57 | 15,233.30 |

During the year, the effective interest on the commercial paper recorded in Interest expense was Rs.882.89 million (2021: Rs. 571.02 million). The actual interest paid during the year was Rs. 744.15 million (2021: Rs. 628.68 million).

*Maximum amount outstanding during the year Rs. 29,675.63 million (2021: Rs. 15,413.89 million); Rate of discount ranging from 3.67%-5.15% (2021: 3.75%-6.25%); Tenure ranging from 59 days to 365 days (2021: 62 days to 365 days).

**Maximum amount outstanding during the year Rs. 800 million (2021: Rs. 1,650 million); Rate of discount ranging from 5.65%-6.30% (2021: 4.70%-8.35%); Tenure ranging from 7 days to 10 days (2021: 1 days to 13 days).

Refer note 28.3 'Liquidity Risk' for maturity pattern.

The Company has not defaulted in repayment of borrowings and interest

Monthly statements of current assets are filed by the company with bank and are in agreement with Books of Accounts.

Company has applied borrowings for the purpose for which they were obtained.



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11 Subordinated liabilities (at amortised cost)

| | As at March, 31 2022 | As at March, 31 2021 |
|---|---------------------------------|---------------------------------|
| Subordinated liabilities outside India: | | |
| (2022: 458,875, 2021: 458,875) 0.01% Cumulative Redeemable Preference Shares ('CRPS') of Re. 1 each, fully paid up held by Barclays Bank PLC, United Kingdom, the holding company | 29.66 | 26.92 |
| Total | 29.66 | 26.92 |

Details of shareholders holding more than 5% shares in CRPS:

| | As at March, 31 2022 | As at March, 31 2021 |
|--|---------------------------------|---------------------------------|
| Barclays Bank PLC, United Kingdom, the holding company | 458,875.00 | 458,875.00 |
| | 100% | 100% |

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

| | No. of shares | Amount |
|--|----------------------|-------------------|
| Preference shares issued at face value of Re. 1 | | |
| As at April 01, 2020 | 458,875.00 | 458,875.00 |
| Add : Issued during the year | - | - |
| As at March 31, 2021 | 458,875.00 | 458,875.00 |
| Add : Issued during the year | - | - |
| As at March 31, 2022 | 458,875.00 | 458,875.00 |

CRPS are of the face value of Re. 1 each and are issued at a premium of Rs. 99 each redeemable at the end of 20 years from the date of allotment i.e. September 21, 2006 issued to Barclays Bank PLC, United Kingdom. CRPS holders have a right to receive dividend, prior to the equity shareholders. The dividends on the CRPS will be paid @ 0.01% on a cumulative basis and EIR is 9.59%. In the event of liquidation, the CRPS holders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding. The CRPS holders enjoy such voting rights as available to them under the Act.

Arrears of preference dividend Rs.0.0007 million (2021: Rs.0.0006 million).

During the year, the effective interest on the preference share recorded in Interest expense was Rs. 2.74 million (2021: Rs. 2.48 million). The actual interest paid during the year was Nil (2021: Nil).



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12 Other financial liabilities

| | As at | As at |
|----------------|-----------------------|-----------------------|
| | March, 31 2022 | March, 31 2021 |
| Other payables | 0.03 | 2.31 |
| Total | 0.03 | 2.31 |

13 Provisions

| | As at | As at |
|----------------------------------|-----------------------|-----------------------|
| | March, 31 2022 | March, 31 2021 |
| Provision for employee benefits: | | |
| -Gratuity | 2.91 | 1.67 |
| -Compensated absences | 2.77 | 1.77 |
| -Bonus | 1.59 | 1.56 |
| Total | 7.27 | 5.00 |

14 Other non-financial liabilities

| | As at | As at |
|-----------------------------|-----------------------|-----------------------|
| | March, 31 2022 | March, 31 2021 |
| Statutory dues | 4.68 | 3.43 |
| Revenue received in advance | 0.28 | 1.26 |
| Total | 4.96 | 4.69 |



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15 Share capital

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-------------------------|-------------------------|
| Authorised share capital: | | |
| 299,986,000 (2021: 299,986,000) Equity shares of Rs.50 each | 14,999.30 | 14,999.30 |
| 2,000 (2021: 2,000) 7.5% Cumulative Redeemable Preference Shares of Rs. 100 each | 0.20 | 0.20 |
| 500,000 (2021: 500,000) 0.01% Cumulative Redeemable Preference Shares of Re. 1 each | 0.50 | 0.50 |
| | 15,000.00 | 15,000.00 |
| Issued, subscribed and paid-up | | |
| 218,065,712 (2021: 218,065,712) Equity shares of Rs.50 each, fully paid up | 10,903.29 | 10,903.29 |
| | 10,903.29 | 10,903.29 |
| 458,875 0.01% Cumulative Redeemable Preference Shares of Re. 1 each, fully paid up (total face value of Rs.0.46 million) issued on September 21, 2006 are classified as financial liability (Refer note 11). | | |

15.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

| | No. of shares | Amount |
|---|-----------------------|------------------|
| Equity shares of Rs.50 each, fully paid-up | | |
| As at April 01, 2020 | 218,065,712.00 | 10,903.29 |
| Add : Issued during the year | - | - |
| As at March 31, 2021 | 218,065,712.00 | 10,903.29 |
| Add : Issued during the year | - | - |
| As at March 31, 2022 | 218,065,712.00 | 10,903.29 |

15.2 Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of Rs. 50 per share. Each shareholder is eligible for one vote on show of hands. In case of a poll, every member including proxy shall have one vote for every fully-paid-up share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



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15.3 Shares held by the holding company:

| | As at March, 31 2022 | As at March, 31 2021 |
|---|---------------------------------|---------------------------------|
| 126,134,137 shares (2021: 126,134,137 shares) held by Barclays Bank PLC, United Kingdom, the holding company | 6,306.71 | 6,306.71 |
| 91,930,466 shares (2021: 91,930,466 shares) held by Barclays Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays Bank PLC, United Kingdom | 4,596.52 | 4,596.52 |

15.4 Details of shareholders holding more than 5% shares in the Company:

| | As at March, 31 2022 | As at March, 31 2021 |
|--|---------------------------------|---------------------------------|
| Barclays Bank PLC, United Kingdom, the holding company | 126,134,137.00 57.84% | 126,134,137.00 57.84% |
| Mauritius Overseas Holding Limited, Mauritius, a subsidiary of Barclays bank PLC, United Kingdom | 91,930,466.00 42.15% | 91,930,466.00 42.15% |

Number of equity shares held by minority shareholders are 1,109 (2021: 1,109).

15.5 There are no shares in the preceding five years allotted as fully paid up without payment being received in cash/bonus shares/bought back.

15.6 There are no shares reserved for issue under options and contracts/commitment for sale of shares or disinvestment.

15.7 On September 10, 2020, the Company has filed a petition before the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench for adjusting INR 2,180,657,120 of its accumulated losses against the paid-up equity share capital such that the Face Value ('FV') of equity shares after the said adjustment will be INR 40 per share (from the current FV of INR 50 per share).

The aforesaid proposal aims to provide the ability to the Company to pursue future initiatives towards optimally using the capital structure of the Company, pursuing business opportunities as well as enhancing shareholder returns.



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16 Nature and purpose of reserves

16.1 Statutory reserves u/s 45-IC of the Reserve Bank of India Act, 1934 (the 'RBI Act, 1934')

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC (2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

16.2 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Act.

16.3 General reserve

Under the erstwhile the Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Act, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Act.

16.4 Capital redemption reserve

Capital redemption reserve is created when a company buyback's shares from shareholders. Capital redemption reserve account can be used to pay any unissued shares of the company to be issued as fully paid bonus shares to the members of the company.

16.5 Surplus in the statement of profit or loss

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. This reserve is free reserve which can be utilised for any purpose as may be required.

16.6 Contribution by parent

Contribution by parent is a reserve created for difference between contribution received from parent company and fair value of redemption amount on the issue date of preference shares.

16.7 Impairment Reserve

Impairment reserve is created when impairment allowance as per ECL model under Ind AS 109 is lower than provisioning required under IRACP.

16.8 Other comprehensive income (OCI)

OCI comprises of actuarial gain or loss on re-measurement of the net defined benefit liabilities, return on plan assets excluding interest and the effect of asset ceiling, if any.



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17 Interest income

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|---|------------------------------|------------------------------|
| Interest on loans | 1,688.15 | 1,332.51 |
| Interest on fixed deposits from related party | 64.29 | 18.83 |
| Total | 1,752.44 | 1,351.34 |

The above interest on loans and fixed deposits pertains to financial assets measured at amortised cost.

18 Other income

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|---|------------------------------|------------------------------|
| Interest on income tax refund | - | 9.78 |
| Bad Debt Recovered | 0.56 | 0.22 |
| Service Fees Recharges from related party | 1.19 | 0.63 |
| Total | 1.75 | 10.63 |

19 Finance cost

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|------------------------------|------------------------------|
| Discount on Commercial Paper | 857.89 | 558.03 |
| Interest on Bank borrowings from related party | 4.75 | 14.36 |
| Other borrowing Cost | 25.00 | 12.99 |
| Interest on subordinated liabilities | 2.74 | 2.48 |
| Total | 890.38 | 587.86 |

The above interest on borrowing and debt securities pertains to financial liabilities measured at amortised cost.

20 Impairment on financial instrument

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--------------|------------------------------|------------------------------|
| Loans | (85.82) | 37.47 |
| Investments | - | 65.54 |
| Total | (85.82) | 103.01 |

The above impairment pertains to financial assets measured at amortised cost. There are no financial assets measured at FVOCI.

21 Employee benefit expenses

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|---|------------------------------|------------------------------|
| Salaries and wages | 43.65 | 39.61 |
| Contribution to provident and other funds | 1.84 | 1.51 |
| Gratuity | 0.62 | 0.48 |
| Compensated expenses | 1.18 | 0.66 |
| Total | 47.29 | 42.26 |



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22 Depreciation

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|------------------------------|------------------------------|
| Depreciation on property plant and equipment | 1.00 | 0.39 |
| Total | 1.00 | 0.39 |

23 Other expenses

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|---|------------------------------|------------------------------|
| Legal and professional charges | 7.98 | 7.85 |
| Service cost and other reimbursement from related parties | 14.21 | 12.99 |
| Repairs and maintenance | 2.24 | 2.36 |
| Printing and stationery | 0.05 | 0.03 |
| Auditor's fees and expenses (Note 23.1) | 3.56 | 5.45 |
| Provision for goods and service tax asset | 3.71 | 3.75 |
| Insurance | 0.48 | 0.20 |
| Corporate social responsibility (Refer Note 39) | 13.80 | 13.07 |
| Other expenditure | 5.33 | 3.51 |
| Total | 51.36 | 49.21 |

23.1 Auditor's remuneration

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|---------------------------|------------------------------|------------------------------|
| Audit and limited review | 3.10 | 5.02 |
| Tax audit | 0.20 | 0.10 |
| Certification | 0.10 | 0.13 |
| Reimbursement of expenses | 0.16 | 0.20 |
| Total | 3.56 | 5.45 |

24 Income tax

The components of income tax expense for the years ended March 31, 2022 and 2021 are:

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|------------------|------------------------------|------------------------------|
| Current tax | 195.07 | 119.60 |
| Deferred tax | 56.33 | 15.61 |
| Total tax | 251.40 | 135.21 |



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24.1 Amounts recognised in other comprehensive income

| | Year ended March, 31 2022 | | | Year ended March, 31 2021 | | |
|--|---------------------------|----------|---------------|---------------------------|---------------|---------------|
| | Before Tax | Tax | Net of tax | Before Tax | Tax | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Re-measurements of defined benefit liability (asset) | (1.50) | - | (1.50) | 0.61 | (0.11) | 0.51 |
| Share of net other comprehensive income in associate | (1.21) | - | (1.21) | (1.56) | - | (1.56) |
| Total | (2.71) | - | (2.71) | (0.95) | (0.11) | (1.05) |

24.2 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and 2021 is, as follows:

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|---------------------------------|---------------------------------|
| Accounting profit before tax | 849.98 | 444.55 |
| Applicable tax rate | 29.12% | 17.47% |
| Computed tax expense | 247.51 | 77.67 |
| Tax effect of: | | |
| Provision for GST input credit | 1.08 | 0.66 |
| Provision for impairment loss allowance | - | 41.64 |
| Interest on subordinated liabilities | 0.80 | 0.43 |
| CSR expense | 2.01 | - |
| Ind AS Transition Reserve | - | (0.69) |
| Income tax expense reported in the statement of profit and loss | 251.40 | 119.71 |



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24.3 Following are the components of deferred tax:

As on March 31, 2022

| Particulars | Opening Balance | Recognised/ (reversed) through profit and loss | Recognised/ reclassified from other comprehensive income | Closing Balance |
|--|------------------------|---|---|------------------------|
| Deferred Tax Assets :- | | | | |
| Contingency provision against standard assets | 40.57 | (24.99) | - | 15.58 |
| Provision for Impairment on Investment | 58.49 | - | - | 58.49 |
| Employee benefits | 1.46 | 0.15 | - | 1.61 |
| Depreciation on property, plant, equipment & intangibles | 24.99 | (2.95) | - | 22.04 |
| Carry Forward Losses & Unabsorbed depreciation | 28.25 | (28.54) | - | (0.31) |
| MAT Credit | 810.81 | (61.12) | - | 749.69 |
| Net Deferred Tax Asset | 964.57 | (117.45) | - | 847.12 |



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As on March 31, 2021

| Particulars | Opening Balance | Recognised/ (reversed) through profit and loss | Recognised / reclassified from other comprehensive income | Closing Balance |
|--|------------------------|---|--|------------------------|
| Deferred Tax Assets :- | | | | |
| Contingency provision against standard assets | 29.66 | 10.91 | - | 40.57 |
| Provision for Impairment on Investment | - | 58.49 | - | 58.49 |
| Employee benefits | 0.91 | 0.55 | - | 1.46 |
| Depreciation on property, plant, equipment & intangibles | 28.40 | (3.41) | - | 24.99 |
| Carry Forward Losses & Unabsorbed depreciation | 230.11 | (201.86) | - | 28.25 |
| MAT Credit | 691.10 | 119.71 | - | 810.81 |
| Net Deferred Tax Asset | 980.18 | (15.61) | - | 964.57 |

24.4 Components of current tax assets

| | As at March, 31 2022 | As at March, 31 2021 |
|--|-----------------------------|-----------------------------|
| TDS and advance tax | 1,589.25 | 1,355.84 |
| Less: Tax provision | (1,008.15) | (813.08) |
| Total current tax assets (net of provision) | 581.10 | 542.76 |



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25 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|--------------------------------------|--------------------------------------|
| a) Net profit for the year attributable to equity holders | 524.68 | 310.33 |
| b) Weighted average number of equity shares used for calculation of EPS | 218,065,712.00 | 218,065,712.00 |
| Earnings per share - basic and diluted (a/b) (face value of Rs.50 each) | 2.41 | 1.42 |

26 Contingent liabilities

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|--------------------------------------|--------------------------------------|
| Claims against the company not acknowledged as debt: | | |
| - Income Tax matters* | 473.84 | 473.84 |
| - Legal case | 5.19 | 4.19 |
| Total | 479.03 | 478.03 |

*This includes demand raised by the Income Tax authorities and disputed by the Company.

The following are the contingent liability as per the consolidated financial statement of BSIPL

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|--|--------------------------------------|--------------------------------------|
| Claims against the company not acknowledged as debt: | | |
| - Bank guarantee | 50.00 | 50.00 |
| - Income Tax matters | 18.58 | 18.58 |
| - Service Tax matters | 90.19 | 90.19 |
| Total | 158.78 | 158.78 |

(BILIPL holds 25% shares of equity capital of BSIPL and accordingly above figures represents of 25% share of contingent liability of BSIPL)

It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the tax proceedings as it is determinable only on receipt of judgements/decisions pending with various appellate authorities.

The Company does not expect any reimbursements in respect of the contingent liabilities relating to taxation matters.



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27 Employee benefits

27.1. Defined contribution plan

A defined contribution plan is a provident fund under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions.

The total expense charged to income of Rs.1.84 million (2021: Rs. 1.51 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan.

The Judgment of the Hon'ble Supreme Court dated February 28, 2019, in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Ors sets out principles for computation of contribution towards Provident Fund where "basic wage" includes all emoluments paid to an employee as per the terms of his/ her contract of employment. The Judgment has also laid down the standards applicable to determine "basic wage" as that amount that is payable to all employees uniformly and is to be included within the definition of "basic wage". A review petition against this decision has been filed and is pending before the SC for disposal. Since there are no other directions from the EPFO and pending decision of the review petition on the subject, no liability is currently ascertainable and consequently no effect has been given in the financial statement.

27.2. Defined benefit plan

The Company has a defined benefit gratuity plan in India. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the balance sheet date on government bonds, which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.



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Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.



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Gratuity

The disclosures as required as per Ind AS 19 are as under:

| A. | Reconciliation of Defined benefit obligation | 31-Mar-22 | 31-Mar-21 |
|-----------|---|------------------|------------------|
| 1 | Defined benefit obligation at beginning of the year | 1.68 | 1.82 |
| 2 | Service cost | | |
| | a. Current service cost | 0.42 | 0.35 |
| | b. Past service cost | 0.12 | - |
| | c. (Gain) / loss on settlements | - | - |
| 3 | Interest expenses | 0.08 | 0.12 |
| 4 | Cash flows | | |
| | a. Benefit payments from plan | - | - |
| | b. Benefit payments from employer | (0.88) | - |
| | c. Settlement payments from plan | - | - |
| | d. Settlement payments from employer | - | - |
| 5 | Remeasurement's | | |
| | a. Effect of changes in demographic assumptions | 0.14 | (0.32) |
| | b. Effect of changes in financial assumptions | 0.32 | 0.10 |
| | c. Effect of experience adjustments | 1.04 | (0.40) |
| 6 | Transfer In /Out | | |
| | a. Transfer In | - | - |
| | b. Transfer out | - | - |
| 7 | Defined benefit obligation at end of year | 2.93 | 1.68 |

| B. | Amounts recognized in the balance sheet | 31-Mar-22 | 31-Mar-21 |
|-----------|--|------------------|------------------|
| 1 | Defined benefit obligation | 2.93 | 1.68 |
| 2 | Fair value of plan assets | - | - |
| 3 | Funded status | 2.93 | 1.68 |
| 4 | Effect of asset ceiling | - | - |
| 5 | Net defined benefit liability (asset) | 2.93 | 1.68 |

There are no investments in plan assets.



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| C. | Components of defined benefit cost | 31-Mar-22 | 31-Mar-21 |
|-----------|--|------------------|------------------|
| 1 | Service cost recognised in statement of profit and loss (P&L) | | |
| | a. Current service cost | 0.42 | 0.35 |
| | b. Past service cost | 0.12 | - |
| | c. (Gain) / loss on settlements | - | - |
| | d. Total service cost recognised in statement of profit and loss | 0.54 | 0.35 |
| 2 | Net interest cost | | |
| | a. Interest expense on DBO | 0.08 | 0.12 |
| | b. Interest (income) on plan assets | - | - |
| | c. Interest expense on effect of (asset ceiling) | - | - |
| | d. Total net interest cost | 0.08 | 0.12 |
| 3 | Remeasurements (recognized in Other comprehensive Income OCI) | | |
| | a. Effect of changes in demographic assumptions | 0.14 | (0. 32) |
| | b. Effect of changes in financial assumptions | 0.32 | 0.10 |
| | c. Effect of experience adjustments | 1.04 | (0. 40) |
| | d. (Return) on plan assets (excluding interest income) | - | - |
| | e. Changes in asset ceiling (excluding interest income) | - | - |
| | f. Total remeasurements included in OCI | 1.50 | (0. 62) |
| 4 | Total defined benefit cost recognized in P&L and OCI | 2.12 | 0.14 |

| D. | Re-measurement | 31-Mar-22 | 31-Mar-21 |
|-----------|------------------------------------|------------------|------------------|
| | a. Actuarial Loss/(Gain) on DBO | 1.50 | (0. 62) |
| | b. Returns above Interest Income | - | - |
| | c. Change in Asset ceiling | - | - |
| | Total Re-measurements (OCI) | 1.50 | (0. 62) |



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| E. | Reconciliation of OCI (Re-measurement) | 31-Mar-22 | 31-Mar-21 |
|-----------|---|------------------|------------------|
| 1 | Recognised in OCI at the beginning of year | 0.25 | 0.86 |
| 2 | Recognised in OCI during the period | 1.50 | (0.62) |
| 3 | Recognised in OCI at the end of the year | 1.75 | 0.25 |

| F. | Sensitivity analysis - DBO end of Period | 31-Mar-22 | 31-Mar-21 |
|-----------|---|------------------|------------------|
| 1 | Discount rate +100 basis points | 2.66 | 1.58 |
| 2 | Discount rate -100 basis points | 3.25 | 1.81 |
| 3 | Salary Increase Rate +1% | 3.23 | 1.79 |
| 4 | Salary Increase Rate -1% | 2.67 | 1.58 |
| 5 | Attrition Rate +1% | 2.88 | 1.66 |
| 6 | Attrition Rate -1% | 2.98 | 1.70 |

| G. | Significant actuarial assumptions | 31-Mar-22 | 31-Mar-21 |
|-----------|--|---|---|
| 1 | Discount rate Current Year | 7.15% | 6.49% |
| 2 | Discount rate Previous Year | 6.49% | 6.83% |
| 3 | Salary increase rate | 8.5% | 6.00% |
| 4 | Attrition Rate | 6.5% | 11.00% |
| 5 | Retirement Age | 60 | 60 |
| 6 | Pre-retirement mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| 7 | Disability | Nil | Nil |

| H. | Maturity profile of defined benefit obligation | 31-Mar-22 | 31-Mar-21 |
|-----------|---|------------------|------------------|
| | Weighted average duration of DBO | 7 | 7 |

| I. | Expected cash flows for following year | 31-Mar-22 | 31-Mar-21 |
|-----------|---|------------------|------------------|
| 1 | Expected employer contributions / Addl. Provision Next Year | 0.42 | 0.35 |
| 2 | Expected total benefit payments | | |
| | Year 1 | 0.17 | 0.09 |
| | Year 2 | 0.15 | 0.17 |
| | Year 3 | 0.56 | 0.28 |
| | Year 4 | 0.16 | 0.29 |
| | Year 5 | 0.17 | 0.12 |
| | Next 5 years | 0.87 | 0.52 |



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SUMMARY

| | Assets / Liabilities | 31-Mar-22 | 31-Mar-21 |
|---|---|------------------|------------------|
| 1 | Defined benefit obligation at end of year | 2.93 | 1.68 |
| 2 | Fair value of plan assets at end of year | - | - |
| 3 | Net defined benefit liability (asset) | 2.93 | 1.68 |
| 4 | Defined benefit cost included in the statement of profit and loss | 0.62 | 0.48 |
| 5 | Total remeasurements included in OCI | 1.50 | (0.62) |
| 6 | Total defined benefit cost recognized in the statement of profit and loss and OCI | 2.12 | (0.14) |

Compensated absences

| | Defined benefit obligation at end of year | 31-Mar-22 | 31-Mar-21 |
|--|--|------------------|------------------|
| | Current Obligation | 0.59 | 0.56 |
| | Non-Current Obligation | 2.18 | 1.21 |
| | Total | 2.77 | 1.77 |

28 Financial instrument

28.1. Accounting classification and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

| As at March 31, 2022 | Carrying amount | | Fair value |
|---|------------------------|--------------|-------------------|
| | Amortised cost | FVOCI | |
| Financial liabilities not measured at fair value | | | |
| - Subordinated liabilities (Level 2) | 29.66 | - | 29.18 |
| Total | 29.66 | - | 29.18 |

| As at March 31, 2021 | Carrying amount | | Fair value |
|---|------------------------|--------------|-------------------|
| | Amortised cost | FVOCI | |
| Financial liabilities not measured at fair value | | | |
| - Subordinated liabilities (Level 2) | 26.92 | - | 27.34 |
| Total | 26.92 | - | 27.34 |

The Company has not disclosed the fair values for cash and cash equivalents, loans, other financial assets, payables and borrowings (other than debt securities) as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.



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28.2. Credit Risk

'Credit Risk' is the risk of financial loss to the Company, if a counterparty fails to meet its contractual obligations. Credit Risk is managed by:

- (a) Observing financing rules- These rules form an integral part of the Private Banking and Overseas Services ('PBOS') Credit Policy. The approval of PBOS, India Management is first required prior to accepting any non-standard security. Secondly, all underlying transactions must be authorized by the relevant Committee/Credit delegation holder.
- (b) Quality of Legal documentation- PBOS Legal Department confirms the documentation and transactions concerned comply with prevailing local regulations.
- (c) Loan and security administration- Following activities are carried out-
 - Daily monitoring of utilization against limits
 - Credit utilization against the value of assets pledged
 - Valuing the pledged securities on a daily basis to identify any depletion in collateral cover
 - Daily circulation of excesses and interest overdue reports
 - Margin call and close out process in place, which ensures timely clearance of excess
- (d) Further, the Risk policies and credit portfolio is reviewed in Board Meetings and Management Risk and Control committee (MRCC) held on a regular basis.

28.2.1. Staging and SICR

In order to determine whether there is significant increase in credit risk as on the reporting date, the Company has assessed the portfolio at individual customer level based on below criteria:

Days Past Due Status Criteria:

| | |
|-----------|---------|
| 0-30 dpd | Stage 1 |
| 31-90 dpd | Stage 2 |
| 90+ dpd | Stage 3 |

The Company's Loan against Securities ('LAS') portfolio has 'days past due' status as less than 30 days as of each reporting date. Watch-list Criteria - Currently there are no customers identified as watch-list as of each reporting date to define the credit worthiness.

Additionally, the Portfolio is fully secured by Liquid collateral securities with an appropriate haircut, hence any deterioration in grading does not increase risk on the client. As such, the monitoring of these underlying securities is the key for the portfolio. In order to contain the risk arising from the deterioration of these securities, the valuation is conducted on a daily basis (except for Bonds and Structured products where valuation is conducted weekly). Any deterioration/decline in value beyond acceptable levels is communicated via daily excess reports to stakeholders and communicated to clients as well. Additionally, margin call % and Close out % process are in place which helps in full recovery of dues well in time.



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28.2.2. Definition of Default

For the entire portfolio of loans, DPD greater than 90 days is considered for default definition and all accounts crossing threshold has been used for the ECL computations.

28.2.3. Probability of Default (PD)

Probability of Default (PD) is one of the three risk components needed to estimate ECL under Ind AS 109. PD is defined as the probability that a borrower will be unable to meet his/her debt obligations over a stipulated time.

The Company has assigned Point in Time ('PIT') probability of default to each client exposure which is an input for ECL computation.

28.2.4. Forward Looking Adjustment

Impact of economic factors on ECL can be assessed quantitatively for portfolios which have information of default rates across historical time periods.

The Company's loans portfolio consisting of LAS as the primary product has been a zero default portfolio. Hence historical default information cannot be considered for forward looking approach. In such a scenario, historical data published by regulatory authorities in its half yearly reports has been considered as a proxy for portfolio level default information.

Data: The average GNPA ratio data for NFBCs published by RBI in the Financial Stability Report has been taken wherever applicable as a proxy for default information.

Management uses their business judgement to assign probabilities or likelihood of occurrence of a particular type of scenario. Based on the portfolio characteristics a management decision of 70% probability of a baseline scenario, 10% probability of an upturn scenario and 20% probability of a downturn scenario is considered as an appropriate one. This can change based on the underlying portfolio and the external environment and will be decided by management from time to time

The probability of default was calculated for 3 scenarios: upside, downside and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.



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28.2.5. Exposure at Default (EAD)

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

28.2.6. Collateral held as security and other credit enhancements

The Company holds collateral and other credit enhancements to mitigate risk associated with financials assets. Collaterals held are in the form of liquid financial securities such as Equity shares, Bonds(AAA/AA) and Debentures, Mutual funds units.

All liquid collaterals are pledged in favor of the Company, which have appropriate Loan to Value (LV)/Margin Call (MC)/Close Out (CO) sanctioned by credit risk.

The collaterals are valued daily (in case of bonds weekly) and the current outstanding is marked against the drawing power based on the LVs sanctioned by Credit Risk. MC and CO percentages are stipulated such that in case of any fall in the valuation breaching the MC and CO percentage, the actions can be taken appropriately.

Additionally, Corporate Guarantee and Personal Guarantees are also stipulated as credit enhancements where-ever found necessary.

Below is the fair value of collaterals:

| | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---------------------------|------------------|------------------|------------------|
| Fair value of collaterals | 66,115.41 | 57,186.08 | 31,506.84 |



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28.2.7. Provision for expected credit losses :

Following is an analysis of the Company's credit risk exposure per "stage":

As at March 31, 2022

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|---------|---------|------------------|
| Loans at amortised cost: | | | | |
| Total gross carrying value | 27,268.10 | - | - | 27,268.10 |
| Loss allowance* | (53.22) | - | - | (53.22) |
| Net carrying value | 27,214.88 | - | - | 27,214.88 |
| | | | | |
| Interest accrued but not due on loans: | | | | |
| Total gross carrying value | 169.25 | - | - | 169.25 |
| Loss allowance | (0.29) | - | - | (0.29) |
| Net carrying value | 168.96 | - | - | 168.96 |

*Loss allowances includes ECL on undrawn limits of Rs. 3667.60 million at credit conversion factor of 20.00%

As at March 31, 2021

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|---------|---------|------------------|
| Loans at amortised cost: | | | | |
| Total gross carrying value | 21,617.62 | - | - | 21,617.62 |
| Loss allowance* | (138.43) | - | - | (138.43) |
| Net carrying value | 21,479.19 | - | - | 21,479.19 |
| | | | | |
| Interest accrued but not due on loans: | | | | |
| Total gross carrying value | 136.49 | - | - | 136.49 |
| Loss allowance | (0.90) | - | - | (0.90) |
| Net carrying value | 135.59 | - | - | 135.59 |

*Loss allowances includes ECL on undrawn limits of Rs. 2656.56 million at credit conversion factor of 20.00%

28.2.8. Movement of loss allowance

| FY 2021-22 | Stage 1 12 month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
|-------------------------|-------------------------|-------------------------|-------------------------|---------|
| As at April 01, 2021 | 139.33 | - | - | 139.33 |
| Net addition/(deletion) | (85.82) | - | - | (85.82) |
| As at March 31, 2022 | 53.51 | - | - | 53.51 |



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| FY 2020-21 | Stage 1 12 month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
|-------------------------|---------------------------------|---------------------------------|-------------------------------------|--------------|
| As at April 01, 2020 | 65.39 | 36.48 | - | 101.87 |
| Net addition/(deletion) | 73.94 | (36.48) | - | 37.46 |
| As at March 31, 2021 | 139.33 | - | - | 139.33 |

The movement in loss allowance is on account of addition/deletion of counterparties and deterioration / improvement in credit rating.

28.3. Liquidity Risk

'Liquidity risk' is the risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

The efficient management of liquidity is essential to the Company in retaining the confidence of the financial markets and maintaining the sustainability of the business. There is a control framework in place for managing liquidity risk and this is designed to maintain liquidity resources that are sufficient in amount and quality and funding tenor profile that is adequate to meet the liquidity risk appetite as expressed by the Barclays PLC Board based on internal and regulatory liquidity metrics.

This is achieved via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. Together, these meet internal and regulatory requirements.

Analysis of financial assets and liabilities by remaining contractual maturities

The following are the remaining contractual maturities of non-derivative financial assets and liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2022

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total |
|---|------------------|-------------------------------|---------------------------|---------------------|-------------------------|------------------|
| Financial assets: | | | | | | |
| Cash and cash equivalent | 990.60 | 2,800.00 | - | - | - | 3,790.60 |
| Loans (Gross) | - | 15,384.45 | 12,052.90 | - | - | 27,437.35 |
| Investment | - | - | - | - | 162.51 | 162.51 |
| Other financial assets | - | 0.71 | - | - | 0.22 | 0.93 |
| Total financial assets | 990.60 | 18,185.16 | 12,052.90 | - | 162.73 | 31,391.39 |
| Financial liabilities: | | | | | | |
| Payables | 13.13 | - | - | - | - | 13.13 |
| Borrowings (Undiscounted)(Other than Debt Securities) | - | 16,700 | 6,700 | - | - | 23,400.00 |
| Other Financial liabilities | 0.03 | - | - | - | - | 0.03 |
| Subordinated Liabilities (Undiscounted) | - | - | - | 45.89 | - | 45.89 |
| Total financial liabilities | 13.16 | 16,700.00 | 6,700.00 | 45.89 | - | 23,459.05 |
| Total net financial assets / (liabilities) | 977.44 | 1,485.16 | 5,352.90 | (45.89) | 162.73 | 7,932.34 |



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As at March 31, 2021

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Total |
|---|---------------|--------------------|-------------------|--------------|---------------|------------------|
| Financial assets: | | | | | | |
| Cash and cash equivalent | 545.10 | 400.00 | - | - | - | 945.10 |
| Loans (Gross) | - | 14,465.78 | 7,288.33 | - | - | 21,754.11 |
| Investment | - | - | - | - | 237.63 | 237.63 |
| Other financial assets | 0.10 | 0.26 | - | - | 0.22 | 0.58 |
| Total financial assets | 545.20 | 14,866.04 | 7,288.33 | - | 237.85 | 22,937.42 |
| Financial liabilities: | | | | | | |
| Payables | 16.90 | - | - | - | - | 16.90 |
| Borrowings (Undiscounted)(Other than Debt Securities) | - | 2,250.00 | 13,150.00 | - | - | 15,400.00 |
| Other Financial liabilities | 3.57 | - | - | - | - | 3.57 |
| Subordinated Liabilities (Undiscounted) | - | - | - | - | 45.89 | 45.89 |
| Total financial liabilities | 20.47 | 2,250.00 | 13,150.00 | - | 45.89 | 15,466.36 |
| Total net financial assets / (liabilities) | 524.73 | 12,616.04 | (5,861.67) | - | 191.96 | 7,471.06 |

28.4. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

28.4.1. Currency Risk

The Company has an outstanding payable of GBP 0.013 million (Rs. 1.03 million) as on March 31,2022. Previous year GBP 0.02 million (Rs. 2.36 million).

28.4.2. Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The interest rate profile of the Company bears all the financial instrument at fixed rate. The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. The interest rate risk is on banking book, valued at amortised cost. The same is managed by establishing limits on interest rate gaps for stipulated period.



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29 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| | 31-Mar-22 | | | 31-Mar-21 | | |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial assets | | | | | | |
| Cash and cash equivalents | 3,790.60 | - | 3,790.60 | 945.10 | - | 945.10 |
| Loans (Net of ECL) | 27,383.84 | - | 27,383.84 | 21,614.78 | - | 21,614.78 |
| Investments | - | 162.51 | 162.51 | - | 237.63 | 237.63 |
| Other Financial assets | 0.71 | 0.22 | 0.93 | 0.36 | 0.22 | 0.58 |
| | | | | | | |
| Non-financial assets | | | | | | |
| Current Tax assets (Net) | - | 581.10 | 581.10 | - | 542.76 | 542.76 |
| Deferred Tax assets | - | 847.12 | 847.12 | - | 964.57 | 964.57 |
| Property, Plant and Equipment | - | 16.83 | 16.83 | - | 17.83 | 17.83 |
| Other Non-financial assets | 4.86 | - | 4.86 | 4.07 | - | 4.07 |
| Total Assets | 31,180.01 | 1,607.78 | 32,787.79 | 22,564.31 | 1,763.01 | 24,327.32 |
| | | | | | | |
| LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| Payables | 13.13 | - | 13.13 | 16.90 | - | 16.90 |
| Borrowings (other than debt securities) | 23,172.57 | - | 23,172.57 | 15,233.30 | - | 15,233.30 |
| Subordinated Liabilities | - | 29.66 | 29.66 | - | 26.92 | 26.92 |
| Other Financial liabilities | 0.03 | - | 0.03 | 3.57 | - | 3.57 |
| | | | | | | |
| Non-Financial liabilities | | | | | | |
| Provisions | 2.26 | 5.03 | 7.29 | 2.19 | 2.82 | 5.01 |
| Other non-financial liabilities | 4.96 | - | 4.96 | 3.43 | - | 3.43 |
| Total Liabilities | 23,192.95 | 34.69 | 23,227.64 | 15,259.39 | 29.74 | 15,289.13 |
| Net | 7,987.06 | 1,573.09 | 9,560.17 | 7,304.92 | 1,733.27 | 9,038.20 |



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30 Changes in Liabilities arising from financing activities

As on March 31,2022

| Particulars | Opening balance as on March 31, 2021 | Received During the year | Repaid during the year | Closing balance as on March 31, 2022 |
|---------------------------|---|-------------------------------------|-----------------------------------|---|
| Bank Borrowings* | - | 4,100.00 | (4,100.00) | - |
| Commercial Papers* | 15,400.00 | 50,950.00 | 42,950.00 | 23,400.00 |

As on March 31,2021

| Particulars | Opening balance as on March 31, 2020 | Received During the year | Repaid during the year | Closing balance as on March 31, 2021 |
|---------------------------|---|-------------------------------------|-----------------------------------|---|
| Bank Borrowings* | 500.00 | 12,750.00 | (13,250.00) | - |
| Commercial Papers* | 12,100.00 | 24,450.00 | (21,150.00) | 15,400.00 |

* Amounts reported are in nominal value



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31 Related party disclosures as required by Ind AS 24

Related parties and relationships

Names of Related parties Nature of relationship

Holding Companies

Barclays Bank PLC, United Kingdom Ultimate holding company

Barclays Bank PLC, India Branches Branch of holding company

Others

Barclays Securities (India) Private Limited Associate Company

Barclays Mauritius Overseas Holdings Limited (BMOH) Fellow subsidiary company

Barclays Execution Services Limited, United Kingdom Fellow subsidiary company

Mr. Ruzbeh Sutaria (Whole Time Director) Key Management Personnel

Mr. Rakesh Kripalani Non-Executive Director

Mr. Rajeev Ghadi Non-Executive Director

Mr. Nirav Mody Non-Executive Director

Mr. Gurupad Pavan (resigned w.e.f Jan 20, 2021) Non-Executive Director

CS Noopur Gupta (Company Secretary) Key Management Personnel



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The following transactions were carried out with related parties in the ordinary course of business:

| Year ended March 31, 2022 | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total |
|-----------------------------------|---|--|---------------------------------|-------------------|
| Interest income | 64.29 | - | - | 64.29 |
| Barclays Bank PLC, India Branches | 64.29 | - | - | 64.29 |
| Previous year | 18.83 | - | - | 18.83 |
| Barclays Bank PLC, India Branches | 18.83 | - | - | 18.83 |
| Interest on borrowings | 4.75 | - | - | 4.75 |
| Barclays Bank PLC, India Branches | 4.75 | - | - | 4.75 |
| Previous year | 9.50 | - | - | 9.50 |
| Barclays Bank PLC, India Branches | 9.50 | - | - | 9.50 |
| Fixed deposit placed | 110,800.00 | - | - | 110,800.00 |
| Barclays Bank PLC, India Branches | 110,800.00 | - | - | 110,800.00 |
| Previous year | 9,500.00 | - | - | 9,500.00 |
| Barclays Bank PLC, India Branches | 9,500.00 | - | - | 9,500.00 |
| Fixed deposit repaid | 108,400.00 | - | - | 108,400.00 |
| Barclays Bank PLC, India Branches | 108,400.00 | - | - | 108,400.00 |
| Previous year | 12,100.00 | - | - | 12,100.00 |
| Barclays Bank PLC, India Branches | 12,100.00 | - | - | 12,100.00 |
| Sales Support Service | 2.07 | - | - | 2.07 |
| Barclays Bank PLC, India Branches | 2.07 | - | - | 2.07 |
| Previous year | 1.04 | - | - | 1.04 |
| Barclays Bank PLC, India Branches | 1.04 | - | - | 1.04 |



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| Year ended March 31, 2022 | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total |
|---|---|--|---------------------------------|------------------|
| Service and other cost reimbursements | - | 14.21 | - | 14.21 |
| Barclays Bank PLC, India Branches | - | - | - | - |
| Barclays Execution Services Limited | - | 8.50 | - | 8.50 |
| Barclays Securities (India) Private Limited | - | 5.71 | - | 5.71 |
| Barclays Global Service Centre Private Limited | - | - | - | - |
| Previous year | 0.50 | 12.49 | - | 12.99 |
| Barclays Bank PLC, India Branches | 0.50 | - | - | 0.50 |
| Barclays Execution Services Limited | - | 7.82 | - | 7.82 |
| Barclays Securities (India) Private Limited | - | 4.67 | - | 4.67 |
| Barclays Global Service Centre Private Limited | - | - | - | - |
| Service and other cost reimbursements received | - | 1.19 | - | 1.19 |
| Barclays Securities India Private Limited | - | 1.19 | - | 1.19 |
| Previous year | - | 0.63 | - | 0.63 |
| Barclays Securities India Private Limited | - | 0.63 | - | 0.63 |
| Borrowed during the year | 4,100.00 | - | - | 4,100.00 |
| Barclays Bank PLC, India Branches | 4,100.00 | - | - | 4,100.00 |
| Previous year | 10,150.00 | - | - | 10,150.00 |
| Barclays Bank PLC, India Branches | 10,150.00 | - | - | 10,150.00 |
| Borrowings repaid during the year | 4,100.00 | - | - | 4,100.00 |
| Barclays Bank PLC, India Branches | 4,100.00 | - | - | 4,100.00 |
| Previous year | 10,150.00 | - | - | 10,150.00 |
| Barclays Bank PLC, India Branches | 10,150.00 | - | - | 10,150.00 |
| Employee Cost*** | - | - | 10.69 | 10.69 |
| Previous year | - | - | 10.05 | 10.05 |



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| Year ended March 31, 2022 | Holding Company and its Branches | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total |
|--|---|--|---------------------------------|--------------|
| Bank charges (Miscellaneous expenses) | 0.005 | - | - | 0.005 |
| Barclays Bank PLC, India Branches | 0.005 | - | - | 0.005 |
| Previous year March 31, 2021 | 0.004 | - | - | 0.004 |
| Barclays Bank PLC, India Branches | 0.004 | - | - | 0.004 |
| | | | | |
| Bonus Accrual | 0.15 | - | - | 0.15 |
| Barclays Bank PLC, UK | 0.15 | - | - | 0.15 |
| Previous year March 31, 2021 | 0.11 | - | - | 0.11 |
| Barclays Bank PLC, UK | 0.11 | - | - | 0.11 |

***pertains to Ruzbeh Sutaria and Noopur Gupta

| Year ended March 31, 2022 | Holding Company | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total |
|---|------------------------|--|---------------------------------|---------------|
| Outstanding at year end | | | | |
| Bank balances | 990.09 | - | - | 990.09 |
| Barclays Bank PLC, India Branches | 990.09 | - | - | 990.09 |
| Previous year March 31, 2021 | 516.75 | - | - | 516.75 |
| Barclays Bank PLC, India Branches | 516.75 | - | - | 516.75 |
| | | | | |
| Outstanding balance receivable | - | - | - | - |
| Barclays Securities (India) Private Limited | - | - | - | - |
| Previous year March 31, 2021 | - | - | - | - |
| Barclays Securities (India) Private Limited | - | - | - | - |



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| Year ended March 31, 2022 | Holding Company | Associates / JV / Fellow Subsidiary Company | Key Management Personnel | Total |
|--|------------------------|--|---------------------------------|-----------------|
| Outstanding balance payable | - | 0.98 | - | 0.98 |
| Barclays Bank PLC, India Branches | - | - | - | - |
| Barclays Securities (India) Private Limited | - | 0.22 | - | 0.22 |
| Barclays Global Service Centre Private Limited | - | - | - | - |
| Barclays Execution Services Limited | - | 0.77 | - | 0.77 |
| Previous year March 31, 2021 | - | 4.08 | - | 4.08 |
| Barclays Bank PLC, India Branches | - | - | - | - |
| Barclays Securities (India) Private Limited | - | 1.70 | - | 1.70 |
| Barclays Global Service Centre Private Limited | - | - | - | - |
| Barclays Execution Services Limited | - | 2.38 | - | 2.38 |
| | | | | |
| Outstanding balance receivable | - | 0.01 | - | 0.01 |
| Barclays Securities (India) Private Limited | - | 0.01 | - | 0.01 |
| Previous year March 31, 2021 | - | - | - | - |
| Barclays Securities (India) Private Limited | - | - | - | - |
| | | | | |
| Fixed deposits | 2,800.00 | | | 2,800.00 |
| Barclays Bank PLC, India Branches | 2,800.00 | - | - | 2,800.00 |
| Previous year March 31, 2021 | 400.00 | | | 400.00 |
| Barclays Bank PLC, India Branches | 400.00 | - | - | 400.00 |
| | | | | |
| Interest accrued on Fixed deposits | 0.72 | - | - | 0.72 |
| Barclays Bank PLC, India Branches | 0.72 | - | - | 0.72 |
| Previous year March 31, 2021 | 0.26 | - | - | 0.26 |
| Barclays Bank PLC, India Branches | 0.26 | - | - | 0.26 |
| | | | | |
| Investments | - | 162.51 | - | 162.51 |
| Barclays Securities (India) Private Limited | - | 162.51 | - | 162.51 |
| Previous year March 31, 2021 | - | 237.63 | - | 237.63 |
| Barclays Securities (India) Private Limited | - | 237.63 | - | 237.63 |
| | | | | |
| Bonus Accrual | 0.26 | - | - | 0.26 |
| Barclays Bank PLC, UK | 0.26 | - | - | 0.26 |
| Previous year March 31, 2021 | 0.11 | - | - | 0.11 |
| Barclays Bank PLC, UK | 0.11 | - | - | 0.11 |



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Transactions with key management personnel are as follows:

| | Year ended March, 31 2022 | Year ended March, 31 2021 |
|------------------------------|---------------------------------|---------------------------------|
| Short term employee benefits | 10.69 | 10.05 |
| | 10.69 | 10.05 |

Break up between post employee benefits and other long term benefits is not available.

32 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is in compliance with the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

32.1. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years.

However, they are under constant review by the Board. For Capital to Risk Assets Ratio ('CAPAD') refer note 43.

33 Segment reporting

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 - 'Operating segments'.

34 Transfer pricing

The Company has developed a system of maintaining of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the statement of account, particularly on the amount of tax expense and that of provision for taxation.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
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 (All amounts in Indian Rupees Millions)

35 Restructured Accounts

In accordance with RBI circular DNBS.CO. PD. No. 367 / 03.10.01/2013-14 dated January 23, 2014, there are currently no reportable accounts as restructured account for the year ended March 31, 2022 (2021: Nil).

36 Dues to micro and small enterprise

The disclosures pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

| | March 31, 2022 Payables (Refer note 9) | March 31, 2021 Payables (Refer note 9) |
|--|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of information and records available and confirmation sought from suppliers on their registration with the specified authority under the said Act, there have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements

For the year ended March 31, 2022

(All amounts in Indian Rupees Millions)

37 Estimation of uncertainties relating to the global health pandemic on Covid-19.

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company is into lending business which is fully secured against securities and have higher resilience to downturn in the economy considering the liquidity of the collateral. It has also witnessed demand and support from the capital market/economy. The Company has been duly servicing its debt obligations, maintaining a healthy capital adequacy ratio along with adequate financial resources to run its business. As of March 31, 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

38 General Provision for COVID-19 Deferment cases:

In accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and May 23, 2020 the Company has granted moratorium on the payment of installments and / or interest, as applicable, falling due between March 01, 2020 and Aug 31, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. In accordance with the said guidelines, such accounts where moratorium has been granted will not be considered as restructured. Basis the information available up to a point in time the Company holds NIL provisions as at March 31, 2022 (Nil: March 31, 2021) against the potential impact of COVID-19.

Following are the details of such accounts and provisions made by the Company:

| Particulars | 31 March, 2022 |
|--|-----------------------|
| Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended as per COVID-19 Regulatory Package | |
| -Account Level | - |
| -Customer Level | - |
| Advances outstanding where asset classification benefits is extended | - |
| Provisions made as per para 5 of the COVID-19 Regulatory Package for the financial year | - |
| Provisions adjusted during the financial year ended March 31, 2022 | - |
| Residual provisions in terms of paragraph 6 of the COVID-19 Regulatory Package | - |



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements

For the year ended March 31, 2022

(All amounts in Indian Rupees Millions)

39 The Corporate Social Responsibility (CSR) Expenditure

| | 31-Mar-22 | 31-Mar-21 |
|--|---|------------------|
| Amount required to be spent by the company during the year | 13.80 | 13.06 |
| Amount of expenditure incurred | 13.80 | 13.07 |
| shortfall at the end of the year | - | - |
| Total of previous years shortfall | - | - |
| Reason for shortfall | - | - |
| Nature of CSR activities | Covid 19 relief and Life Skills employability project | Covid 19 relief |
| Details of related party transactions | Nil | Nil |
| where a provision is made with respect to a liability incurred by entering into a contractual obligation | Nil | Nil |

Note: Based on Standalone Financial Statements

40 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022 (2021: Nil).

41 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements

For the year ended March 31, 2022

(All amounts in Indian Rupees Millions)

42 Following are the disclosure as required under amended Schedule III :

- The company has not traded or invested in crypto currency or virtual currency during the financial year (Previous year: Nil).
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder (Previous year: Nil).
- The company has not been declared willful defaulter by any bank or financial institution or government or any government authority (Previous year: Nil).
- The company has not entered into any scheme of arrangement (Previous year: Nil).
- No satisfaction of charges are pending to be filed with ROC (Previous year: Nil).
- There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Previous year: Nil).
- There are no transactions with struck off companies under section 248 of the Companies Act, 2013 (Previous year: Nil)

43 Financial Ratios as required under amended Schedule III :

| Items * | 31-Mar-22 | 31-Mar-21 |
|----------------------------|-----------|-----------|
| CRAR (%) | 31.55% | 37.05% |
| CRAR - Tier I capital (%) | 31.25% | 36.28% |
| CRAR - Tier II Capital (%) | 0.30% | 0.77% |
| Liquidity Coverage Ratio | NA | NA |

* Ratios are disclosed based on Standalone Financial Statement



Barclays Investments & Loans (India) Private Limited
Notes forming part of consolidated financial statements
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 (All amounts in Indian Rupees Millions)

| 44 | Name of the entity in the Group | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|----|---|---|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | | As % of Consolidated net Assets | Amount (In millions) | As % of Consolidated profit or loss | Amount (In millions) | As % of Consolidated OCI | Amount (In millions) | As % of Consolidated Total | Amount (In millions) |
| | Holding Company | 101% | 9,643.05 | 114% | 598.58 | 55% | (1.50) | 114% | 597.08 |
| | Indian Associates (Investment as per equity method) | -1% | (82.89) | -14% | (73.90) | 45% | (1.21) | -14% | (75.12) |
| | Total | 100% | 9,560.16 | 100% | 524.68 | 100% | (2.72) | 100% | 521.96 |

45 There is no financing of parent company products.

46 Expenditure / Remittances in Foreign Currencies.

| Particulars | 31-Mar-22 | 31-Mar-21 |
|----------------------|-----------|-----------|
| Service Cost | 8.50 | 7.82 |
| Other charges (GSPP) | 0.15 | 0.11 |

Note: Based on Standalone Financial Statements

47 Previous year's figures have been regrouped/rearranged, where necessary.

For Suresh Surana & Associates L For and on behalf of the Board

Chartered Accountants

Firm registration No.121750W/W-100010

Rajesh Maniar

Partner

Membership No. 040833

Rakesh Kripalani

Director

DIN No.02877283

Ruzbeh Sutaria

Director

DIN No. 07889937

Noopur Gupta

Company Secretary

ACS 27413

Place : Bengaluru

Date : September 13 2022

Place : Mumbai

Date : September 13 2022

BARCLAYS INVESTMENTS AND LOANS (INDIA) PRIVATE LIMITED
Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures
Part “A”: Subsidiaries – Not applicable

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No.
2. Name of the subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | |
|---|--|
| Name of Associates/Joint Ventures | Barclays Securities (India) Private Limited |
| 1. Latest audited balance sheet date | March 31, 2022 |
| 2. Shares of Associate / Joint Ventures held by the company on the year end | |
| No. | 44,625,000 |
| Extent of holding | 25% |
| 3. Description of how there is significant influence | As per Companies Act, 2013, “associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. |

BARCLAYS INVESTMENTS AND LOANS (INDIA) PRIVATE LIMITED

| | |
|---|--|
| | As per Companies Act, 2013 “significant influence” means control of at least 20% of total share capital, or of business decisions under an agreement. As Barclays Investments and Loans (India) Limited is holding more than 20% share capital in Barclays Securities (India) Private Limited (the “Company”), it is considered to have significant influence on the Company. |
| 4. Reason why the associate/joint venture is not consolidated | N.A. |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet (Networth is as per definition of the Companies Act, 2013) | Rs. 940.98 millions as at March 31, 2022 Rs. 235.25 millions (25% of above) as at March 31, 2022 |
| 6. Profit / (Loss) for the year | Rs. (300.48) millions |
| i. Considered in Consolidation | Rs. (75.12) millions |
| ii. Not Considered in Consolidation | Rs. (225.36) millions |

For and on behalf of the Board

Rakesh Kripalani
Director (DIN: 02877283)

Ruzbeh Sutaria
Director (DIN: 07889937)

Noopur Gupta
Company Secretary (ACS27413)

Place: Mumbai
Date: September 13, 2022